This Management's Discussion and Analysis ("MD&A"), prepared as at August 1, 2012, focuses on key statistics from the Condensed Consolidated Interim 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 discussion should not be considered all-inclusive, as it does not attempt to include changes that may occur in general economic, political and environmental conditions.

Second Quarter Highlights

- Fourth consecutive quarter of increasing consolidated revenues and EBITDAS;
- Second quarter revenues and EBITDAS included a payment of $5.1 million representing an end of contract billing for minimum utilization over the term of a particular contract in excess of actual utilization;
- Growth was led by the Camps & Catering segment, excluding the $5.1 million payment, revenues increased by $37.1 million, and
- Continued investment and focus on the Alberta oil sands region with 64% of second quarter revenues generated from oil sands related projects.

Second Quarter Financial Summary

	Three months ended June 30			Six months ended June 30		
(000's except per share amounts)	2012	2011	% Change	2012	2011	% Change
Revenue	$ 139,551	$ 86,607	61%	$ 268,148	$ 189,766	41%
EBITDAS[(1)]	40,463	22,019	84%	74,908	44,824	67%
EBITDAS as a % of revenue	29%	25%		28%	24%	
Operating earnings[(1)]	30,056	14,652	105%	56,136	30,193	86%
Total profit	21,769	10,233	113%	40,630	21,145	92%
Total comprehensive income	21,854	10,233	114%	40,646	21,145	92%
Earnings per share – basic	$ 0.20	$ 0.10	100%	$ 0.38	$ 0.20	90%
– diluted	$ 0.20	$ 0.10	100%	$ 0.37	$ 0.20	85%
Total assets	428,494	315,251	36%	428,494	315,251	36%
Long-term loans and borrowings	86,161	42,773	101%	86,161	42,773	101%
Funds from operations[(2)]	30,422	17,232	77%	57,845	34,399	68%
Capital spending	35,346	30,423		69,523	56,247	
Debt to total capitalization ratio[(3)]	0.26	0.19		0.26	0.19	

(1) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment, and share based compensation) and operating earnings (earnings before interest, taxes, and earnings on equity investments) are not recognized measures under IFRS. Management believes that in addition to total profit and total comprehensive income, 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, and it is regularly provided to and reviewed by the Chief Operating Decision Maker and operating earnings 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. Horizon's method of calculating EBITDAS and operating earnings may differ from other entities and accordingly, may not be comparable to measures used by other entities. EBITDAS and operating earnings should not be construed as alternatives to total profit and comprehensive income determined in accordance with IFRS as an indicator of the Corporation's performance. For a reconciliation of EBITDAS and operating earnings to total profit and comprehensive income, please refer to page 3 of the Management's Discussion and Analysis.

(2) Funds from operations is not a recognized measure under IFRS. 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 IFRS 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, interest and income taxes paid, financing costs, and income tax expense.

(3) Debt to total capitalization is calculated as the ratio of debt to total capitalization. Debt is defined as the sum of and current and long-term portions of loans and borrowings. Total capitalization is calculated as the sum of debt and shareholders' equity

Overview and Outlook

Horizon reported its fourth consecutive quarter of increasing revenue and EBITDAS, with results for the three months ended June 30, 2012 establishing new records for both revenue and EBITDAS. Revenue and EBITDAS are expected to maintain at or near current levels for the remaining two quarters of 2012 with increases coming early in 2013 as new assets are deployed and winter projects getting underway.

Oil sands development and related activities continue to be the main driver of Horizon's growth with 64% of consolidated second quarter revenues driven from these activities. With robust oil sands development expected to continue, Horizon will focus the majority of its capital deployment in support of oil sands development. As a result of the focus on oil sands development seasonality in Horizon's revenue has been significantly reduced.

Horizon's manufacturing facilities continue to be highly utilized, with capacity allocated between external sales projects and investment in the camp rental fleet. During the first six months of the year, 77% of capacity was allocated to third party sales projects with the remaining 23% dedicated to internal fleet build projects. Considering the current manufacturing backlog, allocation of production for the remainder of 2012 will continue to be heavily weighted to third party sales, consistent with the first half of 2012.

Horizon's matting division had its strongest second quarter on record. Wet conditions along with the mix of oil sands related projects drove very strong utilization in the access mat rental fleet and significant mat sales. The remainder of 2012 will see rentals and sales continue to be driven by; oil sand, natural gas, and pipeline development projects.

Dividend Payment

Horizon North Logistic Inc. announced today that its Board of Directors has declared a dividend for the third quarter of 2012 at $0.05 per share. The dividend is payable to shareholders of record at the close of business on September 28, 2012 to be paid on October 12, 2012. The dividends are eligible dividends for Canadian tax purposes.

Second Quarter Financial Results

	Three months ended June 30, 2012					
(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	$ 116,937	$ 25,232	$ 679	$ -	$ (3,297)	$ 139,551
Expenses						
Direct costs	78,349	18,918	500	(1)	(3,174)	94,592
Selling & administrative	1,635	153	4	2,704	-	4,496
EBITDAS	36,953	6,161	175	(2,703)	(123)	40,463
EBITDAS as a % of revenue	32%	24%	26%	-	-	29%
Share based payments	339	52	-	262	-	653
Depreciation & amortization	7,290	2,152	106	130	(38)	9,640
Loss (gain) on disposal of property, plant and equipment	142	(28)	-	-	-	114
Operating earnings (loss)	$ 29,182	$ 3,985	$ 69	$ (3,095)	$ (85)	$ 30,056
Finance costs						849
Loss on equity investments						19
Income tax expense						7,419
Other comprehensive income						(85)
Total comprehensive income						$ 21,854
Earnings per share – basic & diluted						$ 0.20

	Three months ended June 30, 2011					
(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
Revenue	$ 74,695	$ 12,255	$ 975	$ -	$ (1,318)	$ 86,607
Expenses						
Direct costs	53,313	8,711	746	2	(1,280)	61,492
Selling & administrative	853	95	7	2,141	-	3,096
EBITDAS	$ 20,529	$ 3,449	$ 222	$ (2,143)	$ (38)	$ 22,019
EBITDAS as a % of revenue	27%	28%	23%	-	-	25%
Share based payments	90	9	1	53	-	153
Depreciation & amortization	5,557	1,507	115	88	(22)	7,245
Gain on disposal of property, plant and equipment	(1)	(30)	-	-	-	(31)
Operating earnings (loss)	$ 14,883	$ 1,963	$ 106	$ (2,284)	$ (16)	$ 14,652
Finance costs						576
Loss on equity investments						20
Income tax expense						3,823
Other comprehensive income						-
Total comprehensive income						$ 10,233
Earnings per share – basic & diluted						$ 0.10

Financial Results (continued)

(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
	Six months ended June 30, 2012					
Revenue	$ 229,123	$ 43,570	$ 1,420	$ -	$ (5,965)	$ 268,148
Expenses						
Direct costs	156,509	32,773	894	-	(5,574)	184,602
Selling & administrative	2,648	264	4	5,722	-	8,638
EBITDAS	69,966	10,533	522	(5,722)	(391)	74,908
EBITDAS as a % of revenue	31%	24%	37%	-	-	28%
Share based payments	372	63	1	307	-	743
Depreciation & amortization	13,611	3,909	217	244	(61)	17,920
Loss (gain) on disposal of property, plant and equipment	137	(28)	-	-	-	109
Operating earnings (loss)	$ 55,846	$ 6,589	$ 304	$ (6,273)	$ (330)	$ 56,136
Finance costs						1,543
Gain on equity investments						(27)
Income tax expense						13,990
Other comprehensive income						(16)
Total comprehensive income						$ 40,646
Earnings per share – basic						$ 0.38
– diluted						$ 0.37

(000's)	Camps & Catering	Matting	Marine Services	Corporate	Inter-segment Eliminations	Total
	Six months ended June 30, 2011					
Revenue	$ 160,818	$ 30,096	$ 1,807	$ -	$ (2,955)	$ 189,766
Expenses						
Direct costs	118,031	22,179	1,205	2	(2,864)	138,553
Selling & administrative	1,727	194	7	4,461	-	6,389
EBITDAS	$ 41,060	$ 7,723	$ 595	$ (4,463)	$ (91)	$ 44,824
EBITDAS as a % of revenue	26%	26%	33%	-	-	24%
Share based payments	174	19	2	114	-	309
Depreciation & amortization	10,968	2,817	222	172	(38)	14,141
Loss on disposal of property, plant and equipment	83	98	-	-	-	181
Operating earnings (loss)	$ 29,835	$ 4,789	$ 371	$ (4,749)	$ (53)	$ 30,193
Finance costs						1,189
Loss on equity investments						41
Income tax expense						7,818
Other comprehensive income						-
Total comprehensive income						$ 21,145
Earnings per share – basic & diluted						$ 0.20

Camps & Catering

(000's except bed rental days and catering only days)	Three months ended June 30 2012	2011	% change	Six months ended June 30 2012	2011	% change
Camp rental and catering operations revenue	$ 60,109	$ 43,978	37%	$ 135,111	$ 90,461	49%
Manufacturing sales and service revenue	54,036	28,541	89%	87,350	66,784	31%
Space rental and service revenue	2,792	2,176	28%	6,662	3,573	86%
Total revenue	$ 116,937	$ 74,695	57%	$ 229,123	$ 160,818	42%
EBITDAS	$ 36,953	$ 20,529	80%	$ 69,966	$ 41,060	70%
EBITDAS as % of revenue	32%	27%	19%	31%	26%	19%
Operating earnings	$ 29,182	$ 14,883	96%	$ 55,846	$ 29,835	87%
Bed rental days(1)	250,403	206,491	21%	587,577	416,046	41%
Catering only days(2)	53,697	45,618	18%	126,216	104,563	21%

(1) One bed rental day equals the rental of one bed and the provision of related catering and housekeeping services for one day.

(2) One catering only day equals the provision of catering and housekeeping services with no related bed rental for one day.

Revenues from the Camps & Catering segment were $116.9 million for the three months ended June 30, 2012 compared to $74.7 million for the three months ended June 30, 2011, an increase of $42.2 million or 57%. EBITDAS for the three months ended June 30, 2012 were $37.0 million or 32% of revenue compared to $20.5 million or 27% of revenue for the three months ended June 30, 2011, an increase of $16.5 million or 80%.

Included in revenue and EBITDAS for the quarter was a payment of $5.1M representing an end of contract billing for minimum utilization over the term of a particular contract in excess of the actual utilization. Excluding this payment, revenues were $111.8 million and EBITDAS were $31.9 million or 29% of revenues, significantly above the same period of 2011.

Horizon's Camps & Catering segment continued its trend of strong revenue and EBITDAS growth driven mainly by significant oil sands development activity and investment by oil sands operators. 66% of segment revenue, for the six months ended June 30, 2012 were derived from oil sands related activity compared to 64% for the same period of 2011.

Camp rental and catering operations revenue

Revenues are derived from the following main business areas: large camp operations, drill camp operations, catering only operations, and the associated service work with each operation. Service work includes the transportation, setup and de-mobilization of the camp and catering operations. Revenues from camp and catering operations were $60.1 million for the three months ended June 30, 2012 compared to $44.0 million for the three months ended June 30, 2011, an increase of $16.1 million or 37%.

The table below outlines the key performance metrics used by management to measure performance in the large camp and drill camp operations.

	Three months ended June 30					
(000's for revenue only)	2012			2011		
	Large camp	Drill camp	Total	Large camp	Drill camp	Total
Revenue	$49,363	$808	$50,171	$34,917	$867	$35,784
Bed rental days	246,237	4,166	250,403	201,201	5,290	206,491
Revenue per bed rental day	$180[(1)]	$194	$180[(1)]	$174	$164	$173
Rentable beds at period end	5,116	950	6,066	3,861	1,018	4,879
Average rentable beds available[(2)]	5,108	950	6,058	3,657	1,018	4,675
Utilization[(3)]	53%	5%	45%	60%	6%	49%

	Six months ended June 30					
(000's for revenue only)	2012			2011		
	Large camp	Drill camp	Total	Large camp	Drill camp	Total
Revenue	$102,143	$8,963	$111,106	$68,227	$4,059	$72,286
Bed rental days	539,975	47,602	587,577	391,496	24,550	416,046
Revenue per bed rental day	$180[(1)]	$188	$180[(1)]	$174	$165	$174
Rentable beds at period end	5,116	950	5,961	3,861	1,018	4,879
Average rentable beds available[(2)]	4,894	950	5,844	3,488	1,018	4,506
Utilization[(3)]	61%	26%	55%	62%	13%	51%

(1) Revenue per bed rental day for the three months ended June 30, 2012 and six months ended June 30, 2012 excludes the $5.1 million payment.

(2) Average rentable beds available is equal to total average beds in the fleet over the period less beds required for staff.

(3) Utilization equals the total number of bed rental days divided by average rentable beds available times days in the quarter.

Revenues from large camp operations for the three months ended June 30, 2012, excluding the $5.1 million payment, increased by $9.3 million or 27% as compared to the same period in 2011. The revenue growth was driven by Horizon's ability to leverage the continued strong demand from Alberta oil sands operators for turnkey camp solutions. The majority of Horizon's 2011 and 2012 capital plan is focused on growing the rental fleet in the oil sands region. As at June 30, 2012, total rentable beds in the Alberta oil sands region were 5,116 as compared to 3,861 in the same period of 2011.

Utilization of the expanded large camp fleet dipped slightly in the second quarter as compared to the same period in the prior year, primarily due to timing of completed contracts. There are typically several months between contracts as equipment is de-mobilized from completed contracts and redeployed onto new projects. The quarter ended June 30, 2012, saw a higher number of beds in transition as compared to the same period of 2011.

Revenue per bed rental day, excluding the payment of $5.1 million, increased over the comparative quarters to $180, as compared to $174 in the same period of 2011. The increase of $6 is more reflective of revenue mix and the nature of current contracts, rather than increasing rates.

Revenues from drill camp operations for the three months ended June 30, 2012 decreased slightly as compared to the same period of 2011. The decrease was driven by lower industry activity with The Canadian Association of Oilwell Drilling Contractors (CAODC) reporting rig utilization down by 2% in the comparative periods. Offsetting the lower volumes, revenue per bed rental day increased by $30 per day due to a combination of additional equipment and services requested by the customer once the camp is operational.

The tables below outline the key performance metrics used by management to measure performance in the catering only and equipment rental operations.

	Three months ended June 30		Six months ended June 30	
(000's for revenue only)	2012	2011	2012	2011
Catering only revenue	$ 5,577	$ 4,035	$ 13,121	$ 9,796
Catering only days[(1)]	53,697	45,618	126,216	104,563
Revenue per catering only day	$104	$88	$104	$94

(1) One catering only day equals the provision of catering and housekeeping services with no related bed rental for one day.

Revenues from the provision of catering and housekeeping only services, with no associated bed rentals, increased $1.5 million or 38% for the three months ended June 30, 2012 as compared to same period of 2011. The increased volumes came from an expanded customer base as compared to the same period of 2011. The remainder of the revenue increase came from a higher revenue per catering day, a result of additional services requested by the customer and the mix of contracts as compared to the same period of 2011.

The table below outlines the service revenue generated from the camp and catering operation.

	Three months ended June 30		Six months ended June 30	
(000's)	2012	2011	2012	2011
Camp and catering operations service related revenue	$ 4,361	$ 4,161	$ 10,884	$ 8,379

Service revenues in the camp & catering operations is related to the transportation, setup and de-mobilization of camps. Revenue was relatively consistent in the comparative quarters mainly due to similar levels of activity in the set up and demobilization of both large camps and drill camps.

Manufacturing sales and service revenue

Manufacturing sales and service revenue includes new manufacturing operations and the transportation and installation associated with new manufacturing. Revenues for the three months ended June 30, 2012 were $54.0 million as compared to $28.5 million for the same period in 2011, an increase of $25.5 million or 89%. The increase was a result of higher levels of activity in both manufacturing and installation operations.

Manufacturing capacity increased by 10% through the addition of production staff for the three months ended June 30, 2012 as compared to the same period of 2011. Total production capacity is constantly reviewed by management and allocated as required to meet external third party contracts and internal fleet requirements. In the second quarter of 2012 a significantly higher proportion of production was allocated to meet external orders as compared to the same period of 2011. For the six months ended June 30, 2012, 77% of total production was allocated to external third party contacts as compared to 57% in the same period of 2011. The service revenue, which includes the transportation and installation components of the sale, typically follows the manufacturing activity and for the three months ended June 30, 2012 service was focused primarily on two significant oil sands related camp projects, compared to one significant project in the same period of 2011.

Space rental and service revenue

Space rental and service revenue for the three months ended June 30, 2012 was $2.8 million as compared to $2.2 million for the same period in 2011. The rental fleet performance was consistent in the comparative periods with utilization at 88% and rental rates up slightly due to the location and mix of rental contracts.

Direct costs

Direct costs for the three months ended June 30, 2012 were $78.3 million or 70% of the revenue normalized for the payment of $5.1M, compared to $53.3 million or 71% of revenue for the same period of 2011. Direct costs are closely related to business volumes and the increase in overall direct costs was primarily a result of the higher activity levels in the comparative periods. As a percentage of revenue, direct costs remained relatively static in the comparative periods indicating cost escalation has not been a significant factor.

Matting

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

	Three months ended June 30			Six months ended June 30		
(000's except mat rental days and numbers of mats)	2012	2011	% change	2012	2011	% change
Access mat rental revenue[1]	$ 6,311	$1,904	231%	$ 8,439	$ 2,109	300%
Other mat and rental equipment revenue[2]	$ 422	$163	159%	$ 1,103	$ 589	87%
Total mat and equipment rental revenue	$ 6,733	$2,067	226%	$ 9,542	$ 2,698	254%
Mat sales revenue	8,440	4,993	69%	15,009	15,580	(4%)
Installation, transportation, service, and other revenue	10,059	5,195	94%	19,019	11,818	61%
Total revenue	$ 25,232	$12,255	106%	$ 43,570	$ 30,096	45%
EBITDAS	$ 6,161	$3,449	79%	$ 10,533	$ 7,723	36%
EBITDAS as a % of revenue	24%	28%	(14%)	24%	26%	(8%)
Operating earnings	$ 3,985	$1,963	103%	$ 6,589	$ 4,789	38%
Access mat rental days[3]	2,164,495	787,029	175%	2,908,839	1,057,616	175%
Average owned access mats in rental fleet[4]	15,377	9,109	69%	13,172	8,181	61%
Average sub rental access mats in rental fleet[5]	11,375	-	100%	5,688	-	100%
Access mats in rental fleet at quarter end[4]	15,287	10,302	48%	15,287	10,302	48%
Mat sold:						
New mats	10,135	6,219	63%	17,542	18,604	(6%)
Used Mats	1,647	111	1384%	3,546	2,493	42%
Total mats sold	11,782	6,330	86%	21,088	21,097	0%

(1) Access mat rental revenue includes revenues generated from the rental of traditional oak and oak edged mats.
(2) Other mat rental equipment revenue includes the rental of rig mats, quad mats, other ancillary equipment such as well site accommodation units and light towers.
(3) One mat rental day equals the rental of one access mat for one day.
(4) Average access mat rental fleet numbers reflect only owned access mats.
(5) Average sub rental access mats is the average number of non-owned access mats in the rental fleet. These mats are rented from third parties on a short term basis.

Revenues from the Matting segment were $25.2 million for the three months ended June 30, 2012 compared to $12.3 million in the same period of 2011, an increase of $12.9 million or 106%. EBITDAS for the three months ended June 30, 2012 were $6.2 million or 24% of revenue as compared to $3.4 million or 28% of revenue for the same period of 2011, an increase of $2.7 million or 79%.

The revenue and EBITDAS growth was driven by an unusually wet spring and by continued strong demand to purchase mats for oil sands and pipeline construction projects.

Mat and equipment rental revenue

Total mat and equipment rental revenues increased by $4.7 million or 226% in the comparative periods, driven by both increased volume of mat rental days and higher revenues per mat rental day. The increased level of rental activity in the comparative quarters was a combination of a wet spring and the mix of projects and customers. Higher rental day volumes were achieved by a larger owned rental fleet for the three months ended June 30, 2012 as compared to the same period of 2011, and by sub renting mats from a third party. Sub renting mats was an effective method to temporarily increase the fleet size to meet peak customer demand. Sub renting was not done in the comparative period of 2011. Stronger market conditions also helped boost access mat rental rates with revenue per rental day of $2.92 in the three months ended June 30, 2012 as compared to $2.42 in the same period of 2011.

Mat sales revenue

Revenues from mat sales for the three months ended June 30, 2012 increased by $3.4 million or 69% as compared to the same period of 2011. The higher revenue was a result of 3,916 more new mats sold in the three months ended June 30, 2012 as compared to the same period of 2011. The higher sales volume was partially offset by lower revenue per mat with revenue per mat sold for three months ended June 30, 2012 of $716, down from $789 in the same period of 2011. The decrease is a result of the mix of mats sold with fewer new mats and more used mats sold in the three months ended June 30, 2012 as compared to the same period of 2011. Used mat sales have a significantly lower selling price than new mats.

Installation, transportation, service, and other revenue

Installation, transportation, service, and other revenues are driven primarily from the level of activity in the mat rental and mat sale businesses and are charged for separately from rentals and sales. Revenues for the three months ended March 31, 2012 were higher by $4.9 million or 94% as compared to the same period in 2011. The increase is mainly due to the higher volume of both rentals and mat sales throughout the quarter.

Direct costs

Direct costs for the three months ended June 30, 2012 were $18.9 million or 75% of revenue as compared to $8.7 million or 71% of revenue for the same period of 2011. Direct costs are driven by the level of business activity, with the significant increase in activity for the comparative quarters, directs costs have increased accordingly. Costs in the rental operations increased in the three months ended June 30, 2012 as a result of costs related to the sub rental of access mats. Direct costs, as a percentage of revenue, increased by 4% due to the increased rental costs.

Marine Services

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

	Three months ended June 30			Six months ended June 30		
(000's)	2012	2011	% Change	2012	2011	% Change
Barge camp revenue	$ 664	$ 642	3%	$ 1,391	$ 1,308	6%
Rental and other revenue	15	333	(95%)	29	499	(94%)
Total revenue	$ 679	$ 975	(30%)	$ 1,420	$ 1,807	(21%)
EBITDAS	$ 175	$ 222	(21%)	$ 522	$ 595	(12%)
Operating earnings	$ 69	$ 106	(35%)	$ 304	$ 371	(18%)

Revenues from the Marine Services segment for the three months ended June 30, 2012 were $0.7 million as compared to $1.0 million in the same period of 2011, a decrease of $0.3 million or 30%. The decrease was primarily due to lower levels of activity in the three months ended June 30, 2012 as compared to the same period of 2011.

EBITDAS remained relatively consistent in the comparative quarters. EBITDAS as a percentage of revenue was 26% in the three months ended June 30, 2012 as compared to 23% in the same period of 2011.

Corporate

Corporate costs are the costs of the head office which include the President and Chief Executive Officer, Chief Financial Officer, Vice President of Health, Safety, and Environment, Vice President of Aboriginal Relations, Corporate Secretary, corporate accounting staff, and associated costs of supporting a public company. Corporate costs for the three months ended June 30, 2012 were $2.7 million as compared to $2.1 million in the same period in 2011. This increase of $0.6 million is driven by the increased cost to support the higher level of business activity. Corporate costs, as a percentage of total revenue, were 2.0% for the three months ended June 30, 2012 compared to 2.5% in same period of 2011.

Other Items

Depreciation and amortization

Depreciation and amortization costs for the three months ended June 30, 2012 were $9.6 million as compared to $7.2 million in the same period of 2011. The increase was mainly from depreciation which increased from $5.2 million to $7.6 million or 47%, as a result of net capital additions of $101.3 million in depreciable assets from June 30, 2011 to June 30, 2012 primarily in camp facilities. Amortization of intangibles remained relatively unchanged in the comparative periods at $2.0 million.

Financing costs

Financing costs on loans and borrowings for the three months ended June 30, 2012 were $0.8 million as compared to $0.6 million in the same period of 2011. The increase of $0.2 million was a result of a higher weighted average level of debt held. For the three months ended June 30, 2012 the weighted average debt was $69.9 million compared to $31.8 million in the same period of 2011.

Income taxes

Income tax expense was $7.4 million, an effective tax rate of 25.4%, for the three months ended June 30, 2012 as compared to a tax expense of $3.8 million, an effective rate of 27.2%, for the same period of 2011. The effective tax rate decreased due to a 1.0% decrease in federal tax rates from 2011 to 2012 as well as the change in estimated timing of realization of temporary differences.

Selling and administrative

Selling and administrative expense was $4.5 million for the three months ended June 30, 2012 as compared to $3.1 million in the same period of 2011. The increase is reflective of the higher levels of business activity in 2012 as compared to 2011. However, as a percentage of revenue, selling and administrative expense declined to 3.2% of revenue in 2012 as compared to 3.6% in 2011.

Liquidity and Capital Resources

The Corporation's working capital position and borrowing capacity are set out below:

(000's)	June 30, 2012		December 31, 2011	
Current assets	$	125,526	$	102,799
Current liabilities excluding loans and borrowings[(1)]		63,383		59,814
Current portion of loans and borrowings		1,149		1,281
Current liabilities		64,532		61,095
Working capital[(2)]	$	60,994	$	41,704
Bank borrowing:	$	80,288	$	49,524
Available bank lines		120,000	$	80,000
Borrowing capacity[(3)]	$	39,712	$	30,476

(1) Calculated as the sum of trade and other payables, income taxes payable, and deferred revenue.

(2) Calculated as current assets less current liabilities.

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

Working capital at June 30, 2012 was $61.0 million, $19.3 million higher than December 31, 2011. The increase was primarily due to the increasing activity levels through the first half of 2012.

On March 22, 2012, the Corporation increased its existing committed credit facility from $80 million to $120 million. The committed credit facility was also renewed for a term of 3 years, extendable annually at the Corporations request. In addition, a $35 million accordion feature is available upon request by the Corporation, subject to review and approval by the lenders. The committed credit facility is secured by a $150 million first fixed and floating charge debenture over all assets of the Corporation and its wholly owned subsidiaries. Interest is payable at the bank prime rate plus 0.75%. Amounts borrowed under the facility become due on March 22, 2015, the renewal date of the facility.

At June 30, 2012 the Corporation was in compliance with its debt covenants as shown below:

Debt Covenants	June 30, 2012
Debt [(1)] to EBITDAS [(2)(3)] – must be less than 2.0:1	0.66:1
Interest coverage[(4)] – must be greater than 3.0:1	47.1:1

(1) Debt is calculated as the sum of current and long-term portions of loans and borrowings.

(2) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment, and share based compensation) is not a recognized measure under IFRS. 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, and it is regularly provided to and reviewed by the Chief Operating Decision Maker. Horizon's method of calculating EBITDAS and operating earnings (loss) may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities For a reconciliation of EBITDAS and operating earnings to net earnings, please refer to page 3 of the Management's Discussion and Analysis.

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

(4) Interest coverage is calculated as the ratio of trailing 12 months EBITDAS to 12 months trailing interest expense on loans and borrowings.

Capital Spending

During the six months ended June 30, 2012, the Corporation spent $69.5 million on capital asset additions as compared to $56.2 million in the same period of 2011. Capital spending was concentrated on rental fleet expansion and replacement to meet demand in the Camps & Catering segment. Management evaluates and manages its capital spending plans taking into account proceeds from disposals, resulting in net capital spending for the quarter ended June 30, 2012 of $65.1 million.

Quarterly Summary of Results

	Three months ended		Six months ended
(000's except per share amounts)	March 2012	June 2012	June 2012
Revenue	$ 128,597	$ 139,551	$ 268,148
EBITDAS	34,445	40,463	74,908
Operating earnings	26,080	30,056	56,136
Total profit	18,861	21,769	40,630
Total comprehensive income	18,792	21,854	40,646
Earnings per share	$ 0.18	$ 0.20	$ 0.38
Earnings per share – diluted	$ 0.17	$ 0.20	$ 0.37

	Three months ended				Year ended
(000's except per share amounts)	March 2011	June 2011	September 2011	December 2011	December 2011
Revenue	$ 103,159	$ 86,607	$ 102,298	$ 110,929	$ 402,993
EBITDAS	22,805	22,019	28,443	29,369	102,636
Operating earnings	15,541	14,652	20,665	11,865	62,723
Total profit	10,912	10,233	15,068	8,609	44,822
Total comprehensive income	10,912	10,233	15,298	8,537	44,980
Earnings per share	$ 0.10	$ 0.10	$ 0.14	$ 0.08	$ 0.42
Earnings per share – diluted	$ 0.10	$ 0.10	$ 0.14	$ 0.08	$ 0.41

	Three months ended				Year ended
(000's except per share amounts)	March 2010	June 2010	September 2010	December 2010	December 2010
Revenue	$ 43,702	$ 45,644	$ 64,892	$ 85,020	$ 239,258
EBITDAS	8,970	7,271	17,361	18,881	52,483
Operating earnings	2,607	512	10,613	12,123	25,855
Total profit	1,041	(59)	7,346	8,102	16,430
Total comprehensive income	1,041	(59)	7,346	8,102	16,430
Earnings per share	$ 0.01	$ -	$ 0.07	$ 0.08	$ 0.16
Earnings per share – diluted	$ 0.01	$ -	$ 0.07	$ 0.08	$ 0.16

Through the last half of 2010, as the price of oil and minerals recovered and the economy began to strengthen, Horizon was able to significantly leverage investments in its manufacturing facilities and rental fleet. As a result, revenue and EBITDAS grew throughout 2010, gaining significant momentum in the second half of the year. Activity levels continued to improve throughout 2011 and through the first half of 2012. Horizon's strong performance is expected to continue in 2012 based on increasing customer demand driven by the levels of project investment and Horizon's continuing capital investment in expanding its fleet. With the high levels of investment being made by the energy sector and continued robust activity in the oil sands, strengthening demand and improving utilization is significantly reducing the seasonal nature of Horizon's business.

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

Current global economic events and uncertainty have the potential to significantly impact commodity pricing and, as such, change the economic feasibility of industry development projects. No assurance can be given that expected trends in oil and natural gas and mineral production activities will continue or that demand for services provided by Horizon will reflect the level of activity in the industry. Any prolonged substantial reduction in oil and natural gas and mineral prices would likely affect activity levels in these industries and therefore affect the demand for the services provided by Horizon.

In addition to global economic events and uncertainty, the capacity within North America to ship commodities to market introduces uncertainties in levels of activity and pricing for oil and natural gas and mineral production.

Competition

Horizon provides Camps & Catering, Matting and Marine Services primarily to oil and natural gas and mineral exploration and production companies in the western Canadian provinces and northern territories. 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, safety records and ongoing safety programs 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 trade and other accounts receivable are with customers involved in the oil and natural 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 natural 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 prevent further growth of 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 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 favorable 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 salaries, 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.

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, safety record and ongoing safety programs 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 Customers

In the quarter ended June 30, 2012, the Corporation had two significant customers who contributed greater than 10% of the consolidated revenue, for a combined total of 41%. The loss of these sources 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

The Government of Canada and provincial governments in areas where Horizon does business have been working through various forms of regulation and legislation focused on climate change and greenhouse gas emissions. Future federal legislation, together with provincial emission reduction requirements may require the reduction of emissions or emissions intensity from Horizon's operations and facilities and those of its customers. A number of Horizon's customers are involved in the oil and gas exploration and development industry, with specific focus on oil sands related projects. Focus and scrutiny has recently intensified on oil sands development, which could lead to incremental environmental regulation or legislation.

Potential changes in requirements may result in increased operating costs and capital expenditures for oil and gas and mining industry participants, thereby delaying or decreasing the demand for Horizon's services.

Management is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect Horizon's business, financial condition and results of operations. These regulations would likely result in higher operating costs for our customers in the region, putting further pressure on project economics, and may also impair Horizon's ability to provide its services economically.

Aboriginal Relationships

A component 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 on traditional aboriginal lands. 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.

Seasonal Operations

Each of Horizon's businesses has slightly different seasonal aspects. Certain segments of the Camps & Catering division are exposed to the seasonality of the western Canadian oil and natural gas drilling industry where the busiest months are January through March and the slowest months are April through September. However, seasonality has been significantly reduced due to increased exposure in the oil sands and mining sectors, which operate year round. 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.

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.

Changes in Accounting Policies

There have been no changes in accounting policies in the three months ended June 30, 2012.

Critical Accounting Estimates

This Management's Discussion and Analysis of the Corporation's financial condition and results of operations is based on its condensed consolidated financial statements which are prepared in accordance with International Financial Reporting Standards (IFRS). The presentation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of provisions 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:

Revenue recognition

The Corporation uses the percentage-of-completion method in accounting for its construction contract revenue. Use of the percentage-of-completion method requires estimates of the stage of completion of the contract to date as a proportion of the total contract work to be performed in accordance with the accounting policy set out in the notes to the consolidated financial statements.

Impairment

The Corporation assesses impairment at each reporting date by evaluating conditions specific to the organization that may lead to impairment of assets. Where an impairment indicator exists or annually for goodwill, the recoverable amount of the asset or cash generating unit is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

Financial Instruments and Risk Management

(a) Overview

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 and other receivables, trade and other payables, and long-term loans and borrowings. 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 and the Corporation's objectives, policies and processes for measuring and managing risk.

(b) 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 trade and other receivables:

(000's)	June 30, 2012	December 31, 2011
Neither impaired nor past due	$ 39,524	$ 32,975
Impaired	301	156
Outstanding 31-60 days	11,408	18,319
Outstanding 61-90 days	7,413	10,821
Outstanding more than 90 days	19,239	5,519
Total	77,885	67,790
Allowance for doubtful accounts	(301)	(156)
Accrued revenue	27,081	14,946
Other receivables	365	904
Total trade and other receivables	$ 105,030	$ 83,484

In the quarter ended June 30, 2012, the Corporation provided an allowance for $301,000 of receivables aged greater than 90 days. The Corporation also applied $12,507 of allowance for doubtful accounts against the associated receivable balance. As at August 1, 2012 the Corporation has collected $3,777,721 on amounts outstanding more than 90 days.

(c) 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.

The following shows the timing of cash outflows relating to trade and other payables and loans and borrowings:

	June 30, 2012		December 31, 2011	
	Trade and other payables[(1)]	Loans and borrowings[(2)]	Trade and other payables[(1)]	Loans and borrowings[(2)]
Year 1	$ 63,371	$ 1,149	$ 46,213	$ 1,281
Year 2	-	1,000	-	1,000
Year 3	-	4,873	-	50,523
Year 4	-	80,288	-	3,711
Year 5 and beyond	1,334	-	1,283	-
	$ 64,705	$ 87,310	$ 47,496	$ 56,515

(1) Trade and other payables include trade and other payables, deferred revenues, income taxes payable, and provisions.

(2) Loans and borrowings as at June 30, 2012 include non-interest bearing notes payable and Horizon's revolving credit facility which replaced the previous senior secured facility on June 30, 2012. Loans and borrowings as at December 31, 2011 include non-interest bearing notes payable and the Horizon's senior secured revolving term facility. Cash flows of Horizon's note payable have been recorded according to estimated utilization of specific equipment.

(d) 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.

(i) Foreign currency exchange risk

The Corporation began operations in the USA in September 2011 with a small camp & catering project in Montana. The foreign exchange risk with respect to this operation is limited to revenues and purchases being denominated in USD. For the Canadian operations, the Corporation has limited exposure to foreign currency exchange risk as sales and purchases are typically denominated in CAD. The Corporation's exposure to foreign currency exchange risk arises from the purchase of some raw materials, which are denominated in USD, and foreign operations with USD functional currency.

As the foreign currency exchange risks are primarily based on the realized foreign exchange, the following sensitivity analysis is to determine the impact on 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 months ended June 30, 2012 by approximately $171,000 (June 30, 2011 - $105,000). This assumes that the quantity of USD purchases and the foreign operations in the quarter remain unchanged and that the change in the USD/CAD exchange rate is effective from the beginning of the year.

(ii) 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 credit facility which bears interest at a rate of prime plus 0.75%. If prime were to have increased by 1.00%, it is estimated that the Corporation's net earnings would have decreased by approximately $325,000 for the six months ended June 30, 2012 (June 30, 2011 – $159,000). This assumes that the amount and mix of fixed and floating rate debt in the six months ended December 31, 2011 remains unchanged and that the change in interest rates is effective from the beginning of the year.

Outstanding Shares

Horizon had 108,148,943 voting common shares issued and outstanding with a book value of $178,210,625 or $1.65 per share as at June 30, 2012.

Off Balance Sheet Financing

Horizon has no off balance sheet financing.

Management's Report on Disclosure Controls and Procedures and Internal Control over Financial Reporting

Disclosure Controls & Procedures

As at December 31, 2011, 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 this evaluation, the CEO and CFO concluded that, as at December 31, 2011 Horizon's DC&P, as defined by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, were effective.

There were no changes in Horizon's DC&P that occurred during the six months ended June 30, 2012 that have materially affected, or are reasonably likely to materially affect, Horizon's DC&P.

Internal Controls over Financial Reporting

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

Because of 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.

As at December 31, 2011, an evaluation was carried out, under the supervision of the CEO and the CFO, of 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 concluded that the design and operating effectiveness of Horizon's ICFR was effective as of December 31, 2011.

There were no changes in Horizon's ICFR that occurred during the six months ended June 30, 2012 that have materially affected, or are reasonably likely to materially affect, Horizon's ICFR.

Related parties

For the six months ended June 30, 2012 there were no material related party transactions.

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. All outstanding balances are to be settled with cash, and none of the balances are secured.

Advisories

This Management's Discussion and Analysis, prepared as at August 1, 2012, focuses on key statistics from the Condensed 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 discussion should not be considered all-inclusive, as it does not attempt to include changes that may occur in general economic, political and environmental conditions. Additional information related to the Corporation, including the Corporation's annual information form, is available on SEDAR at www.sedar.com. Unless otherwise indicated, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the reporting currency is in Canadian dollars.

Caution Regarding Forward-Looking Information and Statements

Certain statements contained in this Management Discussion and Analysis ("MD&A") constitutes 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: under the heading "Overview and Outlook" the statements that "Revenue and EBITDAS are expected to maintain at or near current levels for the remaining two quarters of 2012 with increases coming early in 2013 as new assets are deployed and with winter projects getting underway", "With robust oil sands development expected to continue, Horizon will focus the majority of its capital deployment in support of oil sands development", "allocation of production for the remainder of 2012 will continue to be heavily weighted to third party sales" and "The remainder of 2012 will see rentals and sales continue to be driven by; oil sand, natural gas, and pipeline development projects." and Under the heading "Quarterly Summary of Results" the statements that "Horizon's strong performance is expected to continue in 2012 based on increasing customer demand driven by levels of project investment and Horizon's continuing capital investment in expanding its fleet. With the high levels of investment being made by the energy sector and continued robust activity in the oil sands, strengthening demand and improving utilization is significantly reducing the seasonal nature of Horizon's business."

The foregoing statements are based on the assumption that the demand for Horizon's products and services will remain strong through 2012 and that Horizon will continue to experience significant year round revenues from its oil sands and other energy customers.

There are a number of risks which could impact these generally high levels of activity which could negatively impact the Corporation's business. As such, many factors could cause the performance or achievements of the Corporation to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.