

Condensed Consolidated Interim Financial Statements of



HORIZON NORTH
Logistics Inc

Three and nine months ended September 30, 2012 and 2011 (Unaudited)



HORIZON NORTH
Logistics Inc

Condensed consolidated statement of financial position (Unaudited)

| <i>(000's)</i> | September 30, 2012 | December 31, 2011 |
|--|-----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Trade and other receivables | \$ 121,584 | \$ 83,484 |
| Inventories | 15,982 | 15,334 |
| Prepayments | 4,168 | 3,981 |
| Income taxes receivable | 145 | - |
| | 141,879 | 102,799 |
| Non-current assets: | | |
| Property, plant and equipment (Note 4) | 319,292 | 228,793 |
| Intangible assets | 12,079 | 18,232 |
| Goodwill | 2,136 | 2,136 |
| Investments in equity accounted investees | 504 | 529 |
| Deferred tax assets | 1,717 | 1,837 |
| Other assets | 2,715 | 2,811 |
| | 338,443 | 254,338 |
| | \$ 480,322 | \$ 357,137 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Trade and other payables | \$ 57,603 | \$ 41,833 |
| Deferred revenue | 521 | 13,601 |
| Income taxes payable | 11,071 | 4,380 |
| Current portion of loans and borrowings (Note 5) | 1,459 | 1,281 |
| | 70,654 | 61,095 |
| Non-current liabilities: | | |
| Asset retirement provisions | 1,349 | 1,283 |
| Loans and borrowings (Note 5) | 117,830 | 55,234 |
| Deferred tax liabilities | 27,662 | 23,456 |
| | 217,495 | 141,068 |
| Shareholders' equity: | | |
| Share capital (Note 7) | 179,726 | 173,438 |
| Contributed surplus | 10,143 | 10,421 |
| Accumulated other comprehensive income | 240 | 158 |
| Retained earnings | 72,718 | 32,052 |
| | 262,827 | 216,069 |
| | \$ 480,322 | \$ 357,137 |

The accompanying notes are an integral part of the consolidated financial statements.



Condensed consolidated statement of comprehensive income (Unaudited)
Three and nine months ended September 30, 2012 and 2011

| (000's) | Three months ended September 30 | | Nine months ended September 30 | |
|--|------------------------------------|------------|-----------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| Revenue | \$ 119,910 | \$ 102,298 | \$ 388,058 | \$ 292,064 |
| Operating expenses: | | | | |
| Direct costs | 81,970 | 69,160 | 266,572 | 207,713 |
| Depreciation | 8,185 | 5,578 | 22,003 | 15,578 |
| Amortization of intangible assets | 44 | 41 | 132 | 123 |
| Share based compensation (Note 7) | 398 | 88 | 834 | 282 |
| (Gain) loss on disposal of property, plant and equipment | (71) | (24) | 38 | 157 |
| Direct operating expenses | 90,526 | 74,843 | 289,579 | 223,853 |
| Gross profit | 29,384 | 27,455 | 98,479 | 68,211 |
| Selling & administrative expenses: | | | | |
| Selling & administrative expenses | 3,860 | 4,695 | 12,498 | 11,084 |
| Amortization of intangible assets | 2,007 | 2,040 | 6,021 | 6,099 |
| Share based compensation (Note 7) | 285 | 55 | 592 | 170 |
| Selling & administrative expenses | 6,152 | 6,790 | 19,111 | 17,353 |
| Operating earnings | 23,232 | 20,665 | 79,368 | 50,858 |
| Finance costs | 1,043 | 641 | 2,586 | 1,830 |
| Share of loss (gain) of equity accounted investees | 52 | (2) | 25 | 39 |
| Profit before tax | 22,137 | 20,026 | 76,757 | 48,989 |
| Current tax expense | 4,475 | 1,340 | 15,539 | 8,759 |
| Deferred tax expense | 1,400 | 3,618 | 4,326 | 4,017 |
| Income tax expense (Note 6) | 5,875 | 4,958 | 19,865 | 12,776 |
| Total profit | 16,262 | 15,068 | 56,892 | 36,213 |
| Other comprehensive income: | | | | |
| Translation of foreign operations | (66) | (230) | (82) | (230) |
| Other comprehensive income, net of income tax | (66) | (230) | (82) | (230) |
| Total comprehensive income | \$ 16,328 | \$ 15,298 | \$ 56,974 | \$ 36,443 |
| Earnings per share: | | | | |
| Basic (Note 8) | \$ 0.15 | \$ 0.14 | \$ 0.53 | \$ 0.34 |
| Diluted (Note 8) | \$ 0.15 | \$ 0.14 | \$ 0.52 | \$ 0.34 |

The accompanying notes are an integral part of the consolidated financial statements.



HORIZON NORTH
Logistics Inc

Condensed consolidated statement of changes in equity (Unaudited)

| <i>(000's)</i> | Share Capital | Contributed Surplus | Accumulated Other Comprehensive Income | Retained Earnings (Deficit) | Total |
|---------------------------------------|------------------|------------------------|---|-----------------------------------|------------|
| Balance at December 31, 2010 | \$ 245,353 | \$ 11,446 | \$ - | \$ (78,000) | \$ 178,799 |
| Reduction of capital (Note 7) | (78,000) | - | - | 78,000 | - |
| Total profit | - | - | - | 36,213 | 36,213 |
| Share options exercised (Note 7) | 1,476 | (1,024) | - | - | 452 |
| Cash from stock options exercised | 4,040 | - | - | - | 4,040 |
| Translation of foreign operations | - | - | 230 | - | 230 |
| Dividends paid (\$0.04 per share) | - | - | - | (8,485) | (8,485) |
| Balance at September 30, 2011 | \$ 172,869 | \$ 10,422 | \$ 230 | \$ 27,728 | \$ 211,249 |
| Total profit | - | - | - | 8,609 | 8,609 |
| Share based compensation | - | 146 | - | - | 146 |
| Share options exercised (Note 7) | 569 | (147) | - | - | 422 |
| Translation of foreign operations | - | - | (72) | - | (72) |
| Dividends paid (\$0.04 per share) | - | - | - | (4,285) | (4,285) |
| Balance at December 31, 2011 | 173,438 | 10,421 | 158 | 32,052 | 216,069 |
| Total profit | - | - | - | 56,892 | 56,892 |
| Share based compensation (Note 7) | - | 1,426 | - | - | 1,426 |
| Share options exercised (Note 7) | 6,288 | (1,704) | - | - | 4,584 |
| Translation of foreign operations | - | - | 82 | - | 82 |
| Dividends paid (\$0.05 per share) | - | - | - | (10,796) | (10,796) |
| Dividends declared (\$0.05 per share) | - | - | - | (5,430) | (5,430) |
| Balance at September 30, 2012 | \$ 179,726 | \$ 10,143 | \$ 240 | \$ 72,718 | \$ 262,827 |

The accompanying notes are an integral part of the consolidated financial statements.



HORIZON NORTH
Logistics Inc

Condensed consolidated statement of cash flows (Unaudited)
Nine months ended September 30, 2012 and 2011

| <i>(000's)</i> | September 30, 2012 | September 30, 2011 |
|--|-----------------------|-----------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Profit for the period | \$ 56,892 | \$ 36,213 |
| Adjustments for: | | |
| Depreciation | 22,003 | 15,578 |
| Amortization of intangible assets | 6,153 | 6,222 |
| Share based compensation (Note 7) | 1,426 | 452 |
| Amortization of other assets | 96 | 91 |
| Loss on equity accounted investees | 25 | 39 |
| Gain on sale of property, plant and equipment | (1,934) | (1,795) |
| Unrealized foreign exchange | 78 | 51 |
| Finance costs | 2,586 | 1,830 |
| Income tax expense (Note 6) | 19,865 | 12,776 |
| | 107,190 | 71,457 |
| Income taxes paid | (8,993) | (4,356) |
| Interest paid | (2,020) | (1,252) |
| Changes in non-cash working capital items | (36,330) | 10,010 |
| | 59,847 | 75,859 |
| Investing activities: | | |
| Purchase of property, plant and equipment (Note 4) | (115,968) | (79,108) |
| Proceeds on sale of property, plant and equipment | 5,403 | 6,412 |
| | (110,565) | (72,696) |
| Financing activities: | | |
| Proceeds from loans and borrowings | 62,343 | 1,248 |
| Share purchase options exercised (Note 7) | 4,584 | 4,040 |
| Payment of dividends | (15,064) | (4,236) |
| | 51,863 | 1,052 |
| Changes in non-cash working capital items | (1,145) | (4,215) |
| | 50,718 | (3,163) |
| Increase in cash position | - | - |
| Cash, beginning of period | - | - |
| Cash, end of period | \$ - | \$ - |

The accompanying notes are an integral part of the consolidated financial statements.

1. Reporting Entity

Horizon North Logistics Inc. (“Horizon” or the “Corporation”) is a company domiciled in Canada and is a publicly-traded company, listed on the Toronto Stock Exchange under the symbol HNL. The condensed consolidated interim financial statements of the Corporation as at and for the three and nine months ended September 30, 2012 comprise the Corporation and its subsidiaries and the Corporation’s interest in associates and jointly controlled entities. 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. Basis of Presentation

(a) Statement of compliance

These financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies the Corporation adopted in its consolidated financial statements for the year ending December 31, 2011. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. These financial statements were approved by the board of directors of Horizon on October 31, 2012.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2011.

3. Significant Accounting Policies and Determination of Fair Values

The accounting policies and determination of fair values were set out in Note 3 and 4 of the Corporation’s annual consolidated financial statements for the year ended December 31, 2011 and have been applied consistently to all periods presented in these interim condensed consolidated financial statements. As a result, these financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2011.

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three and nine months ended September 30, 2012 and 2011**



4. Property, Plant and Equipment

| Cost (000's) | Balance December 31 2011 | Additions | Disposals | Impact of Foreign Translation | Balance September 30 2012 |
|---------------------------------------|--------------------------------|------------|------------|-------------------------------------|---------------------------------|
| Camp facilities | \$ 224,462 | \$ 104,893 | \$ (3,693) | \$ 3 | \$ 325,665 |
| Marine equipment | 18,830 | - | - | - | 18,830 |
| Land & Buildings | 28,456 | 1,713 | 11 | - | 30,180 |
| Automotive & trucking equipment | 25,346 | 5,116 | (202) | - | 30,260 |
| Mats | 6,294 | 5,735 | (2,759) | - | 9,270 |
| Furniture, fixtures & other equipment | 4,433 | 689 | (70) | - | 5,052 |
| Assets under construction | 6,850 | (2,178) | - | - | 4,672 |
| | \$ 314,671 | \$ 115,968 | \$ (6,713) | \$ 3 | \$ 423,929 |

| Depreciation (000's) | Balance December 31 2011 | Depreciation | Disposals | Impact of Foreign Translation | Balance September 30 2012 |
|---------------------------------------|--------------------------------|--------------|------------|-------------------------------------|---------------------------------|
| Camp facilities | \$ 45,894 | \$ 14,683 | \$ (1,746) | \$ (1) | \$ 58,830 |
| Marine equipment | 15,410 | 204 | - | - | 15,614 |
| Land & Buildings | 5,932 | 991 | 11 | - | 6,934 |
| Automotive & trucking equipment | 13,072 | 3,266 | (168) | - | 16,170 |
| Mats | 3,393 | 2,286 | (1,270) | - | 4,409 |
| Furniture, fixtures & other equipment | 2,177 | 573 | (70) | - | 2,680 |
| Assets under construction | - | - | - | - | - |
| | \$ 85,878 | \$ 22,003 | \$ (3,243) | \$ (1) | \$ 104,637 |

| Carrying Amounts (000's) | Balance December 31 2011 | Balance September 30 2012 |
|---------------------------------------|--------------------------------|---------------------------------|
| Camp facilities | \$ 178,568 | \$ 266,835 |
| Marine equipment | 3,420 | 3,216 |
| Land & Buildings | 22,524 | 23,246 |
| Automotive & trucking equipment | 12,274 | 14,090 |
| Mats | 2,901 | 4,861 |
| Furniture, fixtures & other equipment | 2,256 | 2,372 |
| Assets under construction | 6,850 | 4,672 |
| | \$ 228,793 | \$ 319,292 |

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three and nine months ended September 30, 2012 and 2011**



5. Loans and Borrowings

| <i>(000's)</i> | September 30, 2012 | December 31, 2011 |
|---------------------------------|-----------------------|----------------------|
| Committed credit facility | \$ 108,366 | \$ 49,524 |
| Notes payable | 7,101 | 6,987 |
| Equipment and vehicle financing | 3,822 | 4 |
| | 119,289 | 56,515 |
| Less current portion | (1,459) | (1,281) |
| | \$ 117,830 | \$ 55,234 |

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

On March 22, 2012, the Corporation increased its existing committed credit facility from \$80 to \$120 million. The committed credit facility was also renewed for a term of 3 years, extendable annually at the Corporation's 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. As at September 30, 2012, the Corporation was in compliance with all financial and non-financial covenants.

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:

| <i>(000's)</i> | Three months ended September 30 | | Nine months ended September 30 | |
|--|---------------------------------|-----------|--------------------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| Earnings before income taxes | \$ 22,137 | \$ 20,026 | \$ 76,757 | \$ 48,989 |
| Combined federal and provincial income tax rate | 25.0% | 26.5% | 25.0% | 26.5% |
| Expected income tax provision | 5,534 | 5,307 | 19,189 | 12,982 |
| Non-deductible share based compensation | 171 | 38 | 357 | 120 |
| Gain (loss) on equity investments | 13 | (1) | 6 | 10 |
| Revisions to prior year tax estimates | 10 | (141) | (112) | (141) |
| Change in estimated timing of realization of temporary differences | 74 | (380) | 227 | (96) |
| Other | 73 | 135 | 198 | (99) |
| | \$ 5,875 | \$ 4,958 | \$ 19,865 | \$ 12,776 |

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three and nine months ended September 30, 2012 and 2011**



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, 2010 | 105,214,992 | \$ 245,353 |
| Reduction of capital | - | (78,000) |
| Share options exercised | 1,536,659 | 6,085 |
| Balance at December 31, 2011 | 106,751,651 | \$ 173,438 |
| Share options exercised | 1,840,123 | 6,288 |
| Balance at September 30, 2012 | 108,591,774 | \$ 179,726 |

At the May 5, 2011 Annual and Special Meeting of Shareholders, a reduction of capital was approved by way of a special resolution, which eliminated the deficit of \$78 million as at January 1, 2011 and reduced share capital. Elimination of the deficit simplified the Corporation's statement of financial position and provides a more representative view of the actual accumulated operating results, as the majority of the deficit had been attributable to the write-down of goodwill in the year ended December 31, 2008.

(c) Share option plan

The Corporation has a share 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 certain terms and conditions. Share option vesting privileges are at the discretion of the Board of Directors and were set at three years for the 2007 plan.

| | Nine months ended September 30, 2012 | | Year ended December 31, 2011 | |
|------------------------------|---|---------------------------------------|---------------------------------|---------------------------------------|
| | Outstanding options | Weighted average exercise price | Outstanding options | Weighted average exercise price |
| Balance, beginning of period | 4,216,007 | \$ 2.27 | 5,971,000 | \$ 2.46 |
| Granted | 2,640,700 | 6.19 | 60,000 | 4.50 |
| Forfeited | (94,252) | 3.73 | (278,334) | 2.38 |
| Exercised | (1,840,123) | 2.49 | (1,536,659) | 2.90 |
| Balance, end of period | 4,922,332 | \$ 4.26 | 4,216,007 | \$ 2.27 |

| | Nine months ended September 30, 2012 | | Year ended December 31, 2011 | |
|------------------------------|---|---------------------------------------|---------------------------------|---------------------------------------|
| | Exercisable options | Weighted average exercise price | Exercisable options | Weighted average exercise price |
| Balance, beginning of period | 3,208,815 | \$ 2.47 | 3,939,977 | \$ 2.88 |
| Vested | 67,000 | 2.44 | 937,830 | 1.55 |
| Forfeited | (12,666) | 2.27 | (132,333) | 2.96 |
| Exercised | (1,840,123) | 2.49 | (1,536,659) | 2.90 |
| Balance, end of period | 1,423,026 | \$ 2.44 | 3,208,815 | \$ 2.47 |

Notes to the condensed consolidated interim financial statements (Unaudited)
Three and nine months ended September 30, 2012 and 2011



7. Share Capital (continued)

(c) Stock option plan (continued)

The exercise prices for options outstanding at September 30, 2012 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 |
| \$1.36 to \$1.49 | 1,350,214 | \$ 1.37 | 2.2 | 585,694 | \$ 1.37 |
| \$1.50 to \$3.38 | 900,668 | 3.05 | 3.3 | 797,332 | 3.16 |
| \$3.39 to \$6.20 | 251,500 | 4.91 | 3.9 | 40,000 | 3.68 |
| \$6.21 to \$6.61 | 2,394,950 | 6.25 | 4.5 | - | - |
| \$6.62 to \$6.96 | 25,000 | 6.96 | 4.9 | - | - |
| | 4,922,332 | \$ 4.26 | 3.6 | 1,423,026 | \$ 2.44 |

The Corporation estimates the fair value of the share options granted using the Black-Scholes pricing model at the date of grant. The weighted average fair market value of all options granted during the year and the assumptions used in their determination are as follows:

| (000's) | September 30, 2012 |
|--|--------------------|
| Weighted average fair value per option | \$ 2.15 |
| Weighted average forfeiture rate | 7.00% |
| Weighted average grant price | \$ 6.19 |
| Weighted average expected life | 3 years |
| Weighted average risk free interest rate | 1.34% |
| Weighted average dividend yield rate | 3.23% |
| Weighted average volatility | 59.3% |

Expected volatility is estimated by considering historic average share price volatility. For the three and nine months ended September 30, 2012, share based compensation for stock options included in net earnings amounted to \$683,000 and \$1,426,000 respectively (September 30, 2011 - \$143,000 and \$452,000).

8. Earnings Per Share

The calculation of basic earnings per share for the three and nine months ended September 30, 2012 was based on the total profit attributable to common shareholders of \$16,262,000 and \$56,892,000 respectively (September 30, 2011 - \$15,068,000 and \$36,213,000).

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

| | Three months ended September 30 | | Nine months ended September 30 | |
|--|---------------------------------|-------------|--------------------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| Number of common shares, beginning of period | 108,148,943 | 105,910,788 | 106,751,651 | 105,214,992 |
| Weighted average effect of stock options exercised | 165,436 | 438,632 | 1,137,271 | 576,245 |
| Weighted average common shares outstanding – basic | 108,314,379 | 106,349,420 | 107,888,922 | 105,791,237 |
| Effect of share purchase options ⁽¹⁾ | 1,837,994 | 2,185,142 | 1,926,071 | 2,288,811 |
| Weighted average common shares outstanding – diluted | 110,152,373 | 108,534,562 | 109,814,993 | 108,080,048 |

(1) The Corporation utilizes the treasury stock method for calculating the dilutive effect of share purchase options when the average market price of the Corporation's common stock during the period exceeds the exercise price of the option

For the three and nine months ended September 30, 2012, 2,472,450 and 2,597,450 share purchase options, respectively (September 30, 2011 - 13,540 and 3,130) were excluded from the calculation of weighted average common shares outstanding - diluted as the result would be anti-dilutive.

Notes to the condensed consolidated interim financial statements (Unaudited)
Three and nine months ended September 30, 2012 and 2011

9. Operating segments

The Corporation operates in Canada and the United States 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 barge and barge camp rental and marine transportation of equipment and supplies in Canada's northern regions.

Information regarding the results of all segments is included below. Inter-segment pricing is determined on an arm's length basis.

| Three months ended September 30, 2012 (000's) | Camps & Catering | Matting | Marine Services | Corporate | Inter-segment Eliminations | Total |
|--|---------------------|-----------|--------------------|-----------|-------------------------------|------------|
| Revenue | \$ 97,414 | \$ 23,745 | \$ 2,019 | \$ - | \$ (3,268) | \$ 119,910 |
| EBITDAS ⁽¹⁾ | 29,368 | 6,890 | 578 | (2,595) | (161) | 34,080 |
| Depreciation and amortization | 7,913 | 2,148 | 105 | 116 | (46) | 10,236 |
| Gain on disposal of assets | (71) | - | - | - | - | (71) |
| Share based compensation | 343 | 54 | 1 | 285 | - | 683 |
| Operating earnings (loss) | 21,183 | 4,688 | 472 | (2,996) | (115) | 23,232 |
| Total assets | 418,703 | 51,748 | 6,776 | 3,095 | - | 480,322 |
| Capital expenditures | 42,659 | 3,781 | - | 166 | (161) | 46,445 |

| Three months ended September 30, 2011 (000's) | Camps & Catering | Matting | Marine Services | Corporate | Inter-segment Eliminations | Total |
|--|---------------------|-----------|--------------------|-----------|-------------------------------|------------|
| Revenue | \$ 85,273 | \$ 17,492 | \$ 1,554 | \$ - | \$ (2,021) | \$ 102,298 |
| EBITDAS ⁽¹⁾ | 24,626 | 5,514 | 518 | (2,177) | (38) | 28,443 |
| Depreciation and amortization | 5,652 | 1,828 | 113 | 88 | (22) | 7,659 |
| Gain on disposal of assets | (21) | (3) | - | - | - | (24) |
| Share based compensation | 71 | 14 | 2 | 56 | - | 143 |
| Operating earnings (loss) | 18,924 | 3,675 | 403 | (2,321) | (16) | 20,665 |
| Total assets | 284,257 | 33,376 | 7,215 | 4,080 | - | 328,928 |
| Capital expenditures | 22,349 | 687 | - | 203 | (378) | 22,861 |

| Nine months ended September 30, 2012 (000's) | Camps & Catering | Matting | Marine Services | Corporate | Inter-segment Eliminations | Total |
|---|---------------------|-----------|--------------------|-----------|-------------------------------|------------|
| Revenue | \$ 326,537 | \$ 67,315 | \$ 3,439 | \$ - | \$ (9,233) | \$ 388,058 |
| EBITDAS ⁽¹⁾ | 99,334 | 17,423 | 1,100 | (8,317) | (52) | 108,988 |
| Depreciation and amortization | 21,524 | 6,057 | 322 | 360 | (107) | 28,156 |
| Loss (Gain) on disposal of assets | 66 | (28) | - | - | - | 38 |
| Share based compensation | 715 | 117 | 2 | 592 | - | 1,426 |
| Operating earnings (loss) | 77,029 | 11,277 | 776 | (9,269) | (445) | 79,368 |
| Total assets | 418,703 | 51,748 | 6,776 | 3,095 | - | 480,322 |
| Capital expenditures | 102,616 | 13,097 | 22 | 865 | (632) | 115,968 |

| Nine months ended September 30, 2011 (000's) | Camps & Catering | Matting | Marine Services | Corporate | Inter-segment Eliminations | Total |
|---|---------------------|-----------|--------------------|-----------|-------------------------------|------------|
| Revenue | \$ 246,091 | \$ 47,588 | \$ 3,361 | \$ - | \$ (4,976) | \$ 292,064 |
| EBITDAS ⁽¹⁾ | 65,686 | 13,237 | 1,113 | (6,640) | (129) | 73,267 |
| Depreciation and amortization | 16,620 | 4,645 | 335 | 260 | (60) | 21,800 |
| Loss on disposal of assets | 62 | 95 | - | - | - | 157 |
| Share based compensation | 245 | 33 | 4 | 170 | - | 452 |
| Operating earnings (loss) | 48,759 | 8,464 | 774 | (7,070) | (69) | 50,858 |
| Total assets | 284,257 | 33,376 | 7,215 | 4,080 | - | 328,928 |
| Capital expenditures | 73,372 | 5,863 | 9 | 394 | (530) | 79,108 |

(1) EBITDAS (Earnings before interest, taxes, depreciation, amortization, gain/loss on disposal of property, plant and equipment, share of (gain) loss of equity accounted investees 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 may differ from other entities and accordingly, EBITDAS may not be comparable to measures used by other entities.

10. Seasonality

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.