



FLINT ENERGY SERVICES
INTEGRATED. INTEGRAL.



QUARTERLY REPORT

For the Nine Months Ended
September 30, 2008

Q3

MANAGEMENT'S DISCUSSION AND ANALYSIS

ADVISORY REGARDING FORWARD LOOKING STATEMENTS

This document contains forward-looking statements under the heading "Outlook" and elsewhere concerning future events or the Company's future performance, including the Company's projected operating results for 2008 and beyond, and anticipated capital expenditure trends and drilling activity in the oil and gas industry. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Actual events or results may differ materially from those reflected in the Company's forward-looking statements due to a number of known and unknown risks, uncertainties and other factors affecting the Company's business and the oil and gas industry generally. These factors include, but are not limited to, fluctuations in oil and gas prices, fluctuations in the level of oil and gas industry capital expenditures and expenditures on production and remedial work and other factors that affect demand for the Company's services, industry competition, the need to effectively integrate acquired businesses, uncertainties as to the Company's ability to implement its business strategy effectively in Canada and the United States, political and economic conditions, the Company's ability to attract and retain key personnel, and other risks and uncertainties described under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form for the year ended December 31, 2007 and other documents filed with Canadian provincial securities authorities. These documents are available to the public at www.sedar.com. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be relied upon. These statements speak only as of the date of this report. The Company does not undertake to update any forward-looking statement, whether written, or oral that may be made from time to time by the Company or on the Company's behalf, except as may be required under applicable securities laws. The forward-looking statements contained in this document are expressly qualified by this statement.

Unless otherwise indicated, all financial information in this document is presented in Canadian dollars and in accordance with the Canadian Generally Accepted Accounting Principles ("GAAP").

The following Management's Discussion and Analysis ("MD&A"), prepared as at November 6, 2008, should be read in conjunction with the Company's audited Consolidated Financial Statements and MD&A for the year ended December 31, 2007.

DESCRIPTION OF NON-GAAP MEASURES

Throughout this MD&A, management uses the following terms and ratios not found in the Handbook of the Canadian Institute of Chartered Accountants and which do not have a standardized meaning under Canadian Generally Accepted Accounting Principles ("GAAP"), therefore requiring definition are the following:

"*EBITDA*" is equal to (loss) earnings before interest, taxes, depreciation, amortization, impairment charge, and stock based compensation. The Company presents EBITDA as a supplemental earnings measure as it is used by the chief operating decision makers of the Company to measure operating segment profitability. Management uses EBITDA to establish performance benchmarks for incentive compensation for employees, to evaluate the performance of its operating segments and valuing its existing operations to determine potential goodwill impairment.

"*Gross margin*" is calculated by subtracting direct costs from revenue. The Company believes gross margin is a measure of project profitability commonly used to evaluate the Company's performance.

"*Gross margin percentage*" is calculated by taking gross margin and dividing by revenue, expressed as a percentage.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

"Funds provided by operations before changes in non-cash working capital" is equal to net (loss) earnings adjusting for items not affecting cash. The Company presents "funds provided by operations before changes in non-cash working capital" as it is used to measure funds generated from operations.

"Cash flow to interest bearing debt" is equal to cash flow divided by interest bearing debt, expressed as a percentage. Cash flow is equal to "funds provided by operations before changes in non-cash working capital." Interest bearing debt is equal to long-term debt including the current portion.

"Debt to total capitalization" is equal to debt divided by total capitalization, expressed as a percentage. Debt is equal to long-term debt including the current portion. Total capitalization is equal to long-term debt including the current portion plus shareholders' equity.

These non-GAAP financial measures and ratios may not be comparable to similar measures and statistics presented by other issuers. The ratios are presented because they are commonly referred to by lenders and other interested parties in evaluating the Company's financial position.

Overview

Flint Energy Services Ltd. ("Flint" or the "Company") provides a range of integrated products and services for the oil and gas industry including: production services; construction; oilfield transportation; process equipment design and manufacturing; tubular management; and plant maintenance services. Flint provides these products and services from 62 strategic centers in the oil and gas producing areas of western North America, from Inuvik in the Northwest Territories to Mission, Texas. Flint also is a provider of infrastructure construction management, module fabrication, and maintenance services for upgrading and production facilities in Alberta's oil sands sector. The Company's common stock is traded on the Toronto Stock Exchange under the symbol "FES".

Recent Events

Normal Course Issuer Bid

On February 26, 2008, the Company released details of the Normal Course Issuer Bid ("NCIB") to purchase up to 2,379,689 of the Company's common shares, representing 5% of its then issued and outstanding common shares. The normal course issuer bid commenced on February 29, 2008 and terminates on February 28, 2009. Management believes that the current market price of its common shares does not accurately reflect their underlying value. Flint expects that the purchase of common shares will benefit the remaining shareholders of Flint by increasing their proportionate equity interest in Flint.

For the nine months ended September 30, 2008, the Company has purchased 916,200 common shares at an average cost of \$15.24 per share. Subsequent to September 30, 2008, the Company purchased an additional 114,000 common shares at an average cost of \$11.58 per share.

Impairment of Goodwill and Intangible Assets

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired less liabilities assumed, based on their fair value. During the fourth quarter of 2006, the Company acquired Transco Energy Services Ltd., ("Transco") which created the goodwill in the Oilfield Transportation and Tubular Management and Manufacturing operating segments. Changes announced by the Alberta government to the oil and gas royalty regime in 2007, combined with reduced natural gas prices, resulted in reduced drilling activity in Alberta in the fourth quarter of 2007 and the first three quarters of 2008, thus reducing demand for services in these segments. Recent market conditions suggest limited recovery potential in Canadian drilling activity in the near term.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

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The results of these events lead the Company to conclude that the carrying value of goodwill and intangible assets in these operating segments exceeded their fair value, which resulted in an impairment charge of \$190.4 million during the period. The impairment charge also decreased the related future tax liability for the difference between tax and book amortization of the intangible assets by \$10.5 million.

Oilsands Pipeline Maintenance Contract Award

On November 3, 2008, the Company announced that Flint Transfield Services Limited ("FT Services"), in which the Company has a 50% ownership interest, was awarded a two year, \$12 million contract to provide pipeline maintenance services at Canadian Natural Resources Ltd.'s Horizon project near Fort McMurray, Alberta. The new contract adds pipeline maintenance services to existing mechanical, electrical and instrumentation services bringing the value of FT Services' work at Horizon to just over \$60 million.

Summary of Consolidated Financial Results

The following table summarizes key financial data to be read in conjunction with the unaudited interim financial statements of the Company as at and for the nine months ended September 30, 2008 as well as the annual audited consolidated financial statements of the Company as at and for the twelve months ended December 31, 2007. Such financial statements are prepared in accordance with GAAP and are reported in Canadian dollars.

	Three months ended Sept 30		Nine months ended Sept 30	
	2008	2007	2008	2007
Revenue	\$ 585.8	\$ 424.3	\$ 1,633.1	\$ 1,348.8
EBITDA	54.4	45.6	139.2	140.8
Net earnings before impairment charge ¹	16.7	12.2	47.0	40.7
per common share - basic	0.35	0.26	0.98	0.86
per common share - diluted	0.35	0.25	0.98	0.85
Net (loss) earnings	(163.2)	12.2	(132.9)	40.7
per common share – basic	(3.41)	0.26	(2.78)	0.86
per common share – diluted	(3.41)	0.25	(2.78)	0.85
Funds provided by operations before changes in non-cash working capital	38.3	33.5	100.5	88.0

¹ Net earnings before impairment charge excludes impairment charge, and the offsetting future income tax reduction. Net earnings before impairment charge is a non-GAAP financial measure that does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other issuers.

Reconciliation of EBITDA	Three months ended Sept 30		Nine months ended Sept 30	
	2008	2007	2008	2007
(Loss) earnings before income taxes	\$ (163.3)	\$ 19.9	\$ (122.9)	\$ 62.7
Interest expense, net of interest income	7.7	6.4	15.0	20.9
Stock based compensation	1.1	1.3	3.5	3.8
Impairment charge	190.4	-	190.4	-
Depreciation and amortization	18.5	18.0	53.2	53.4
EBITDA	\$ 54.4	\$ 45.6	\$ 139.2	\$ 140.8

	September 30, 2008	December 31, 2007
Working capital	\$ 417.4	\$ 324.5
Total assets	1,420.9	1,494.9
Shareholders' equity	\$ 693.9	\$ 824.3

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Highlights

Revenue for the three months ended September 30, 2008 was \$585.8 million, an increase of \$161.5 million (38.1%), as compared to \$424.3 million for the same period of 2007. Revenue for the nine months ended September 30, 2008 was \$1,633.1 million, an increase of \$284.3 million (21.1%), as compared to \$1,348.8 million for the same period of 2007. Increased revenues from the Facility Infrastructure and Plant Maintenance and Other operating segments of \$131.7 million for the three months ended September 30, 2008, and \$283.4 million for nine months ended September 30, 2008 accounted for the majority of the revenue increase. Canadian operations which generated \$452.8 million in revenues were up \$141.2 million as a result of increased activity levels during the quarter, while U.S. operations generated \$133.0 million, up \$20.3 million as a result of stronger drilling activity in the United States. U.S. operations accounted for 23% of revenues for the quarter.

Gross margin for the quarter was \$96.4 million (16.5%) compared to \$84.3 million (19.9%) in the third quarter of 2007. Gross margin for the nine months ended September 30, 2008, was \$260.1 million (15.9%) compared to \$264.7 million (19.6%) in the comparative prior year period. The decreases in the gross margin percentages are attributable to fluctuations in the Company's service mix over the comparative periods. Increases in activity in the Facility Infrastructure and Plant Maintenance and Other operating segments, which typically operate at lower gross margins, accompanied by decreased margins in the Production Services operating segment, which typically operates at higher gross margins, have resulted in the decline.

EBITDA was \$54.4 million for the three months ended September 30, 2008 compared to \$45.6 million in the third quarter of 2007, an increase of \$8.8 million (19.3%). EBITDA decreased by \$1.6 million to \$139.2 million for the nine months ended September 30, 2008 in comparison to the prior year. Decreases in EBITDA for the nine months ended September 30, 2008, are due to higher fuel and labour costs, which negatively impacted EBITDA in the Production Services, Oilfield Transportation, and Tubular Management and Manufacturing operating segments.

The Company realized a loss of \$163.2 million during the three months ended September 30, 2008, compared to earnings of \$12.2 million in the comparative prior year period for a net decrease of \$175.4 million. For the nine months ended September 30, 2008, the Company realized a loss of \$132.9 million, compared to earnings of \$40.7 million in the comparative prior year period for a net decrease of \$173.6 million. These decreases were the result of an impairment charge of \$190.4 million, which includes \$155.9 million of goodwill impairment and a \$34.5 million impairment of intangible assets, recorded during the quarter in the Oilfield Transportation and Tubular Management and Manufacturing business segments. This was partially offset by a future income tax reduction of \$10.5 million, relating to the difference between the tax and book amortization of the intangible assets. Excluding the impairment charge, net earnings were \$16.7 million for the three months ended September 30, 2008, representing an increase of \$4.5 million (36.9%) as compared to the same period in 2007, and \$47.0 million for the nine months ended September 30, 2008, representing an increase of \$6.3 million (15.5%) as compared to the prior year. The diluted loss per share for the third quarter of 2008 was (\$3.41) compared to earnings of \$0.25 for the third quarter in 2007.

Funds provided by operations before changes in non-cash working capital for the three and nine months ended September 30, 2008 were \$38.3 million and \$100.5 million as compared to \$33.5 million and \$88.0 million for the comparative periods, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Quarterly Information

	2008			2007			2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	\$ 585.8	\$ 531.7	\$ 515.6	\$ 465.0	\$ 424.3	\$ 421.8	\$ 502.7	\$ 426.6
Net earnings before impairment charge ¹	16.7	11.8	18.4	9.6	12.2	6.3	22.2	16.9
per common share - basic	0.35	0.25	0.38	0.20	0.26	0.13	0.47	0.39
per common share - diluted	0.35	0.25	0.38	0.21	0.25	0.13	0.46	0.39
Net (loss) earnings	(163.2)	11.8	18.4	9.6	12.2	6.3	22.2	16.9
per common share - basic	(3.41)	0.25	0.38	0.20	0.26	0.13	0.47	0.39
per common share - diluted	(3.41)	0.25	0.38	0.21	0.25	0.13	0.46	0.39

¹ Net earnings before impairment charge excludes impairment charge, and the offsetting future income tax reduction. Net earnings before impairment charge is a non-GAAP financial measure that does not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other issuers.

A number of factors contribute to variations in the Company's results between periods. These include, but are not limited to weather, customer capital spending, as well as drilling programs which are affected by oil and natural gas commodity prices, and seasonal behaviors in customer spending caused by activities such as plant shutdown work. The Company continues to create the optimum portfolio of services to meet customer needs and maximize shareholder returns.

Certain of the Company's business lines relate to the maintenance and operation of oilfield facilities, which generally produce consistent revenues, while other business lines relate to large projects, potentially resulting in fluctuating revenue streams over time. While a significant amount of the business activity, related to the maintenance and operation of oilfield facilities, is under long-term contract, the work is still primarily call-out related and provided on an as needed basis and, therefore, does not generate a consistent revenue stream between periods. The Oilfield Transportation and Tubular Management and Manufacturing operating segments' primary business drivers are related to the drilling cycle in the Western Canadian Sedimentary Basin, while the specialized heavy haul operation, included as part of the Oilfield Transportation business segment, will have more specific business drivers related to the movement of large pieces of equipment and module components of construction projects.

As Flint has United States operations, the Company's consolidated financial results may vary between periods due to the effect of foreign exchange fluctuations in translating the revenues and expenses of its United States operations to Canadian dollars. In the first nine months of 2008, 23.2% (2007 – 26.1%) of the Company's business activity was in the United States.

Results of Operations

Flint modified its segmented reporting for the year ended in 2007 to combine three jointly owned companies into one operating segment called Plant Maintenance and Other. This segment is comprised of FT Services, a 50% owned incorporated joint venture previously reported in the Plant Maintenance and Asset Management operating segment; Mackenzie Valley Construction Ltd. ("MVC"), a 49% owned incorporated joint venture previously reported as part of the Production Services operating segment; and SRP North Ventures ("SRP"), a 33 1/3% owned joint venture previously reported in the Oilfield Transportation operating segment. Additionally, the fluid hauling operations which were previously reported in Oilfield Transportation are now reported in the Production Services operating segment. The segmented reporting for prior periods was restated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Selected financial information for each reportable business segment is as follows:

(in thousands of Canadian dollars)	Three months ended September 30				Nine months ended September 30							
	2008		2007		2008		2007					
Revenue by operating segment												
Production Services	\$	252,600	43%	\$	237,839	56%	\$	770,606	47%	\$	774,245	57%
Facility Infrastructure		167,098	29%		102,151	24%		388,588	24%		302,818	23%
Oilfield Transportation		40,537	7%		29,923	7%		117,337	7%		104,854	8%
Tubular Management and Manufacturing		49,590	8%		45,192	11%		140,561	9%		148,529	11%
Plant Maintenance and Other		75,929	13%		9,172	2%		215,959	13%		18,313	1%
Total	\$	585,754	100%	\$	424,277	100%	\$	1,633,051	100%	\$	1,348,759	100%
EBITDA by operating segment												
Production Services	\$	25,707	47%	\$	28,609	63%	\$	73,945	54%	\$	84,415	60%
Facility Infrastructure		16,144	30%		9,738	21%		34,511	25%		25,896	18%
Oilfield Transportation		2,691	5%		(1,664)	(4%)		2,013	1%		2,979	2%
Tubular Management and Manufacturing		5,561	10%		8,301	18%		14,485	10%		26,571	19%
Plant Maintenance and Other		4,330	8%		654	1%		14,257	10%		920	1%
Total	\$	54,433	100%	\$	45,638	100%	\$	139,211	100%	\$	140,781	100%

Production Services

The Production Services business segment provides pipeline work, day-to-day field facility installation and maintenance services, as well as electrical, instrumentation, mechanical, safety, pressure and vacuum, fluid hauling, plant shutdown and turnaround services.

Revenue

Revenue from the Production Services business segment for the third quarter of 2008 increased 6.2% to \$252.6 million from \$237.8 million in the same period of 2007 and for the nine months ending September 30, 2008, revenue declined 0.5% to \$770.6 million from \$774.2 million for the corresponding period in 2007 primarily due to reduced activity levels in Canada in the first nine months of 2008. Revenue in Canada for the third quarter decreased 5.7% to \$145.7 million from \$154.5 million in the same period of 2007 and for the nine months ending September 30, 2008, revenue decreased 7.6% to \$476.3 million from \$515.6 million. In the United States, revenue for the third quarter increased 28.3% to \$106.9 million from \$83.3 million in the same period of 2007 and for the nine months ending September 30, 2008, revenue increased 13.8% to \$294.3 million from \$258.6 million as there continues to be strong activity levels in Texas and the Rocky Mountain region.

EBITDA

Production Services' EBITDA decreased by 10.1% to \$25.7 million in the third quarter of 2008 compared to \$28.6 million in the same period of 2007 and for the nine months ending September 30, 2008, EBITDA decreased 12.4% to \$73.9 million from \$84.4 million for 2007. EBITDA for the nine months ended was impacted both by the lower activity levels in Canada, and overall lower margins caused by cost increases in fuel and labour in the first nine months of the year. Fuel surcharge increases lagged actual cost increases during the quarter. Margins were about 2.1% lower in this segment. Margins in the U.S. were negatively impacted by weather and less than optimal operating execution specific to one district office, particularly in the first quarter. The largest weather impact was on an Oklahoma pipeline project, now completed, which experienced 87 rainout days during the project. This significantly impacted productivity and resulted in negative margins on approximately \$10.0 million of work.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Facility Infrastructure

The Facility Infrastructure business segment provides major facility project development services to the energy and natural resources sector, providing a full-cycle approach to all phases of project development from concept and design to fabrication and installation. Customer capital expenditure programs related to large oil sands projects have a significant effect on the results of this business segment by impacting activity levels. Margin, as a percentage of revenue, can also fluctuate based on the contractual terms of major projects and their overall weighting to the total revenue earned in any given period, fluctuation in activity levels, and the ability of the Company to average fixed operating costs related to fabrication facilities and field construction management overheads.

Revenue

Revenue from the Facility Infrastructure business segment for the three months ended September, 2008 increased 63.5% to \$167.1 million from \$102.2 million in the third quarter of 2007 and for the nine months ending September 30, 2008, revenue increased 28.3% to \$388.6 million from \$302.8 million for 2007. The primary increase in revenue is due to the ramp up of the Shell Albian Sands and Suncor Energy Firebag projects.

EBITDA

Facility Infrastructure's EBITDA increased by 66.0% to \$16.1 million for the three months ended September 30, 2008 from \$9.7 million for the third quarter of 2007 and for the nine months ending September 30, 2008, EBITDA increased 33.2% to \$34.5 million from \$25.9 million for 2007. EBITDA as a percentage of revenue was 9.7% compared to 9.5% in the comparative prior year period. The slight increase was due to better performance in the ongoing Shell Albian Sands and Suncor Energy Firebag projects, as well as, the completion of the Opti-Nexen Long Lake project, which had a lower margin.

Oilfield Transportation

The Oilfield Transportation business segment includes activities focused on specialized hauling such as drilling rig moving, heavy hauling, service rig moving and light hauling.

Revenue

During the third quarter of 2008, revenue was \$40.5 million. This was an increase of 35.5% from \$29.9 million during the third quarter of 2007. For the nine months ending September 30, 2008, revenue increased 11.8% to \$117.3 million from \$104.9 million for 2007. Increased activity accompanied by rate increases on new projects and bid contracts contributed to the increased revenue.

EBITDA

Oilfield Transportation's EBITDA for the third quarter of 2008 increased to \$2.7 million compared to a loss of \$1.6 million during the third quarter of 2007, which is an improvement of \$4.3 million. For the nine months ending September 30, 2008, EBITDA was \$2.0 million compared to \$3.0 million during 2007. The decrease in EBITDA for the nine months ended is the result of a stronger first quarter in 2007. Improved performance in the current quarter was the result of the higher activity levels, price increases and improved price discipline on projects, which allowed better coverage of the fixed costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Tubular Management and Manufacturing

The Tubular Management and Manufacturing business segment includes operations in both Canada and the United States. In Canada operations include inspection, threading and refurbishment of drill pipe, pipe storage facilities, and manufacturing of polyethylene pipe. In the United States, operations include the manufacture of gas processing and measurement equipment.

Revenue

Revenue for the three months ended September 30, 2008 was \$49.6 million, up 9.7% from \$45.2 million for the third quarter of 2007. For the nine months ending September 30, 2008, revenue decreased 5.3% to \$140.6 million from \$148.5 million for 2007. Increased activity and rate increases contributed to the increased revenue during the third quarter. In Canada, revenue for the third quarter increased 42.9% to \$24.3 million from \$17.0 million for the same period in 2007 and for the nine months ending September 30, 2008, revenue increased 6.4% to \$59.8 million from \$56.2 million for the same period in 2007. In the United States, revenue in the third quarter decreased 10.3% to \$25.3 million from \$28.2 million for the same period in 2007 and for the nine months ending September 30, 2008, revenue decreased 12.5% to \$80.8 million from \$92.3 million for the same period in 2007.

EBITDA

Tubular Management and Manufacturing's EBITDA decreased by 32.5% to \$5.6 million for the three months ended September 30, 2008, down from \$8.3 million in 2007 and for the nine months ending September 30, 2008, EBITDA decreased 45.5% to \$14.5 million down from \$26.6 million for 2007. The decrease was a result of the lower activity levels in Canada. In the United States changing customer demands requiring increased specific project engineering and longer start-up times impacted margins as compared to the longer product runs on uniform equipment experienced in 2007.

Plant Maintenance and Other

The Plant Maintenance and Other business segment provides delivery of sophisticated asset management services for all routine plant maintenance and turnaround services for oil sands production facilities in Alberta, as well as oil refineries and related chemical, energy, electrical and processing plants. This work is performed through a 50% owned joint venture company, FT Services. Also included in this business segment is the proportional share of two other joint venture companies; MVC, with a base operation in Inuvik, Northwest Territories, and SRP, with a base operation in Norman Wells, Northwest Territories. Both of these joint venture companies provide a variety of services including maintenance and logistical services.

Revenue

Revenue for the third quarter of 2008 increased to \$75.9 million from \$9.2 million for the same period in 2007. For the nine months ending September 30, 2008, revenue increased to \$216.0 million from \$18.3 million for 2007. The most significant reason for the increase was the continued work performed by FT Services for both Suncor Energy and Canadian Natural Resources in the third quarter. FT Services was still an early stage company in the first nine months of 2007 and the ramp up of the business was a key contributor to the revenue expansion.

EBITDA

Plant Maintenance and Other's EBITDA increased to \$4.3 million in the third quarter of 2008 from \$0.7 million in the corresponding period in 2007. For the nine months ending September 30, 2008, EBITDA increased to \$14.3 million from \$0.9 million for 2007. The significant increase in revenue in this segment contributed to the increased EBITDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

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Consolidated Financial Position

As at September 30, 2008, the Company's net working capital was \$417.4 million as compared to \$324.5 million at December 31, 2007. During the period, the Company made concerted efforts to improve the effectiveness of billings and collections which resulted in significant decreases in revenue in excess of billings and improvements in the aging of the Company's trade receivables.

Long-term debt, including operating facilities, increased by \$39.7 million and \$1.2 million over the December 31, 2007 balances and previous quarter end respectively. The current portion of long-term debt increased by \$11.3 million over the prior quarter due to drawings made on the revolving operating loan used to finance repurchases of shares under the Normal Course Issuer Bid.

Liquidity and Capital Resources

At September 30, 2008, the Company had \$49.2 million in cash and cash equivalents. The Company's principal sources of capital are cash flows from operations and borrowings under its senior credit facility. The Company's principal uses of cash are for the financing of working capital and capital expenditures.

Selected cash flow and capitalization data is as follows:

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Funds provided by operations before changes in non-cash working capital	\$ 38.3	\$ 33.5	\$ 100.5	\$ 88.0
Cash provided by operating activities	59.4	24.2	14.6	47.6
Cash flow to interest bearing debt (annualized)	37.5%	34.9%	32.8%	30.5%

	September 30, 2008	December 31, 2007
	Long-term debt (including current portion)	\$ 408.2
Debt to total capitalization	37.0%	30.9%

Cash Flows Provided by Operating Activities

Cash provided by operating activities for the three months ended September 30, 2008 increased to \$59.4 million compared to \$24.2 million for the same period in 2007. This was due to a strong, focused effort to reduce receivable and revenue in excess of billings balances.

Cash Flows Used in Investing Activities

Cash flows used in investing activities for the three months ended September 30, 2008 decreased to \$16.6 million compared to \$20.6 million for the same period in 2007. During the first nine months of 2008, the Company incurred net capital expenditures of \$27.3 million, compared to \$68.0 million for the comparative period in 2007. The majority of these expenditures were to replace equipment in Canada and the United States in order to maintain operational capacity and meet customer needs in new areas. Included in net capital expenditures during the nine months ended September 30, 2008 are \$9.0 million of proceeds on disposal of property, plant and equipment compared to \$7.2 million in the comparative period in 2007.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

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Cash Flows from Financing Activities

Cash flows used in financing activities for the three months ended September 30, 2008 increased to \$9.4 million compared to \$2.2 million for the same period of 2007. Included in financing activities is \$14.0 million of expenditures relating to shares repurchased under the Normal Course Issuer Bid. For the nine months ended September 30, 2008, cash flows provided by financing activities increased to \$29.6 million compared to \$24.4 million for the same period of 2007.

Debt Repayment Obligations

The following table presents the Company's future payment obligations:

	Maturity				Total
	< 1 year	1 - 3 years	3 - 5 years	> 5 years	
Long-term debt	\$ 27.2	\$ 288.7	\$ 47.8	\$ 44.5	408.2
Operating leases	42.7	68.6	29.7	-	141.0
Total contractual obligations	\$ 69.9	\$ 357.3	\$ 77.5	\$ 44.5	549.2

Changes in Accounting Policies

The Company adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3031, Inventories; Section 1535, Capital Disclosures; Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation on January 1, 2008.

Section 3031, Inventories

Section 3031 requires inventory to be measured at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs to inventory. Further, it requires the reversal of previous write-downs to net realizable value when the economic circumstances have changed to support an increased inventory value.

As a result, the Company now allocates fixed and variable production overheads to the costs of conversion based on normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Prior to January 1, 2008, fixed and variable production overheads were allocated to general and administrative expenses. There is no material impact on the consolidated financial statements from the adoption of this new standard.

Section 1535, Capital Disclosures

Section 1535 establishes standards for disclosing information about an entity's objectives, policies, and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. As a result of adopting this section, the Company now discloses details about its capital management as discussed in Note 5 of the Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation

Section 3862 requires disclosure of additional detail by financial asset and liability category. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It addresses the classification of financial instruments from the perspective of the issuer, between liabilities and equity, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. As a result of adopting CICA Section 3862, "Financial Instruments – Disclosures", the Company has expanded its financial risks and financial instruments disclosures. There is no other material impact on the consolidated financial statements from adoption of these new standards.

Future Accounting Pronouncements

The following are recent accounting pronouncements issued but not yet adopted by the Company:

Section 3064, Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets". The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from Section 3062. This Section is effective for the Company in the first quarter of 2009, and the Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian Generally Accepted Accounting Principles ("GAAP"), as used by public companies, being evolved and converged with International Financial Reporting Standards ("IFRS") over a transitional period to be complete by 2011. The official changeover date from Canadian GAAP to IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of 2011 when the Company will prepare both the current and comparative financial information using IFRS.

The Company commenced its IFRS conversion project during the second quarter of 2008. The project consists of three phases:

- **Assessment:** The assessment phase includes the identification of significant differences between Canadian GAAP and IFRS as is relevant to the Company.
- **Design:** The design phase includes the evaluation, and selection of accounting policies necessary for the Company to change over to IFRS. In addition, this phase includes an assessment and selection of the operational elements necessary to change over to IFRS such as training, information technology, internal controls over financial reporting, and other business activities that may be influenced by GAAP measures such as debt covenants, hedging, sales practices, and compensation arrangements.
- **Implementation:** The implementation phase will involve integrating financial and operational processes necessary to changeover to IFRS through the establishment of issue-specific work teams.

During the third quarter of 2008, the Company completed a high-level assessment of the major differences between Canadian GAAP and IFRS along with preliminary position papers on accounting policy choices and commenced evaluations of the potential impacts on financial reporting. In addition, a preliminary convergence strategy has been developed. Following approval of the convergence strategy by the executive steering committee during the fourth quarter of 2008, a more detailed design plan will be developed and implemented.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at September 30, 2008, 47,004,614 common shares were outstanding as compared to 47,910,214 as at June 30, 2008 and 47,560,450 as at December 31, 2007. No preferred shares were outstanding during, or at the end of either of these periods. Certain employees, officers and directors of the Company have been granted options to purchase common shares under the Company's incentive stock option plan. 2,419,323 options were outstanding at September 30, 2008.

As at November 6, 2008 there were 46,890,614 common shares of the Company outstanding and 2,376,476 options to acquire common shares outstanding.

Internal Controls Over Disclosure and Financial Reporting

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing disclosure controls and procedures to ensure that material information is being made known to the appropriate individuals. In addition, the CEO and CFO are responsible to design internal controls over financial reporting or cause them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

It should be noted that while the Company's CEO and CFO believe that the Company's disclosure controls and procedures and internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not expect the Company's disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

As of September 30, 2008, the CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and concluded that such procedures are adequate and effective to provide reasonable assurance that material information relating to the Company and its consolidated entities would be made known to them by others within those entities to allow for accurate and complete disclosures in annual and interim filings or other reports.

During the most recent interim period, there have been no changes in the Company's policies and procedures and other processes that comprise its internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company continues to execute its Enterprise Resource Planning Systems implementation strategy to standardize controls and processes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended September 30, 2008

(unaudited)

(in millions of Canadian dollars unless otherwise stated, except share data and per share amounts)

Outlook

The outlook for the fourth quarter of 2008 is for continued seasonally improving activity levels based upon Flint's customers' existing budgeted projects and strong contributions from all of Flint's operating segments. Changes announced by the Alberta government to the oil and gas royalty regime in 2007, together with reduced natural gas prices, resulted in reduced drilling activity in Alberta in the fourth quarter of 2007 and the first half of 2008. As a result, drilling in 2008 should be close to 18,000 wells, down compared to 2007.

Western Canadian drilling activity picked up steadily with an average of 435 active rigs in the third quarter compared to 348 last year. Approximately 5,350 wells were drilled (rig released) in the quarter compared to 5,497 last year. While rig activity was up 25% in the quarter, wells drilled were down 3% due to both deeper drilling and fewer shallow gas wells in the mix.

First quarter 2009 drilling is expected to increase seasonally, especially in Northeastern British Columbia where gas activity has greatly increased due to the interest in Horn River and Montney shale plays. However, forecasts for 2009 drilling activity in Canada have been impacted by the recent market turmoil and some forecasts are now calling for a 10% to 15% contraction in conventional drilling which will be primarily impacted in the latter half of 2009.

Canadian Production Services, which typically lag drilling activity, were impacted in the third quarter by lower levels of Canadian drilling in the first half of 2008; however, activity will be seasonally busier in the fourth quarter and into the first quarter of 2009, notably in northern parts of British Columbia and Alberta where access is only available in winter conditions.

Transportation which closely tracks rig activity saw improved results in Q3 due to general pricing increases implemented early in the quarter and our cost reductions initiatives. Flint expects to see some improvements over the next two quarters due to the expected seasonal up-tick in activity.

The United States rig count continued to average over 1,978 active rigs in the third quarter up 12% over last year. Overall, U.S. activity year-to-date is up approximately 13% over 2007 levels. Forecasts for 2009 drilling activity levels in the U.S. are expected to contract by 10% to 15% with lower commodity prices and tighter credit conditions.

Flint's Facility Infrastructure business segment remains with close to \$1 billion in construction backlog represented by projects for Suncor Energy and Shell Albian Sands in the Fort McMurray region of Alberta. Flint will reach peak construction activity on both customers in early 2009 which will continue into 2010 as originally projected. Future oil sands construction work may be impacted by project delays as a result of higher cost estimates and lower commodity prices, however at this time, Flint continues to work with a number of major oil sands producers who indicate they intend to proceed with at least some aspects of their previously announced projects. These future projects are not included in Flint's current construction backlog.

FT Services, Flint's 50% owned joint venture asset management company, recorded higher activity levels in the third quarter commencing work at Suncor Energy's Sarnia, Ontario refinery late in August, and the ramp up in work on Canadian Natural ("CNQ") maintenance contract. Additionally, FT Services has been awarded additional pipeline maintenance work at CNQ, which will begin during the first quarter of 2009.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands of Canadian dollars)

As at	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 49,190	\$ 32,318
Accounts receivable (Note 6)	400,329	236,586
Revenue in excess of billings	167,340	234,285
Inventories (Note 2)	61,021	51,273
Prepaid expenses and other current assets	8,584	11,462
Future income tax assets	11,363	7,961
Income taxes receivable	12,765	4,631
	710,592	578,516
Property, plant and equipment	445,554	460,590
Goodwill (Note 3)	242,112	396,250
Intangible assets (Note 3)	6,424	47,640
Other long-term assets	3,397	2,552
Future income tax assets	12,809	9,330
	\$ 1,420,888	\$ 1,494,878
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 235,988	\$ 186,175
Billings in excess of revenue	9,005	8,945
Income taxes payable	10,686	33,857
Future income tax liabilities	10,302	9,009
Current portion of long-term debt	27,167	15,987
	293,148	253,973
Long-term debt	381,078	352,548
Future income tax liabilities	52,780	64,054
	727,006	670,575
Shareholders' equity:		
Accumulated other comprehensive loss	(17,785)	(26,325)
Retained earnings	129,475	264,965
	111,690	238,640
Capital stock (Note 4(a))	574,971	576,304
Contributed surplus	11,186	9,359
Shares repurchased under normal course issuer bid, not cancelled (Note 4(a))	(3,965)	-
	693,882	824,303
Commitments and contingencies (Note 8)		
Subsequent events (Note 9)		
	\$ 1,420,888	\$ 1,494,878

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF (LOSS) EARNINGS AND RETAINED EARNINGS

<i>(unaudited)</i> <i>(in thousands of Canadian dollars, except share data)</i>	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Revenue	\$ 585,754	\$ 424,277	\$ 1,633,051	\$ 1,348,759
Direct costs	489,361	340,004	1,372,950	1,084,021
	96,393	84,273	260,101	264,738
General and administrative expenses	41,960	38,635	120,890	123,957
Amortization on property, plant and equipment	16,343	15,841	46,486	45,941
Amortization on intangible assets	2,232	2,260	6,697	7,465
Impairment charge (Note 3)	190,357	-	190,357	-
Stock based compensation expense	1,146	1,323	3,516	3,809
	(155,645)	26,214	(107,845)	83,566
Interest expense (Note 6(b))	7,920	6,520	15,826	21,250
Interest income	(241)	(80)	(799)	(380)
(Loss) earnings before income taxes	(163,324)	19,774	(122,872)	62,696
Income taxes:				
Current	5,834	3,803	25,077	29,672
Future (reduction)	(5,973)	3,737	(15,018)	(7,677)
	(139)	7,540	10,059	21,995
Net (loss) earnings	(163,185)	12,234	(132,931)	40,701
Retained earnings, beginning of period	295,219	243,162	264,965	214,695
Adjustment arising from shares purchased under a normal course issuer bid (Note 4(a))	(2,559)	-	(2,559)	-
Retained earnings, end of period	\$ 129,475	\$ 255,396	\$ 129,475	\$ 255,396
(Loss) earnings per share:				
Basic (Note 4)	\$ (3.41)	\$ 0.26	\$ (2.78)	\$ 0.86
Diluted (Note 4)	\$ (3.41)	\$ 0.25	\$ (2.78)	\$ 0.85
Weighted average common shares:				
Basic (Note 4)	47,843,699	47,462,529	47,732,916	47,334,050
Diluted (Note 4)	47,843,699	47,989,725	47,732,916	47,922,841

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) EARNINGS

<i>(unaudited)</i> <i>(in thousands of Canadian dollars)</i>	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Net (loss) earnings	\$ (163,185)	\$ 12,234	\$ (132,931)	\$ 40,701
Other comprehensive loss, net of income taxes:				
Unrealized gain (loss) on translation of self-sustaining foreign operations	6,889	(6,516)	8,540	(13,002)
Other comprehensive earnings (loss)	6,889	(6,516)	8,540	(13,002)
Comprehensive (loss) earnings	\$ (156,296)	\$ 5,718	\$ (124,391)	\$ 27,699

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited)</i>	Three months ended		Three months ended		Nine months ended		Nine months ended	
<i>(in thousands of Canadian dollars)</i>	30-Sep-2008		30-Sep-2007		30-Sep-2008		30-Sep-2007	
Cash provided by (used in):								
Operating activities:								
Net (loss) earnings	\$	(163,185)	\$	12,234	\$	(132,931)	\$	40,701
Items not affecting cash:								
Amortization on property, plant and equipment		16,343		15,841		46,486		45,941
Amortization on intangible assets		2,232		2,260		6,697		7,465
Amortization on deferred finance charges		216		149		564		435
Gain on disposal of property, plant and equipment		(428)		(782)		(488)		(1,477)
Impairment charge (Note 3)		190,357		-		190,357		-
Stock based compensation expense		1,146		1,323		3,516		3,809
Fair value changes on derivative instruments and other		(2,397)		(1,224)		1,339		(1,224)
Future income taxes (reduction)		(5,973)		3,737		(15,018)		(7,677)
		38,311		33,538		100,522		87,973
Changes in non-cash balances relating to operations		21,123		(9,332)		(85,942)		(40,394)
Net cash provided by operating activities		59,434		24,206		14,580		47,579
Investing activities:								
Business combination		-		-		-		(11,933)
Purchase of property, plant and equipment		(19,065)		(23,922)		(36,294)		(63,245)
Proceeds from disposal of property, plant and equipment		2,499		3,305		8,988		7,177
Net cash used in investing activities		(16,566)		(20,617)		(27,306)		(68,001)
Financing activities:								
Proceeds from long-term debt		142,345		23,039		691,029		123,193
Repayments of long-term debt		(137,663)		(26,283)		(651,606)		(103,363)
Deferred financing costs		(278)		(46)		(278)		(218)
Proceeds from issue of capital stock on exercise of options		123		1,100		4,416		4,769
Share repurchase via normal course issuer bid (Note 4(a))		(13,963)		-		(13,963)		-
Net cash (used in) provided by financing activities		(9,436)		(2,190)		29,598		24,381
Increase in cash and cash equivalents		33,432		1,399		16,872		3,959
Cash and cash equivalents, beginning of period		15,758		14,080		32,318		11,520
Cash and cash equivalents, end of period	\$	49,190	\$	15,479	\$	49,190	\$	15,479
Supplemental cash flow information:								
Net cash (paid) received during the period for:								
Interest paid	\$	(7,921)	\$	(6,883)	\$	(15,827)	\$	(20,912)
Interest received		241		90		799		396
Income taxes paid	\$	(1,101)	\$	(6,713)	\$	(56,380)	\$	(35,472)

See accompanying notes to the consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

1. Basis of Presentation

These interim consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with accounting principles generally accepted in Canada. They do not include all the disclosures as required for annual financial statements under Canadian generally accepted accounting principles. The interim consolidated financial statements include the accounts of Flint Energy Services Ltd. and all subsidiary companies. All subsidiary companies are wholly owned and all material intercompany accounts and transactions have been eliminated. The Company proportionately consolidates its interests in joint ventures. The interim consolidated financial statements follow the same significant accounting policies as described and used in the most recent annual report of the Company for the year ended December 31, 2007, except as described in Note 2(a) below, and should be read in conjunction with that report.

The preparation of the interim consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results may differ from those estimates and assumptions.

2. Accounting Policies

(a) Changes In Accounting Policies

The Company adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3031, Inventories; Section 1535, Capital Disclosures; Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation on January 1, 2008.

(i) Section 3031, Inventories

In June 2007, the CICA issued Section 3031, "Inventories", which requires inventory to be measured at the lower of cost and net realizable value, the allocation of overhead based on normal capacity, the requirement for an entity to use a consistent cost formula for inventory of a similar nature and use, and the reversal of previous write-downs to net realizable value when economic circumstances have changed to support higher inventory values. Disclosure requirements have also been enhanced requiring inventory policies, carrying amounts, amounts recognized as an expense, write-downs and the reversal of write-downs to be disclosed.

As a result, the Company allocates fixed and variable production overheads to the cost of conversion of inventories based on normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Previously, some fixed and variable production overheads were allocated to general and administrative expenses. The adoption of this standard did not have a material impact on the consolidated financial statements.

Inventories expensed in direct costs in the three months ended September 30, 2008 were \$31,265 (September 30, 2007 - \$25,975), and for the nine months ended September 30, 2008 inventories expensed were \$88,820 (September 30, 2007 - \$86,473). In the three months ended September 30, 2008 or in the same period of 2007, there were no material write-downs or reversals of write-downs that were taken in previous periods. Amortization expense included in direct costs for the three months ended September 30, 2008 and its comparative period is not material.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

The carrying amounts of inventories at the reporting date were:

As at	September 30, 2008	December 31, 2007
Raw Materials	\$ 20,247	\$ 20,634
Work in Progress	11,240	9,181
Finished Goods	29,534	21,458
Total	\$ 61,021	\$ 51,273

(ii) Section 1535, Capital Disclosures

In December 2006, the CICA issued Section 1535, "Capital Disclosures". This Section establishes standards for disclosing information about an entity's objectives, policies, and processes for managing capital, quantitative data about what the entity regards as capital, and whether the entity has complied with any capital requirements, and if it has not, the consequences of non-compliance. The Company has applied this new accounting standard prospectively and has disclosed details about its capital management (Note 5). The adoption of this new standard did not have an effect on the Company's financial position, results of its operations or its cash flows.

(iii) Section 3862, Financial Instruments – Disclosures; and Section 3863, Financial Instruments – Presentation

In March, 2007, the CICA issued Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which together comprise a complete set of disclosure and presentation requirements. Section 3862 requires entities to provide disclosures in their financial statements that enable users to evaluate (i) the significance of financial instruments for their financial position and performance and (ii) the nature and extent of risks arising from financial instruments to which they are exposed during the period and as at the balance sheet date and how they manage those risks. Section 3863 establishes standards for the presentation of financial instruments and non-financial derivatives. It addresses the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. As a result of adopting these new sections, the Company has expanded its financial risks and financial instruments disclosures (Note 6). The adoption of this new standard did not have an effect on the Company's financial position, results of its operations or its cash flows.

(b) Future Accounting Pronouncements

(i) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development." The new pronouncements establish standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the previous Section 3062. This Section is effective for the Company for interim and annual financial statements beginning on January 1, 2009. The Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

(ii) Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian Generally Accepted Accounting Principles ("GAAP"), as used by public companies, being evolved and converged with International Financial Reporting Standards ("IFRS") over a transitional period to be complete by 2011. The official changeover date from Canadian GAAP to IFRS is for interim and annual financial statements relating

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

to fiscal years beginning on or after January 1, 2011. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of 2011 when the Company will prepare both the current and comparative financial information using IFRS.

As of September 30, 2008, the Company completed a high-level assessment of the major differences between Canadian GAAP and IFRS as is relevant to the Company along with preliminary position papers on accounting policy choices, and commenced evaluations of the potential impacts on its financial reporting. However, the Company has not yet concluded these evaluations. As a result, the impact of the transition to IFRS on the Company's consolidated financial statements has not yet been determined. The Company will disclose the details of the impact of the changeover as they become known.

3. Goodwill and Intangible Assets

During the third quarter of fiscal 2008, the Company concluded that the carrying value of goodwill and intangible assets related to investments in the Oilfield Transportation and Tubular Management and Manufacturing operating segments were impaired. Changes in the market, including recent declines in the price of oil, resulted in reductions to the Company's sales forecasts in these segments indicating that the carrying value of these assets exceeded their fair value.

As a result, the Company recorded an impairment charge of \$190,357 which was allocated to goodwill and intangible assets in the amounts of \$155,841 and \$34,516 respectively. This also decreased the related future tax liability for the difference between tax and book amortization of the intangible assets by \$10,534, in the period. The goodwill impairment was allocated to the Oilfield Transportation and Tubular Management and Manufacturing operating segments in the amounts of \$133,338 and \$22,503 respectively. The impairment of intangible assets was fully recognized in the Oilfield Transportation operating segment.

The Company determined that there was no impairment of any other operating segments as their fair values exceeded their carrying values.

The change in goodwill during the nine months ended is as follows:

For the nine months ended	September 30, 2008
Balance, beginning of period	\$ 396,250
Impairment of goodwill	(155,841)
Foreign exchange translation adjustments	1,703
Balance, end of period	\$ 242,112

The change of intangible assets during the nine months ended is as follows:

For the nine months ended	September 30, 2008
Balance, beginning of period	\$ 47,640
Amortization of intangible assets	(6,697)
Impairment of intangible assets	(34,516)
Foreign exchange translation adjustments	(3)
Balance, end of period	\$ 6,424

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

4. Capital Stock

(a) Issued Capital Stock:

Issued:	Common shares	Amount
Balance, December 31, 2007	47,560,450 \$	576,304
Shares issued in conjunction with:		
Exercised employee stock options	360,364	4,416
Transfer from contributed surplus for stock options exercised	-	1,690
Share repurchase via normal course issuer bid	(612,200)	(7,439)
Balance, September 30, 2008	47,308,614 \$	574,971

On February 26, 2008, the Company released details of the Normal Course Issuer Bid ("NCIB") to purchase up to 2,379,689 of the Company's common shares, representing 5% of its then issued and outstanding common shares. The Normal Course Issuer Bid commenced on February 29, 2008 and terminates on February 28, 2009.

During the three months ended September 30, 2008, 916,200 common shares were repurchased pursuant to the Company's Normal Course Issuer Bid for a total of \$13,963 or \$15.24 per share.

Of the shares repurchased, 612,200 common shares were cancelled resulting in the average carrying value of \$7,439 being allocated as a reduction to share capital; and \$2,559 representing the consideration in excess of stated value being charged to retained earnings during the period.

The remaining 304,000 common shares were repurchased for a total expenditure of \$3,965 (September 30, 2007 - \$nil), or \$13.04 per share, but were not cancelled by September 30, 2008. This expenditure has been recorded as a reduction of shareholders' equity until such time that the shares are cancelled. As of September 30, 2008, these shares had an average carrying value of \$3,693 included in capital stock. These shares have been excluded from the calculation of the weighted average common shares outstanding during the three and nine months ended September 30, 2008.

(b) Stock Based Compensation Plan:

The Company has an incentive stock option plan for certain employees, officers and directors. Options issued under the plan vest at a rate of one third on the three subsequent award date anniversaries. All stock options must be exercised over specified periods not to exceed five years from the date granted. At September 30, 2008, 3,221,231 common shares remained reserved for issuance under the stock option plan.

The continuity of the Company's outstanding and exercisable stock options during the nine months period ended is as follows:

Outstanding and exercisable stock options	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2007	2,375,626 \$	22.02
Granted	532,500	16.96
Forfeited	(128,439)	23.11
Exercised	(360,364)	12.25
Outstanding, September 30, 2008	2,419,323	22.31
Options exercisable, September 30, 2008	812,460 \$	19.11

Included in the diluted number of common shares for the nine months period ended September 30, 2008 is 208,069 (September 30, 2007 - 588,791) of stock options.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

5. Management of Capital

The Company's objectives when managing capital are:

- (a) to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk; and
- (b) to manage capital in a manner which balances the interests of equity and debt holders.

In the management of capital, the Company includes short-term and long-term debt and shareholders' equity. The Company manages its capital structure and makes adjustments for changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, issue new debt, and/or issue new debt to replace existing debt with different characteristics.

The Company monitors the following ratios: debt to total capitalization and cash flow to interest bearing debt. Debt to total capitalization and cash flow to interest bearing debt ratios are non-GAAP measures which do not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other issuers.

Debt to total capitalization is calculated as short-term and long-term debt (total debt) divided by total capitalization. Total capitalization is defined as the sum of total debt and all components of equity (share capital, contributed surplus, accumulated other comprehensive loss, and retained earnings).

Cash flow to interest bearing debt, expressed as a percentage, is equal to cash flow divided by interest bearing debt. Cash flow is equal to funds provided by operations before changes in non-cash working capital. Interest bearing debt is equal to long-term debt including the current portion.

The Company's objective is to maintain:

- (a) a debt to total capitalization ratio that would not exceed 50%, and
- (b) a minimum cash flow to interest bearing debt of 4% for the quarter.

The objectives and policy for managing capital are established on an annual basis and are monitored on a quarterly basis and remained unchanged in the third quarter of 2008 from the prior comparative period. The Company believes these ratios are currently in the targeted range and provide access to capital at a reasonable cost.

The total debt to capital ratio and cash flow to interest bearing debt are comparable, year over year, and are within the Company's targeted range.

<i>(in millions of Canadian dollars)</i>	September 30, 2008	September 30, 2007
Components of Debt and Coverage Ratios		
Funds provided by operations before changes in non-cash working capital ¹	\$ 38.3	\$ 33.5
Long-term debt (including current portion)	408.2	384.6
Total shareholders' equity	693.9	813.5
Ratios		
Debt to total capitalization	37.0%	32.1%
Cash flow to interest bearing debt (annualized)	37.5%	34.9%

¹ The Company is subject to restrictive covenants related to its credit facilities that are measured on a quarterly basis. These covenants include, but are not limited to, a working capital ratio, debt to EBITDA ratio, fixed charge coverage ratio, and debt to total capitalization ratio. Failure to meet the terms of one or more of these covenants may constitute a default, potentially resulting in an acceleration of the repayment of the Company's debt obligations by the Company's lenders. The Company was in compliance with all covenants under this agreement as at September 30, 2008 and September 30, 2007.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

6. Financial Instruments

(a) Fair Value

The fair values of financial instruments have been estimated on the basis of available market quotations or the use of various valuation techniques, such as present value of future cash flows. However, the methods and assumptions followed to disclose fair values are inherently judgmental. Accordingly, fair values do not necessarily reflect amounts that would be received or paid in case of immediate settlement of these instruments. The Company has classified its cash as held-for-trading and measures it at fair value. Accounts receivable, revenue in excess of billings, and certain other long-term assets are classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, billings in excess of revenue, long term debt, capital lease obligations and certain other long term liabilities are classified as other financial liabilities and are recorded at amortized cost. The Company has reviewed all significant contractual agreements and has determined there are no material embedded derivatives that must be separated from the host contract and accounted for separately.

Transaction costs relating to the renewal of the revolving operating loan are recorded against long term debt and are amortized over the expected life of the related debt using the effective interest method.

The use of different estimations, methodologies and assumptions could have a material effect on the estimated fair value amounts. The methodologies used are as follows:

- Cash, accounts receivables, revenue in excess of billings, accounts payables, billings in excess of revenue: due to the short-term nature of these balances, the recorded amounts approximate fair value;
- Other long-term financial debt: the fair values of long-term debt were determined by estimating future cash flows on a borrowing-by-borrowing basis, and discounting these future cash flows using a rate which takes into account the Company's spread for credit risk at year-end for similar types of debt arrangements; and
- Derivative instruments: the fair values of foreign exchange derivatives and interest rate swaps were calculated using market prices that the Company would pay or receive to settle the related arrangements.

(b) Risk Management

The Company is exposed to a number of financial risks in the normal course of its business operations, including market risks resulting from fluctuations in interest rates and foreign currency exchange rates, as well as credit and liquidity risks. The nature of the financial risks and the Company's strategy for managing these risks has not changed significantly from the prior period.

(i) Interest Rate Risk

The Company is exposed to interest rate risk as changes in market interest rates affect the fair values of fixed-interest rate liabilities and the cash flows of both floating-interest rate liabilities and future borrowings. Capital leases and finance contracts all bear interest at fixed rates. Drawings on the demand credit facilities bear interest at floating rates. The Company regularly reviews the mix of floating and fixed rate debt for consistency with its financing objectives. Floating rate debt exposes the Company to fluctuations in short-term interest rates, while fixed rate debt exposes the Company to future interest rate movements upon refinancing the debt at maturity. The Company minimizes its interest rate risk by balancing its portfolio of fixed and floating rate debt, by using interest rate swaps to lock the interest rate on a portion of the debt for longer periods, as well as by managing the term to maturity of its debt portfolio.

At September 30, 2008, the increase or decrease in earnings before income taxes for each one percent change in interest rates on floating rate debt would amount to \$1,833 (September 30, 2007 - \$1,692).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

(ii) Foreign Currency Exchange Risk

The Company is exposed to foreign currency exchange risk as changes in the foreign currency exchange affect the future cash flows of certain financial instruments. The Company has foreign currency exchange risk that arises from its long-term debt of which a portion is in the form of U.S. dollar denominated credit facilities. The Company minimizes its foreign exchange risk by using derivative contracts to fix the exchange rate on some of its expected requirements for U.S. dollars. Amounts received or paid related to instruments used to hedge foreign exchange, including gains and losses are recognized in interest expense.

The Company's self-sustaining operations expose the Company to fluctuations in foreign currency exchange rates, predominantly U.S. dollars. These fluctuations are recorded as currency translation adjustments in other comprehensive income.

As at September 30, 2008, holding all other variables constant, a \$0.01 strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net earnings by approximately \$231 and would result in a decrease (increase) of \$1,060 to other comprehensive earnings.

(iii) Credit Risk

The Company is exposed to credit risk, primarily through its accounts receivables and revenues in excess of billings, from its counterparties' abilities to fulfill their obligations to the Company. The Company manages this risk through the establishment of credit policies and limits, which are applied in the selection of counterparties, and through ongoing management review of all receivable balances past due with the objective of identifying matters that could potentially delay the collection of funds at an early stage. The Company carries adequate provisions for expected losses arising from credit risk associated with all financial assets. The maximum amount of credit risk exposure is limited to the carrying amount of the balances in the financial statements.

The aging of trade receivables at the reporting date is:

As at	September 30, 2008	December 31, 2007
Current	\$ 268,576	\$ 124,333
30 - 60 days	48,914	35,429
61 - 90 days	20,753	20,417
91 - 120 days	12,706	19,885
Greater than 120 days	25,991	26,725
Total trade receivables	376,940	226,789
Other receivables and allowance for doubtful accounts	23,389	9,797
Total accounts receivable	\$ 400,329	\$ 236,586

The Company has recorded an allowance for doubtful accounts of \$1,922 as at September 30, 2008. The change in the allowance for doubtful accounts specific to trade receivables during the period is as follows:

For the three months ended	September 30, 2008
Allowance, beginning of period	\$ 2,220
Additional allowance	70
Receivables written-off	(368)
Allowance, end of period	\$ 1,922

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

(iv) Liquidity Risk

The Company is exposed to liquidity risk from the potential inability to generate or obtain sufficient cash and cash equivalents in a timely and cost-effective manner to discharge its financial liabilities as they come due. The Company manages liquidity risk by forecasting cash flows to identify financing requirements, by maintaining committed and demand credit facilities, and by maintaining access to additional financing at competitive rates through capital markets and highly rated financial institutions. Any debt issued by the Company is managed in accordance with specified liquidity and maturity profiles. At September 30, 2008 the Company had un-drawn and committed bank borrowing facilities of \$56,200 Canadian, and \$18,000 U.S.

Maximum available credit under the Canadian and United States revolving operating loans is \$210,000 Canadian and \$18,000 U.S., respectively and \$170,000 Canadian and \$73,000 U.S. under the term loans. The Company has the ability to request the expansion of the borrowing capacity under the revolving operating loans to \$250,000 Canadian and expand borrowing capacity to a maximum of \$325,000 Canadian under the term loans with the approval of the lenders.

The Company has provided a first charge over all assets under a General Security Agreement as security for the revolving operating loans and the term loans. The Company has also provided a general assignment of book debts, a first charge over all real property assets, pledged all shares of its subsidiaries and an assignment of insurance. The credit facilities require the Company to meet certain covenants. The Company was in compliance with these covenants at September 30, 2008 and December 31, 2007. In certain circumstances, leasing companies have finance contracts which take precedence over the General Security Agreement with the financial institutions. Waivers have been placed as required in these situations.

The Company believes that internally generated cash flows supplemented by borrowings if necessary, will be sufficient to cover its normal operating and capital expenditures.

The following are the contractual maturities of financial liabilities:

	September 30, 2008				
	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Long-term debt	\$ 27,167	\$ 288,672	\$ 47,840	\$ 44,565	\$ 408,244
Accounts payable and accrued liabilities	235,988	-	-	-	235,988
Total	\$ 263,155	\$ 288,672	\$ 47,840	\$ 44,565	\$ 644,232

	December 31, 2007				
	< 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Long-term debt	\$ 16,683	\$ 136,791	\$ 155,007	\$ 61,847	\$ 370,328
Accounts payable and accrued liabilities	186,175	-	-	-	186,175
Total	\$ 202,858	\$ 136,791	\$ 155,007	\$ 61,847	\$ 556,503

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

7. Segmented Information

As at September 30, 2008, the Company is operating within five reportable business segments, each of which are distinct business units that offer different products and services within the oil and natural gas industry. These reportable business segments include Production Services, Facility Infrastructure, Oilfield Transportation, Tubular Management and Manufacturing, and Plant Maintenance and Other.

During the fourth quarter of 2007, the Plant Maintenance and Other segment was reorganized to include the operations of Mackenzie Valley Construction Ltd., a 49% joint venture and S.R.P. North Ventures Ltd., a 33 1/3% joint venture. The Company has reclassified its segment disclosures to include these new business segments and has provided comparative information where applicable.

The Production Services operating segment provides pipeline work, day-to-day field facility installation and maintenance services, as well as electrical, instrumentation, mechanical, safety, pressure and vacuum and fluid hauling services.

The Facility Infrastructure operating segment provides major facility project development services to the energy and natural resources sector. This provides a full-cycle approach to all phases of project development from concept and design to fabrication and installation.

The Oilfield Transportation operating segment includes specialized hauling of oversized and over-weight modules, vessels, equipment and machinery, tank truck services, drilling rig moving and heavy hauling of associated drilling rig equipment, heavy construction equipment, service rig and light hauling services to and from drilling site locations.

The Tubular Management and Manufacturing operating segment includes inspection, threading, refurbishment and bucking of drill and line pipe, manufacturing of high density pipe, the assembly of oil and natural gas process piping and equipment design, manufacturing and distribution of oilfield production equipment.

The Plant Maintenance and Other operating segment provides operations, oil and gas production and maintenance, construction, logistical oilfield services, asset management and project management services to the North American energy sector.

The Company allocates resources based on revenue and evaluates performance of operating segments based on earnings before interest, taxes, depreciation, amortization, impairment charge, and stock based compensation.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

(i) Operating Segmentation

	Production Services	Facility Infrastructure	Oilfield Transportation	Tubular Management & Manufacturing	Plant Maintenance & Other	Total
Three months ended September 30, 2008						
Revenue	\$ 252,600	\$ 167,098	\$ 40,537	\$ 49,590	\$ 75,929	\$ 585,754
EBITDA ¹	25,707	16,144	2,691	5,561	4,330	54,433
Amortization	7,052	3,353	6,461	1,354	355	18,575
Capital expenditures	10,278	3,211	4,775	942	1,422	20,628
Additions (reductions) to goodwill	1,076	-	(133,338)	(22,503)	-	(154,765)
Goodwill	179,578	28,900	12,874	20,760	-	242,112
Total assets	658,777	356,760	227,413	126,615	51,323	1,420,888
Three months ended September 30, 2007						
Revenue	\$ 237,839	\$ 102,151	\$ 29,923	\$ 45,192	\$ 9,172	\$ 424,277
EBITDA ¹	28,609	9,738	(1,664)	8,301	654	45,638
Amortization	7,748	2,359	5,249	2,698	47	18,101
Capital expenditures	7,329	1,788	8,113	2,592	4,100	23,922
Additions (reductions) to goodwill	(1,640)	-	-	-	-	(1,640)
Goodwill	181,197	28,900	146,067	46,332	-	402,496
Total assets	685,362	300,045	336,170	151,441	11,422	1,484,440
Nine months ended September 30, 2008						
Revenue	\$ 770,606	\$ 388,588	\$ 117,337	\$ 140,561	\$ 215,959	\$ 1,633,051
EBITDA ¹	73,945	34,511	2,013	14,485	14,257	139,211
Amortization	22,422	8,447	17,047	4,330	937	53,183
Capital expenditures	16,030	5,099	8,500	1,962	4,703	36,294
Additions (reductions) to goodwill	1,703	-	(133,338)	(22,503)	-	(154,138)
Goodwill	179,578	28,900	12,874	20,760	-	242,112
Total assets	658,777	356,760	227,413	126,615	51,323	1,420,888
Nine months ended September 30, 2007						
Revenue	\$ 774,245	\$ 302,818	\$ 104,854	\$ 148,529	\$ 18,313	\$ 1,348,759
EBITDA ¹	84,415	25,896	2,979	26,571	920	140,781
Amortization	23,449	6,455	15,396	7,813	293	53,406
Capital expenditures	24,511	5,581	19,313	8,528	5,312	63,245
Additions (reductions) to goodwill	(4,118)	-	41	10	-	(4,067)
Goodwill	181,197	28,900	146,067	46,332	-	402,496
Total assets	685,362	300,045	336,170	151,441	11,422	1,484,440

¹ In addition to providing earnings measures in accordance with GAAP, the Company presents EBITDA as a supplemental earnings measure as it is used by the chief operating decision makers of the Company to measure operating segment profitability. EBITDA is equal to (loss) earnings before interest, taxes, depreciation, amortization, impairment charge and stock based compensation. Management uses EBITDA to establish performance benchmarks for incentive compensation for employees, to evaluate the performance of its operating segments, and in valuing existing operations to determine potential goodwill impairment. EBITDA is a non-GAAP financial measure that do not have any standardized meaning prescribed by GAAP, and may not be comparable to similar measures presented by other issuers.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2008

(unaudited)

(in thousands of Canadian dollars unless otherwise stated, except share data, per share amounts and stock option exercise prices)

(ii) Geographic Segmentation

	Canada	United States	Total
Three months ended September 30, 2008			
Revenue	\$ 452,785	\$ 132,969	\$ 585,754
Property, plant and equipment	389,250	56,304	445,554
Goodwill	208,125	33,987	242,112
Total assets	1,261,112	159,776	1,420,888
Three months ended September 30, 2007			
Revenue	\$ 311,576	\$ 112,701	\$ 424,277
Property, plant and equipment	408,672	47,004	455,676
Goodwill	370,130	32,366	402,496
Total assets	1,380,724	103,716	1,484,440
Nine months ended September 30, 2008			
Revenue	\$ 1,254,999	\$ 378,052	\$ 1,633,051
Property, plant and equipment	389,250	56,304	445,554
Goodwill	208,125	33,987	242,112
Total assets	1,261,112	159,776	1,420,888
Nine months ended September 30, 2007			
Revenue	\$ 996,211	\$ 352,548	\$ 1,348,759
Property, plant and equipment	408,672	47,004	455,676
Goodwill	370,130	32,366	402,496
Total assets	1,380,724	103,716	1,484,440

8. Commitments and Contingencies

At September 30, 2008, the Company was involved in various legal claims related to the normal course of operations. Management believes that it has adequately provided for these legal claims.

9. Subsequent Events

Subsequent to September 30, 2008, the Company purchased an additional 114,000 common shares pursuant to the Company's Normal Course Issuer Bid for a total expenditure of \$1,320 or \$11.58 per share.

On November 3, 2008, the Company announced that Flint Transfield Services Limited, in which the Company has a 50% ownership interest, was awarded a two year, \$12 million contract to provide pipeline maintenance services at Canadian Natural Resources Ltd.'s Horizon project near Fort McMurray, Alberta.

10. Comparative Figures

Certain comparative figures have been reclassified to conform to current period presentation.

Directors

John Geddes

Chairman of the Board
Flint Energy Services Ltd.
Calgary, Alberta

W.J. (Bill) Lingard

President and
Chief Executive Officer
Flint Energy Services Ltd.
Calgary, Alberta

John Bates

President
Flint Resources Company,
LLC
Tulsa, Oklahoma

Stuart O'Connor

President
Timber Ridge Capital Ltd.
Calgary, Alberta

Douglas E. Swanson

Retired
Former CEO
Oil States International Inc.
Houston, Texas

T.D. (Terry) Freeman

Managing Director
Northern Plains
Investment Growth Fund
Edmonton, Alberta

C. Douglas Annable

President
CD Consulting Inc.
Calgary, Alberta

Philip C. Lachambre

President
PCML Consulting Inc.
Edmonton, Alberta

Officers

W.J. (Bill) Lingard

President and
Chief Executive Officer

Paul M. Boechler

Chief Financial Officer
and Corporate Secretary

Wayne Shaw

Senior Vice President,
Infrastructure Services

Keith Lambert

Senior Vice President,
Production Services

Bryce Satter

President, Flint Energy
Services Inc. (U.S.A.)

Shawn Carry

Vice President, Transco
Energy Services Ltd.

Bob Henderson

Vice President,
Human Resources

Glen Greenshields

Corporate Vice President

Bankers

Bank of Montreal

Auditors

KPMG LLP

Legal Counsel

Bennett Jones LLP

Transfer Agent and Registrar

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