

Foraco International S.A.
Unaudited condensed consolidated interim financial statements as of December 31, 2007

Foraco International S.A.
Unaudited Condensed Consolidated Interim Financial Statements
Three-month period and year ended December 31, 2007



The accompanying notes to the financial statements form an integral part
of these consolidated interim financial statements



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Unaudited condensed consolidated interim balance sheet - Assets

	Note	December 31, 2007	December 31, 2006
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	16,323	11,411
Goodwill	(6)	4,260	1,914
Other intangible asset	(6)	153	-
Investments in associates		-	75
Deferred income tax assets		513	645
Other non-current assets		340	413
		21,588	14,458
Current assets			
Inventories, net	(7)	13,389	11,081
Trade receivables, net		15,898	13,024
Other current assets		5,793	4,376
Cash and cash equivalents		23,264	3,313
		58,343	31,794
Total assets		79,931	46,252

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Unaudited condensed consolidated interim balance sheet – Equity & Liabilities

	Note	December 31, 2007	December 31, 2006
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	(15)	911	657
Retained earnings		44 785	15 064
Other reserves		700	(1 210)
		46 396	14 511
Minority interest in equity		171	112
Total equity		46 567	14 623
LIABILITIES			
Non-current liabilities			
Borrowings	(8)	2 566	3 868
Deferred income tax liabilities		864	893
Provisions for other liabilities and charges	(9)	345	2 632
Current liabilities			
Trade and other payables		21 971	14 932
Current income tax liabilities		2 398	121
Borrowings	(8)	5 175	8 820
Provisions for other liabilities and charges	(9)	45	363
Total liabilities		33 364	31 629
Total equity and liabilities		79 931	46 252

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Unaudited condensed consolidated interim income statement

	Note	Three-month	Year ended	Three-month	Year ended
		period ended	December 31, 2007	period ended	December 31, 2006
Revenue	(4)	19,587	74,578	10,927	35,138
Cost of sales	(12)	(14,113)	(53,918)	(7,941)	(26,905)
Gross profit		5,474	20,660	2,986	8,233
Selling and marketing expenses	(12)	(704)	(2,543)	(427)	(1,449)
General and administrative expenses	(12)	(1,477)	(5,412)	(915)	(3,585)
Other operating income / (expense), net	(12)	(356)	(291)	23	23
Share of profit / (loss) from associates	(12)	(25)	69	75	75
Share based compensation granted as part of the Initial Public Offering	(11)/(12)		(983)	-	-
Operating profit		2,914	11,500	1,742	3,297
Finance costs		177	(771)	(74)	(474)
Profit before income tax		3,091	10,729	1,668	2,823
Income tax expense		(1,913)	(4,231)	(421)	(656)
Profit for the period		1,178	6,498	1,247	2,167
Attributable to:					
Equity holders of the Company		1,145	6,439	1,332	2,252
Minority interest		33	59	(85)	(85)
Earnings per share for profit attributable to the equity holders of the Company					
- basic	(15)	0.02	0.13	0.03	0.05
- diluted	(15)	0.02	0.13	0.03	0.05

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Foraco International S.A.
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Unaudited condensed consolidated interim statement of changes in equity

	Attributable to equity holders of the Company			Total	Minority Interest	Total equity
	Share Capital	Retained Earnings	Other Reserves			
Balance at January 1, 2006	657	13,414	(749)	13,322	210	13,532
Actuarial gains / (losses), net of tax	-	-	(387)	(387)	-	(387)
Currency translation differences	-	-	(246)	(246)	-	(246)
Net income / (loss) recognized directly in equity	657	13,414	(1,382)	12,689	210	12,899
Profit for the nine month period	-	920	-	920	-	920
Total recognized income and expense for the nine-month period	657	14,334	(1,382)	13,609	210	13,819
Dividend paid relating to 2005	-	(602)	-	(602)	-	(602)
Balance at September 30, 2006	657	13,732	(1,382)	13,007	210	13,217
Balance at January 1, 2007	657	15,064	(1,210)	14,511	112	14,623
Currency translation differences	-	-	143	143	-	143
Change in fair value of financial assets available for sale, net of tax	-	(793)	793	-	-	-
Employee share based compensation (see Note 11)	-	-	1,082	1,082	-	1,082
Actuarial gains / (losses), net of tax (see Note 9)	-	-	(108)	(108)	-	(108)
Net income / (loss) recognized directly in equity	657	14,271	700	15,628	112	15,740
Profit for the year	-	6,439	-	6,439	59	6,498
Total recognized income and expense for the year	657	20,710	700	22,067	171	22,238
Paid in capital		24,677		24,677		24,677
Share capital increase	254	-	-	254	-	254
Dividend declared relating to 2006	-	(602)	-	(602)	-	(602)
Balance at December 31, 2007	911	44,785	700	46,396	171	46,567

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Foraco International S.A.
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Unaudited condensed consolidated interim cash flow statement

- Income tax expenses	4,231	656
- Finance costs, net	771	474
Cash generated from operations before changes in operating assets and liabilities	18,324	5,837
Changes in operating assets and liabilities:		
- Inventories	(942)	(2,547)
- Trade accounts receivable and other receivable	(2,957)	(2,292)
- Trade accounts payable and other payable	4,149	1,034
Cash generated from operations	18,574	2,032
- Interest paid	(934)	(390)
- Income tax paid	(1,215)	(815)
Net cash flow from operating activities	16,425	827
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,098)	(3,096)
Acquisition of the net assets of Connors Drilling Ltd	(6,566)	-
Deposit on escrow account relating to Connors' acquisition	(735)	-
Proceeds from sale of PPE	90	49
Dividends received	144	120
Changes in other current and non-current assets (excluding operating assets)	(16)	(36)
Net cash used in investing activities	(14,181)	(2,963)
Cash flows from financing activities		
Proceeds from issuance of common shares, net of directly attributable costs (see Note 15)	23,910	-
Proceeds from issuance of borrowings, net of issuance costs	8,731	1,390
Repayments of borrowings	(10,873)	(1,696)
Net increase / (decrease) in bank overdrafts and short-term loans	(2,974)	2,463
Dividends paid to Company's shareholders	(1,127)	(77)
Dividends paid to minority interests		(13)
Net cash used in financing activities	17,667	2,067
Exchange differences on cash and cash equivalents	40	-
Net increase/(decrease) in cash and cash equivalents	19,951	(69)
Cash and cash equivalents at beginning of the period	3,313	3,382
Cash and cash equivalents at end of the period	23,264	3,313

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Selected notes to the unaudited condensed consolidated interim financial statements

1. Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. All material intercompany balances have been eliminated. Because all the disclosures required by IFRS are not included, these interim statements should be read in conjunction with the audited financial statements in the Company's annual report for the year ended December 31, 2006. The statements of income for the periods presented are not necessarily indicative of results expected for any future period, nor for the entire year.

Except otherwise stated, all amounts are presented in thousands of € which is the functional currency of the Group.

2. Accounting policies and new accounting pronouncements

The accounting policies have been consistently applied with those of the annual financial statements for the year ended December 31, 2006, as described in the annual financial statements for the year ended December 31, 2006.

Certain new standards and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after July 1, 2007 or later periods.

New standards adopted in 2007 which are applicable to the operations of the Company:

- IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from January 1, 2007). This standard has been applied for disclosures provided in these annual financial statements. IFRS 7 strengthened disclosures about financial instruments and the nature and extent of risks arising from these instruments by adding certain new disclosures to those previously required by IAS 32, Financial Instruments: Presentation and Disclosure.

New interpretations adopted in 2007 which are not applicable to the operations of the Company:

- IFRIC 11, Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007).
- IFRIC 12, Service Concession Arrangements (effective for annual periods beginning on or after January 1, 2008).
- IFRIC 13, Customer Loyalty Programs (effective for annual periods beginning on or after July 1, 2008).

- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 1, 2008).

New standard which the Company did not early adopt in 2007:

- IFRS 8, Operating segments (effective for annual periods beginning on or after January 1, 2009): IFRS 8 replaces IAS 14, Segment Reporting and requires an entity to report financial and descriptive information about its reportable segments. IFRS 8 differs in certain areas from IAS 14 such as in the identification of operating segments based on internal reports that are regularly reviewed by the management in order to allocate resources to the segment and assess its performance. The adoption of IFRS 8 would require that the Company amends the way it presents reporting segment to conform with internal reports used by management.

2.1. Intangible assets

Following the acquisition of the net assets of Connors Drilling Ltd, the Company recognized certain intangible assets as part of the purchase price allocation (see Note 6).

(a) Trademarks

Acquired trademarks are shown at acquisition cost. Trademarks have a finite useful life and are carried at cost less accumulated amortization. In the context of the acquisition of the Canadian operations of Connors Drilling Ltd, the right to use the trademark 'Connors' has been granted to the Company for a 20 month period. Amortization of the Connors trademark is calculated using the straight-line method over its estimated useful life of 20 months. Trademarks are presented within “Other intangible assets”.

(b) Customer relationships

Customer relationships correspond to order backlog and customer contracts recognized in the context of business combination at the date of acquisition. For each component of customer contractual relationships, (i) a signed drilling contract, (ii) an expected revenue and (iii) an expected margin are identified. Following the date of acquisition when the corresponding drilling contract starts, the customer contractual relationship identified at the date of acquisition and recognized as an intangible asset is credited to cost of sales so as to amortize the intangible asset based on the revenue earned. When applicable, an impairment test is performed if the drilling contract is no longer likely to occur, or if the expected profitability of a given future transaction is lower than anticipated. No impairment loss has been recognized to date. Customer relationships are presented within “Other intangible assets”.

2.3. Share-based compensation

During the period, the Company entered into certain share-based compensation plans (see Note 11 and 15). The fair value of the employee or third party services received in exchange for the grant of the shares is recognised as an expense, with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instrument granted. The plans operated by the Company do not include any market vesting conditions. At each balance sheet date, the Company will revise its estimates of the number of shares that are expected to vest. The Company will recognise the impact of the revision of original estimates, if any, in the income statement.

2.4. Income tax

The income tax expense is recognized based on the management's best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis.

2.5. Seasonal fluctuations

The Company experiences seasonality in the activity depending upon drilling conditions of each project and country where the Company operates, with peak activity in the second and third quarters of the year. As a result of these seasonal fluctuations, the Company's cash flows from operations and revenue are not evenly distributed between quarters throughout the year.

3. Financial Risk management

The Company is exposed to a variety of financial risks through its activity: currency risk, cash transfer restriction, interest rate / re-investment risk, financial counter-party risk and credit risk.

Following the Group expansion in Canada, a portion of the cash flows is now denominated in Canadian dollars. Canadian operations are not exposed to currency fluctuations as all revenues and costs are generated in Canadian dollars. The company also owns certain short term deposits with guaranteed capital that mainly provide fixed yield indexed on the € currency market.

4. Segment information

The two segments "Mining & Energy" and "Water, Environmental & Infrastructure" identified in the tables below correspond to the new business segments in which the Company has reported its financial information since the second quarter of 2007. Management believes that this new identification of segments provides a better understanding of current performance and trends in the context of the expansion of

Company's operations. Prior period segment information presented for comparative purposes has been restated to reflect this new identification of segments. Geographical segment information remains unchanged.

The business segment information for the three month period ended December 31, 2007 and 2006 is as follows:

Three-month period ended	Water, environmental & infrastructure		Mining & energy		Group	
	December 31,		December 31,		December 31,	
	2007	2006	2007	2006	2007	2006
Net Sales	5,230	6,043	14,358	4,883	19,588	10,926
Operating profit	367	1,069	2,547	673	2,914	1,742
Finance costs	n/a	n/a	n/a	n/a	177	(74)
Profit before income tax	n/a	n/a	n/a	n/a	3,091	1,668
Income tax expense	n/a	n/a	n/a	n/a	(1,913)	(421)
Profit for the period	n/a	n/a	n/a	n/a	1,178	1,247

The business segment information for the year ended December 31, 2007 and 2006 is as follows:

Year ended	Water, environmental & infrastructure		Mining & energy		Group	
	December 31,		December 31,		December 31,	
	2007	2006	2007	2006	2007	2006
Net Sales	20,631	21,553	53,947	13,585	74,578	35,138
Operating profit	2,568	1,762	8,932	1,535	11,500	3,297
Finance costs	n/a	n/a	n/a	n/a	(771)	(474)
Profit before income tax	n/a	n/a	n/a	n/a	10,729	2,823
Income tax expense	n/a	n/a	n/a	n/a	(4,231)	(656)
Profit for the period	n/a	n/a	n/a	n/a	6,498	2,167

Corporate costs and overheads are allocated to each business segment based on their revenue. This approach is considered by management to be a reasonable basis for determining the attributable costs of the respective segment.

The following is a summary of sales to external customers by geographic area for the three month period ended December 31, 2007 and 2006:

Three month period ended	December 31, 2007	December 31, 2006
Africa	8,584	7,116
Europe	3,055	1,867
Asia, Pacific	1,499	1,373
America	6,450	570
Net sales	19,588	10,926

The following is a summary of sales to external customers by geographic area for the year ended December 31, 2007 and 2006:

Year ended	December 31, 2007	December 31, 2006
Africa	35,254	23,968
Europe	7,550	4,702
Asia, Pacific	6,751	5,898
America	25,023	570
Net sales	74,578	35,138

5. Property, plant and equipment

Property, plant and equipment (PPE) consists of the following:

	Land & Buildings	Drilling equipment & tools	Automotive equipment	Office furniture & other equipment	Total
As of December 31, 2006					
Opening net book amount	1,179	5,547	1,055	142	7,923
Additions	273	4,718	1,167	68	6,226
Disposals or retirements	-	(35)	(57)	(2)	(94)
Depreciation charge	(79)	(1,771)	(731)	(64)	(2,644)
Closing net book value	1,373	8,459	1,434	144	11,411
As of December 31, 2006					
Cost	1,889	18,872	3,995	923	25,680
Accumulated depreciation	(516)	(10,413)	(2,561)	(779)	(14,269)
Net book value	1,373	8,459	1,434	144	11,411
<i>Including:</i>					
<i>PPE under finance lease contracts, gross</i>	893	3,657	1,133	-	5,683
<i>PPE under finance lease contracts, accumulated depreciation</i>	(610)	(908)	(571)	-	(2,089)
Net book value of PPE under finance lease as of December 31, 2006	283	2,749	562	-	3,594
As of December 31, 2007					
Opening net book amount	1,373	8,459	1,434	144	11,411
Additions	123	5,766	1,062	147	7,098
Exchange differences	60	118	-	4	182
Disposals or retirements	(581)	-	-	-	(581)
Acquisition of subsidiary (Note 6)	913	1,577	74	12	2,576
Depreciation charge	(135)	(3,459)	(688)	(81)	(4,363)
Closing net book value	1,753	12,461	1,882	226	16,323
<i>Including:</i>					
<i>PPE under finance lease contracts, gross</i>	-	3,657	1,133	-	4,790
<i>PPE under finance lease contracts, accumulated depreciation</i>	-	(1,551)	(752)	-	(2,303)
Net book value of PPE under finance lease as of December 31, 2007	-	2,106	381	-	2,487

The depreciation expense of PP&E and the amortization expense of intangible assets have been charged to the income statement as follows:

Three month period ended	December 31, 2007	December 31, 2006
Cost of sales	1,345	800
General & administrative expenses	-	10
Total depreciation and amortization	1,345	810

Year ended	December 31, 2007	December 31, 2006
Cost of sales	5,102	2,606
General & administrative expenses	45	40
Total depreciation and amortization	5,147	2,646

6. Goodwill

Goodwill can be analyzed as follows:

Period ended	December 31, 2007	December 31, 2006
Goodwill at period beginning	1,914	1,914
Additions	2,206	-
Purchase price adjustments	-	-
Impairment loss	-	-
Exchange differences	140	-
Goodwill at period ending	4,260	1,914

Business Combination

The Company acquired a substantial amount of the Canadian assets of Connors Drilling Ltd., a surface and underground diamond drilling company, through an asset deal on February 1, 2007. The net purchase consideration paid in relation to this acquisition and the related goodwill amounted to €6,566 thousand and €2,206 thousand, respectively.

The additional depreciation and amortization expenses recognized in the income statement resulting from the purchase price allocation for the three month and the year ended December 31, 2007 amounted to €189 thousand and €784 thousand, respectively.

The Company claimed a purchase price adjustment related to the value of certain inventories acquired. This purchase price adjustment is under final negotiation.

7. Inventories

Inventories consist of the following:

Period ended	December 31, 2007	December 31, 2006
Spare parts and consumables, gross	13,453	11,529
Less inventory allowance	(64)	(448)
Inventories, net	13,389	11,081

8. Borrowings

Financial debt consists of the following:

Period ended	December 31, December 31,	
	2007	2006
Non-current		
Other bank financings	1,431	1,352
Capital lease obligations	1,135	1,978
Bank loan financing the acquisition of Boniface	-	16
Other debt linked to the acquisition of Boniface	-	80
Bank loan financing the acquisition of Geomechanik	-	442
	2,566	3,868
Current		
Bank overdrafts	638	1,976
Obligation under securitization program	2,960	4,596
Other bank liabilities	737	661
Capital lease obligations	744	974
Bank loan financing the acquisition of Boniface	16	170
Other debt linked to the acquisition of Boniface	80	-
Bank loan financing the acquisition of Geomechanik	-	443
	5,175	8,820

As of December 31, 2007, maturity of financial debt can be analyzed as follows:

Maturity	Less than one year	One to five years	Over five years	Total
Bank overdraft	638	-	-	638
Obligation under securitization program	2,960	-	-	2,960
Bank financing	737	1,431	-	2,168
Capital lease obligations	744	1,135	-	1,879
Bank loans and debts relating to acquisitions	96	-	-	96
Total financial debt	5,175	2,566	-	7,741

Unused credit facilities amount to €12,722 thousand as of December 31, 2007.

Total financial debts as of December 31, 2007 include collateralized borrowings of €5,477 thousand:

- Obligation under receivable securitization program for an amount of €2,960 thousand is secured by receivables that have been transferred; and
- Capital lease obligations amounting to €1,879 thousand are secured by related leased assets.
- Bank overdrafts amounting to €638 thousand are secured by a general pledge on assets of the related subsidiaries (i.e. Foraco Canada Ltd. and Foraco Drilling Ltd).

9. Provisions

Provisions comprise the following elements:

	Pension & retirement indemnities provision	Other provisions	Total
At January 1, 2007	2,995	-	2,995
Charged to consolidated income statement		-	
- Addition to provisions	107	45	152
- Unused amounts reversed	-	-	-
Used during period	(225)	-	(225)
Actuarial gains and losses recognized directly in Equity	105	-	105
Impact of the settlement of Germany plans - reorganisation program	(2,637)	-	(2,637)
At December 31, 2007	345	45	390
<i>of which non-current portion</i>	<i>345</i>	<i>-</i>	<i>345</i>
<i>of which current portion</i>	<i>-</i>	<i>45</i>	<i>45</i>

The provision relating to French retirement indemnities amounts to €345 thousand as of December 31, 2007.

In Germany, the company Geomechanik granted its employees a defined benefit pension plan. Following the reorganization program which took place in October 2007 (see Note 10), the obligation was transferred to outside the Group. In accordance within IAS 19, the provision, amounting to €2,637 thousand, was reversed at settlement date and related actuarial losses, amounting to €793 thousand, were directly transferred from “Other reserves” to “Retained Earnings”.

10. Reorganization program

In October 2007, the Company completed a reorganization program whereby its property and premises located in Lunel (France) and Woringen (Germany), and certain obligations under a defined benefit pension plan relating to its German subsidiary Geomechanik (see Note 9) were transferred to a non-consolidated entity owned and co-managed by two of the Directors and current shareholders of Foraco. This reorganization program was initiated in early 2007.

Following the completion of these transactions the premises in Woringen and Lunel have been leased back to the Company at market rate. The lease in respect to the premises in Woringen, Germany is for a term of two years, with an annual rent of €20 thousand. The lease in respect to the premises in Lunel is for a term of nine years, with an annual rent of €81 thousand. The Company benefits from an option to terminate the lease for the premises in Lunel at the end of the sixth and ninth year of the tenancy. These leases are renewable.

These transactions resulted in a loss that can be analyzed as follows:

Profit on real estate properties disposal	1,549
Loss on settlement of pension obligation	(1,863)
Other items	2
Reorganization program impact	(312)

The net amount payable by the Company following the reorganization amounted to €2,218 thousand (net of the nominal consideration paid to the Company for the shares of Geomechanik), is payable within six months of notice demanding payment be delivered to the Company. Until paid, this payable will bear interest at Euribor 3m plus 150 b.p. payable on a quarterly basis.

11. Share based compensation

Share based compensation directly related to the Initial Public Offering

In June 2007, 520 common shares - before the effect of share split - have been issued to the benefit of certain Directors. This issuance is treated as share based compensations as these shares have been issued at a price amounting to less than the fair value. The Company recognized an expense amounting to € 781 thousand corresponding to the difference between the issue price of these shares and their fair value (deemed to be the share price at Initial Public Offering date).

In August 2007, in accordance with the provision of the underwriting agreement, 833,350 warrants to be converted into common shares of the Company were issued for no compensation to the benefit of Research Capital Corporation. This issuance is treated as share based compensations as these shares have been issued at a price amounting to less than the fair value. These warrants vest immediately. The fair value of warrants has been determined using a Black and Scholes option pricing model with the following assumptions:

- Conversion rate one common share for one warrant
- Strike price 2.40 Can\$
- Fair value at grant date 2.40 Can\$ (share price at Initial Public Offering date)
- Expected volatility 37.0%
- Risk free interest rate 4.7%
- Expected exercise period 9 months

The Company recognized an expense amounting to €202 thousand in the third quarter of 2007, corresponding to the fair value of these warrants.

These non cash, non recurring share based compensations have been disclosed in a separate line item of the income statement “Share based compensation granted as part of the IPO”.

Share based compensation expenses recognized in the income statement are as follows:

	Three-month period ended	Year ended
	December 31, 2007	
Common shares to the benefit of certain directors issued in 2007	-	781
Warrants issued for the benefit of IPO agent	-	202
Total share based compensation expense	-	983

Other share based payment transaction with employees

According to the authorization given by the ordinary and extraordinary general meeting of shareholders held in June 2007, the board of directors of the Company issued, under its share plan, 512,000 common shares to employees for no consideration.

These free stock award plans with employees are within the scope of IFRS 2, Share-based payment as they are issued at a price that is less than the fair value of those equity instruments. From grant date, the Company will amortize over the corresponding vesting period the fair value of the free common shares granted to employees.

From an accounting standpoint, the main provisions of this share plan are as follows:

- Number of free shares issued 512,000
- Vesting period for the French plan 2 years
- Vesting period for the International plan 4 years
- Fair value of common shares at grant date Can\$ 2.70
- Anticipated turnover 5.0% per year

As of December 31, 2007 the impact of these non cash share based compensations amounts to € 99 thousand and is presented within “Cost of sale” or “General and administrative expenses”.

The total non-cash effect of share based compensations presented in the statement of cash flows amounts to €1,082 thousand for the year ending December 31, 2007.

12. Expenses by nature

Operating expenses / (income), net by nature are as follows:

	Three-month		Three-month	
	period ended	Year ended	period ended	Year ended
	December 31, 2007		December 31, 2006	
Depreciation, amortization and impairment charges	(1,345)	(5,147)	(810)	(2,646)
Accruals increases / (reversals)	(77)	(317)	278	315
Raw materials, consumables used and external charges	(9,279)	(35,222)	(6,760)	(22,092)
Employee benefit expense	(5,351)	(20,106)	(1,719)	(6,518)
Other tax expense	(337)	(1,130)	(291)	(923)
Share of profit / (loss) from associates	(25)	69	-	-
Other operating expenses, net	52	70	45	23
Share based compensations granted as part of the initial public offering	-	(983)	-	-
Loss following the reorganization program	(312)	(312)	-	-
Total operating expenses	(16,674)	(63,078)	(9,257)	(31,841)

13. Commitments and contingencies

The guarantees given are the following:

Period ended	December 31, December 31,	
	2007	2006
Bid bonds	1,277	698
Advance payment guarantees and performance guarantees	11,154	10,261
Retention guarantees	3,113	2,109
Financial guarantees	1,407	1,385
Total	16,951	14,453

The Company entered into an operating lease in respect to its premises in Lunel for a term of nine years with an annual rent of €81 thousand.

Since 2004, the Company launched an arbitration process against a former customer Codelco, a Chilean state owned company. This dispute arose following the breach of the provisions of a drilling contract in relation to the period 2002 and 2003. In late 2006, the arbitrator issued a first conciliation proposal whereby Codelco is required to indemnify the Company for an amount approximating U.S. \$2.5 million. This proposal has not been accepted by the parties and the arbitration process is still ongoing. At this stage, the

management of the Company can not make any reliable estimate on the future outcome of this arbitration.

In the context of the acquisition of the company Boniface which took place in 2000, the Company was granted with a guarantee on assets acquired and liabilities assumed. The guarantee related to potential new liabilities no longer applies. Management considers that the risk that such a liability will arise is remote. Under certain specified circumstances, the Company may be required to repay to the vendors amounts received in excess of the acquired assets.

Generally, the Company is subject to legal proceedings, claims and legal actions arising in the ordinary course of business. The Company's management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

14. Related-party transactions

As part of the reorganization program (see Note 10), the Company paid during the period to a related party certain lease rentals amounting to €2 thousand and financial interest with respect to its loan payable of €27 thousand. The loan payable outstanding balance as at December 31, 2007 amounts to €2,218 thousand.

The Company also issued additional common shares (see Note 11 and 15) which involve related parties.

Key Management compensations for the year ended December 31, 2007 amount to €504 thousand (excluding bonuses amounting to €300 thousand).

15. Operations related to share capital

15.1. Initial Public Offering

Description of the offering

On July 23, 2007, the Company filed a final prospectus with the securities regulatory authorities in each of the provinces of Canada in connection with the Company's IPO of common shares and a secondary offering by certain shareholders of the Company.

On August 2, 2007 the Company completed its Initial Public Offering (IPO) of 14,040,870 common shares at a price of Can\$2.40 per share. In conjunction with the completion of the IPO, certain selling shareholders of the Company have sold an aggregate of 520,000 common shares of the Company at a price of Can\$2.40 per share for gross proceeds to the selling shareholders of Can\$1,248 thousand.

On August 20, 2007 the underwriter exercised its over allotment options at Can\$2.40 for 2,106,130 common shares.

After these transactions, the share capital amounted to €911 thousand and the outstanding and issued common shares became 59,743,000.

The reconciliation of the gross proceeds to the net proceeds to the Company summarized as follows:

	In thousands of Can\$
Gross proceeds from the treasury offering, 16,147,000 at CAN\$2.40	38,753
Agents fees corresponding to 7% of the gross proceeds of the offering	(2,713)
Expenses of the offering	(1,668)
Net proceeds to the Company	34,372

The net proceeds arising from the IPO was used by the Company to retire existing indebtedness of the Company. The remaining balance will be used to expand the business by way of strategic acquisitions or through organic growth and for general corporate purposes.

Accounting considerations

Incremental costs that are directly attributable to the issuance of shares and that would not have been incurred if the Company had not issued such shares, were reported as a reduction of the amounts paid-in. Incremental costs generally include agents fees and other external costs directly attributable, but exclude internal costs and marketing costs, including those related to the road show, which were recorded within net profit. As of December 31, 2007 costs relating to the offering amounting to €2,034 thousand, net of tax, were accounted against the paid in capital.

In addition, as none of the offering costs were borne by the selling shareholders, transaction costs estimated to be allocated to them based on a prorate of total costs over the total proceed of the offering have been recorded within net profit for €60 thousand during the third quarter 2007.

15.2. Earning per share calculation

For the year ended December 31, 2007, the weighted basic average number of shares was of 49,902,761 shares. For the three month period ended December 31, 2007, the weighted basic average number of shares was 59,743,000shares.

For the year ended December 31, 2007, the weighted average diluted number of shares was of 50,396,327 shares. For the three month period ended December 31, 2007, the weighted diluted average number of shares was 59,960,953 shares.

In 2006, weighted basic and diluted average number of shares was of 43,802,716 shares.

16. Events after the balance sheet date

There are no significant events to be reported.