



ENERGY EXPLORATION TECHNOLOGIES INC

For the six months ended and as at June 30, 2007

ENERGY EXPLORATION TECHNOLOGIES INC
Consolidated Balance Sheets
(Unaudited) (Expressed in U.S. dollars except share data)

| | June 30, 2007 | December 31, 2006 |
|--|---------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,518,761 | \$ 851,738 |
| Short term investments | 1,222,494 | 1,128,711 |
| Accounts receivable | 838,837 | 526,987 |
| Prepaid expenses and other | 43,952 | 55,249 |
| | 3,624,044 | 2,562,685 |
| Oil and natural gas properties | 102,356 | 130,360 |
| Other property and equipment | 343,427 | 211,151 |
| | \$ 4,069,827 | \$ 2,904,196 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Trade payables | \$ 218,338 | \$ 160,593 |
| Note payable [note 3] | 181,079 | 194,137 |
| Other accrued liabilities [note 4] | 226,545 | 235,666 |
| Unearned revenue | 80,791 | 249,047 |
| Convertible debentures and registration penalty [note 6] | 566,992 | 569,156 |
| Fair value of conversion feature [note 6] | - | 68,994 |
| | 1,273,745 | 1,477,593 |
| Long term liabilities: | | |
| Capital lease obligation | 43,505 | - |
| | 1,317,250 | 1,477,593 |
| Future operations [note 1] | | |
| Shareholders' equity: | | |
| Preferred shares: - authorized unlimited Issued: 10,000,000 | 3,000,000 | 3,000,000 |
| Common shares: - authorized unlimited Issued: 27,408,766 shares issued as of June 30, 2007 and 27,177,908 shares issued as of December 31, 2006 [note 5] | 32,999,789 | 32,740,427 |
| Contributed capital | 3,391,614 | 3,153,496 |
| Deficit | (36,893,586) | (37,642,094) |
| Accumulated other comprehensive income | 254,760 | 174,774 |
| | 2,752,577 | 1,426,603 |
| | \$ 4,069,827 | \$ 2,904,196 |

"Signed" George Liszicasz
Director

"Signed" Charles Selby
Director

The accompanying notes to these consolidated financial statements are
an integral part of these consolidated balance sheets.

ENERGY EXPLORATION TECHNOLOGIES INC
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited) (Expressed in U.S. dollars except share data)

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--|-------------------------------------|-----------------------|-----------------------------------|-----------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Revenue | | | | |
| Survey revenue | \$ 2,480,140 | \$ - | \$ 2,480,140 | \$ - |
| Oil and natural gas revenue | 8,244 | 8,706 | 17,810 | 20,879 |
| | <u>2,488,384</u> | <u>8,706</u> | <u>2,497,950</u> | <u>20,879</u> |
| Expense | | | | |
| Survey cost | 312,075 | 16,573 | 312,075 | 29,055 |
| Oil and natural gas operating expenses | 1,136 | 812 | 1,990 | 1,746 |
| Administrative | 654,201 | 772,891 | 1,285,220 | 1,371,758 |
| Depletion and impairment of oil and natural gas properties | 4,742 | 5,224 | 9,439 | 35,550 |
| Amortization and depreciation | 25,242 | 12,630 | 42,427 | 26,155 |
| | <u>997,396</u> | <u>808,130</u> | <u>1,651,151</u> | <u>1,464,264</u> |
| | <u>1,490,988</u> | <u>(799,424)</u> | <u>846,799</u> | <u>(1,443,385)</u> |
| Other expense | | | | |
| Interest expense (income) | (24,410) | 3,622 | (37,727) | 6,783 |
| Interest on convertible debentures [note 6] | 15,295 | 894,618 | 138,332 | 975,043 |
| Other | (844) | - | (2,314) | - |
| | <u>(9,959)</u> | <u>898,240</u> | <u>98,291</u> | <u>981,826</u> |
| Net income (loss) | <u>1,500,947</u> | <u>(1,697,664)</u> | <u>748,508</u> | <u>(2,425,211)</u> |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | 79,005 | 63,978 | 79,986 | (8,149) |
| Comprehensive income (loss) | <u>\$ 1,579,952</u> | <u>\$ (1,633,686)</u> | <u>\$ 828,494</u> | <u>\$ (2,433,360)</u> |
| Net income (loss) per share unit [note 5] | | | | |
| Basic | \$ 0.05 | \$ (0.07) | \$ 0.03 | \$ (0.10) |
| Diluted | \$ 0.05 | \$ (0.07) | \$ 0.02 | \$ (0.10) |

The accompanying notes to these consolidated financial statements are an integral part of these consolidated statements of income (loss) and comprehensive income (loss).

ENERGY EXPLORATION TECHNOLOGIES INC

**Consolidated Statements of Cash Flow
(Unaudited) (Expressed in U.S. dollars)**

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|-------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 |
| Operating activities | | | | |
| Net income (loss) | \$ 1,500,947 | \$ (1,697,664) | \$ 748,508 | \$ (2,425,211) |
| Amortization and depreciation of other property and equipment | 25,242 | 12,630 | 42,427 | 26,155 |
| Depletion and impairment of oil and natural gas properties | 4,742 | 5,224 | 9,439 | 35,550 |
| Costs settled by issuance of common shares | - | 292,219 | - | 1,130,401 |
| Stock-based compensation | 108,672 | 95,064 | 252,366 | 190,619 |
| Non-cash interest expense convertible debenture | 15,296 | 894,618 | 138,332 | 975,042 |
| Non-cash expense note payable | 3,491 | - | 6,628 | - |
| Changes in non-cash working capital | | | | |
| Accounts receivable | 184,870 | 8,823 | (311,850) | 35,760 |
| Work-in-progress | 147,040 | - | - | - |
| Due from officers and employees | - | 1,836 | - | 2,746 |
| Prepaid expenses | 19,880 | (38,093) | 11,297 | (24,628) |
| Unearned revenue | (1,664,386) | 44,795 | (168,256) | 44,795 |
| Trade payables | 18,124 | (64,495) | 57,745 | (105,028) |
| Other accrued liabilities | 81,840 | (11,986) | (9,121) | (791,051) |
| Net cash generated (used) by operating activities | 445,758 | (457,029) | 777,515 | (904,850) |
| Financing activities | | | | |
| Funds paid against note payable | (8,486) | - | (38,307) | - |
| Funds paid against lease payable | (526) | - | (526) | - |
| Funds raised through the sale of common shares, net of issuance costs | - | 2,093,945 | - | 2,093,945 |
| Funds raised through the exercise of options and warrants | 25,000 | 1,900 | 34,957 | 52,271 |
| Net cash generated (used) by financing activities | 15,988 | 2,095,845 | (3,876) | 2,146,216 |
| Investing activities | | | | |
| Funds invested in other property and equipment | (58,511) | (49,123) | (108,902) | (63,365) |
| Funds invested in oil and natural gas properties | (1,819) | (617) | (2,549) | (2,393) |
| Proceeds on sale of oil and gas properties | - | - | 29,871 | - |
| Funds borrowed by an employee | - | 336 | - | 570 |
| Decrease (increase) in short term investments | (1,092,579) | - | (93,783) | 45,000 |
| Net cash generated (used) by investing activities | (1,152,909) | (49,404) | (175,363) | (20,188) |
| Effect of foreign exchange loss on working capital | 70,782 | 3,848 | 68,747 | (62,526) |
| Net cash inflow (outflow) | (620,381) | 1,593,260 | 667,023 | 1,158,652 |
| Cash and cash equivalents, beginning of period | 2,139,142 | 624,669 | 851,738 | 1,059,277 |
| Cash and cash equivalents, end of period | \$ 1,518,761 | \$ 2,217,929 | \$ 1,518,761 | \$ 2,217,929 |
| Cash interest paid | \$ 3,483 | \$ 3,115 | \$ 6,666 | \$ 5,830 |

The accompanying notes to these consolidated financial statements are an integral part of these consolidated statements of cash flows.

ENERGY EXPLORATION TECHNOLOGIES INC
Consolidated Statements of Shareholders' Equity (Deficit)
(Unaudited) (Expressed in U.S. dollars except share data)

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|--|---------------|--|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| Common Shares | | | | |
| Balance at the beginning of the period | \$ 32,962,677 | \$ 29,191,155 | \$ 32,740,427 | \$ 28,229,691 |
| Issued upon exercise of stock options and warrants | 37,112 | 1,900 | 48,744 | 52,271 |
| Issued for cash | - | 2,124,000 | - | 2,124,000 |
| Issued through conversion of debentures | - | 2,467,136 | 210,618 | 2,540,047 |
| Shares issued for services | - | - | - | 838,182 |
| Balance at end of the period | 32,999,789 | 33,784,191 | 32,999,789 | 33,784,191 |
| Preferred Shares | | | | |
| Balance at the beginning of the period and end of the period | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Contributed Capital | | | | |
| Balance at the beginning of the period | 3,295,515 | 1,106,144 | 3,153,496 | 1,010,589 |
| Fair market value of options issued to employees, contractors and consultants | 108,211 | 387,284 | 251,905 | 482,839 |
| Fair market value of warrants issued pursuant to debenture converted to common shares | (12,112) | - | (13,787) | - |
| Balance at end of the period | 3,391,614 | 1,493,428 | 3,391,614 | 1,493,428 |
| Deficit | | | | |
| Balance at the beginning of the period | (38,394,533) | (34,602,183) | (37,642,094) | (33,874,636) |
| Net income (loss) for the period | 1,500,947 | (1,697,664) | 748,508 | (2,425,211) |
| Balance at end of the period | (36,893,586) | (36,299,847) | (36,893,586) | (36,299,847) |
| Accumulated Other Comprehensive Income | | | | |
| Balance at the beginning of the period | 175,755 | 261,967 | 174,774 | 261,967 |
| Other comprehensive income (loss) | 79,005 | (8,149) | 79,986 | (8,149) |
| Balance at end of the period | 254,760 | 253,818 | 254,760 | 253,818 |
| Total Shareholders' Equity (Deficit) end of period | | | | |
| | \$ 2,752,577 | \$ 2,231,590 | \$ 2,752,577 | \$ 2,231,590 |

The accompanying notes to the consolidated financial statements are an integral part of the condensed consolidated statements of shareholder's equity (deficit).

ENERGY EXPLORATION TECHNOLOGIES INC
Notes to the Consolidated Financial Statements
For the six month period ended and as at June 30, 2007
(Unaudited) (Expressed in U.S. dollars)

1. Organization and Ability to Continue Operations

Energy Exploration Technologies Inc. ("*we*", "*Company*" or "*NXT*") was incorporated under the laws of the State of Nevada on September 27, 1994.

NXT was continued from the State of Nevada to the Province of Alberta, Canada on October 24, 2003. The shareholders voted on and approved this change which moved the jurisdiction of incorporation from the U.S. to Canada.

We are a service provider to the oil and gas industry utilizing our proprietary Stress Field Detection (SFD) remote sensing airborne survey technology to identify areas with oil and natural gas production potential.

For the six months ended June 30, 2007 we earned net income of \$748,508 and the net cash generated in operating activities was \$777,515. We had an accumulated deficit at June 30, 2007 of \$36,893,586.

Our ability to continue as a going concern beyond one year is dependent upon our ability to generate profitable operations and / or obtain the additional financing to meet our obligations and repay liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with certainty at this time. These consolidated financial statements do not include any adjustments to amounts and classifications of assets and liabilities that may be necessary should we be unable to continue as a going concern.

We are executing a business plan to allow us to continue as a going concern. We completed a survey contract for a fee in 2006 and have further contracts to complete surveys in 2007. We cannot give assurance that we will be successful in executing this plan.

These consolidated financial statements are prepared using U.S. generally accepted accounting principles that are applicable to a going concern which assumes the realization of assets and the settlement of liabilities in the normal course of operations. Should this assumption not be appropriate, adjustments in the carrying amounts of the assets and liabilities to their realizable amounts and the classification thereof will be required and these adjustments and reclassifications may be material.

2. Significant Accounting Policies

Basis of Presentation

These interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles of the United States of America in accordance with the same accounting policies and methods used in preparing the consolidated financial statements for the fiscal year ended December 31, 2006. These interim statements should be read in conjunction with the 2006 annual consolidated financial statements as they contain disclosure which is supplemental to our annual consolidated financial statements and accordingly certain disclosure normally required for annual financial statements has been condensed or omitted.

The Company's functional currency is Canadian dollars that are translated into United States dollars for reporting purposes. Significant accounts maintained in U.S. dollars are equity accounts as well as bank and short term investment accounts.

Earnings per Share

Per unit amounts are calculated using the weighted average number of shares outstanding. The Company follows the treasury stock method to determine dilutive effect of options and warrants and the as if converted method for preferred shares. Under the treasury stock method, only "in-the-money" dilutive instruments impact the diluted calculations.

Recent Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109." Interpretation No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes". This interpretation is effective for fiscal years beginning after December 15, 2006. The Company is currently assessing the effect, if any, the adoption of Interpretation No. 48 will have on its financial statements and related disclosures.

3. Note Payable

As of June 30, 2007 and December 31, 2006 the Company has a Canadian dollar denominated unsecured loan outstanding in the U.S. dollar equivalent amount of \$181,079 and \$194,137 respectively that is due to our President, CEO and Director. The loan bears interest of 7.0% per annum. During the first six months of 2007 the Company was charged \$6,355 of interest expense (2006 - \$12,591). The maturity date for this loan was April 15, 2007 at which point the loan became due upon demand.

4. Accrued Liabilities

| | For the six months ended | For the year ended |
|-----------------------------|---------------------------------|--------------------|
| | June 30, 2007 | December 31, 2006 |
| Accrued legal and audit | \$ 37,910 | \$ 207,995 |
| Accrued commission on sales | 131,630 | - |
| Consultant fees | 47,019 | - |
| Other | 9,986 | 27,671 |
| | \$ 226,545 | \$ 235,666 |

The accrued commission on sales will be satisfied with the issuance of common shares in the third quarter of 2007.

5. Common Shares

The following table provides a continuity of the number and dollar amount of common shares since December 31, 2006.

| | Number of Shares | Dollar Amount |
|--|-------------------|----------------------|
| As at December 31, 2006 | 27,177,908 | \$ 32,740,427 |
| Transactions during the three months ended March 31, 2007 | | |
| ● 192,401 common shares were issued through the conversion of convertible debentures in the period. The shares were issued to discharge \$133,471 of principal and \$3,109 of interest. In addition, \$74,038 was recorded related to the fair market value of the convertible debenture conversion feature at the date each debenture was converted into common shares. | 192,401 | 210,618 |
| ● 10,000 common shares were issued as a result of options being exercised at \$0.65 per share. | 10,000 | 6,500 |
| ● 3,457 common shares were issued as a result of warrants being exercised at \$1.00 per share generating aggregate proceeds of \$3,457. In addition \$1,675 of value was transferred from contributed surplus related to the fair market value of the warrants at date of issue. | 3,457 | 5,132 |
| Transactions during the three months ended June 30, 2007 | | |
| ● 25,000 common shares were issued as a result of warrants being exercised at \$1.00 per share generating aggregate proceeds of \$25,000. In addition \$12,112 of value was transferred from contributed surplus related to the fair market value of the warrants at date of issue. | 25,000 | 37,112 |
| As at June 30, 2007 | 27,408,766 | \$ 32,999,789 |

Reconciliation of Earnings per Share Calculations

For the three months ended June 30, 2007

| | Net Income (Loss) | Weighted Average Shares Outstanding | Per Unit |
|------------------------------------|-------------------|--|----------|
| Basic | \$ 1,500,947 | 27,389,810 | \$ 0.05 |
| Options assumed exercised | | 2,212,705 | |
| Warrants assumed exercised | | 4,587,368 | |
| Preferred shares assumed converted | | 2,000,000 | |
| Shares assumed purchased | | (4,604,032) | |
| Diluted | \$ 1,500,947 | 31,585,851 | \$ 0.05 |

For the six months ended June 30, 2007

| | Net Income (Loss) | Weighted Average Shares Outstanding | Per Unit |
|------------------------------------|-------------------|--|----------|
| Basic | \$ 748,508 | 27,313,991 | \$ 0.03 |
| Options assumed exercised | | 2,134,705 | |
| Warrants assumed exercised | | 4,587,368 | |
| Preferred shares assumed converted | | 2,000,000 | |
| Shares assumed purchased | | (5,321,197) | |
| Diluted | \$ 748,508 | 30,714,867 | \$ 0.02 |

For the three months ended June 30, 2006

| | Net Income (Loss) | Weighted Average Shares Outstanding | Per Unit |
|-------------------|-------------------|--|-----------|
| Basic and diluted | \$ (1,697,664) | 24,212,275 | \$ (0.07) |

For the six months ended June 30, 2006

| | Net Income (Loss) | Weighted Average Shares Outstanding | Per Unit |
|-------------------|-------------------|--|-----------|
| Basic and diluted | \$ (2,425,211) | 23,143,499 | \$ (0.10) |

All options, warrants and preferred shares were excluded from the diluted earnings per share calculation in 2006, as they were antidilutive.

6. Convertible Debentures

During 2005 we closed private placement bridge-financing contracts. Pursuant to these contracts the Company issued financial instruments that convert automatically into \$1,955,342 of debentures and 1,989,265 warrants in exchange for cash proceeds of \$1,649,764 (net of commission paid of \$24,928) and the conversion of note payable and accrued interest of \$280,650 for aggregate net proceeds of \$1,930,414. The debentures are convertible into common shares.

The value of the convertible debenture and the conversion feature as at June 30, 2007 and December 31, 2006 are as follows:

| | For the six months ended June 30, 2007 | For the year ended December 31, 2006 |
|--|---|---|
| Debenture carrying value, registration penalty and accrued interest at beginning of period | \$ 569,156 | \$ 981,986 |
| Accretion expense | - | 1,008,639 |
| Interest expense including registration penalty | 134,021 | 530,835 |
| Converted to common shares | (136,185) | (1,952,304) |
| Debenture carrying value, registration penalty and accrued interest at end of period | \$ 566,992 | \$ 569,156 |
| Conversion feature carrying value at beginning of period | \$ 68,994 | \$ 1,421,384 |
| Converted to common shares | (74,038) | (950,212) |
| Change in fair market value | 5,044 | (402,178) |
| Fair value of the conversion feature at end of period | \$ - | \$ 68,994 |

As at June 30, 2007 the outstanding principal was Nil (\$133,471 - 2006), interest was Nil (\$869 - 2006) and the registration penalty was \$566,992 (\$434,816 - 2006). During the six months ended June 30, 2007 all remaining principal and 10% accrued interest was converted into 192,401 common shares.

7. Employee, Directors and Contractor Options

We have summarized below all outstanding options under the Plans as of June 30, 2007:

| Range of exercise prices | Outstanding options | Weighted average exercise price of outstanding options | Options exercisable | Weighted average exercise price of exercisable options |
|--------------------------|---------------------|--|---------------------|--|
| \$0.14 - \$0.43 | 310,001 | \$ 0.36 | 310,001 | \$ 0.36 |
| \$0.65 - \$0.95 | 406,741 | \$ 0.67 | 226,741 | \$ 0.67 |
| \$1.00 - \$2.00 | 1,417,963 | \$ 1.39 | 320,130 | \$ 1.37 |
| \$2.00 - \$4.13 | 281,000 | \$ 2.21 | 227,666 | \$ 2.22 |
| | 2,415,705 | \$ 1.24 | 1,084,538 | \$ 1.11 |

| Range of exercise prices | Weighted average remaining contractual life (years) |
|--------------------------|---|
| \$0.14 - \$0.43 | 1.3 |
| \$0.65 - \$0.95 | 3.4 |
| \$1.00 - \$2.00 | 3.9 |
| \$2.00 - \$4.13 | 1.8 |
| | 3.2 |

| | For the six months ended June 30, 2007 | | For the year ended December 31, 2006 | |
|---|--|---------------------------------|--------------------------------------|---------------------------------|
| | # of options | Weighted average exercise price | # of options | Weighted average exercise price |
| Outstanding at beginning of period | 1,588,205 | \$ 1.15 | 1,683,000 | \$ 1.87 |
| Granted | 878,500 | \$ 1.45 | 473,204 | \$ 1.15 |
| Cancelled | (41,000) | \$ 2.43 | (433,000) | \$ 1.84 |
| Exercised | (10,000) | \$ 0.65 | (134,999) | \$ 0.60 |
| Options outstanding as at end of period | 2,415,705 | \$ 1.24 | 1,588,205 | \$ 1.15 |
| Exercisable as at end of period | 1,084,538 | \$ 1.11 | 958,872 | \$ 1.13 |

Unvested options outstanding as of June 30, 2007 and December 31, 2006 vest over the three year period starting from the date of grant dependant on the continued provision of services. The options vest one-third at the end of each of the first three years following the grant date. Options generally lapse, if unexercised, five years from the date of vesting.

The 2006 Stock Option Plan was approved on September 30, 2006 by Company shareholders at the Annual General Meeting. The 2006 Stock Option Plan set forth terms and conditions whereby options to purchase common shares of the Company can be issued to directors, officers and employees of the Company and to consultants retained by the Company. The aggregate number of common shares reserved for issuance under this Plan, or any other prior Plan of the Company shall not, at time of the stock option grant, exceed ten percent of the total number of issued and outstanding common shares (calculated on a non-diluted basis) unless the Company receives permission of the stock exchange or exchanges on which the shares are then listed to exceed such threshold.

Issuance of options to any one participant shall not exceed five percent of the total number of issued and outstanding common shares in any 12 month period with consultants retained for investor relations duties further restricted to two percent in any twelve month period without permission of the stock exchange or exchanges on which the common shares of the Company are listed. Furthermore, shareholder approval is required for grants of options to insiders of options that exceed ten percent of the issued common shares within any 12 month period. No options shall be granted for a term exceeding five years without permission of the stock exchange or exchanges on which the shares of the Company are listed. All options issued under Plans are issued from treasury.

Compensation Expense Associated with Grant of Options

In the six months ended June 30, 2007 the adoption of SFAS 123-R resulted in incremental stock-based compensation expense of \$261,279 (\$406,320 - 2006).

The incremental stock-based compensation expense in the six months ended June 30, 2007 was derived from stock options issued to employees under share-based compensation plans. The grant date fair value is calculated using the Black Scholes option valuation model utilizing the following weighted average assumptions:

| | June 30, 2007 | December 31, 2006 |
|---|---------------|-------------------|
| Expected dividends paid per common share | Nil | Nil |
| Expected life (years) | 3 | 3 |
| Expected volatility in the price of common shares (%) | 60% | 127% |
| Risk free interest rate (%) | 4% | 4% |
| Weighted average grant date fair market value per share | \$ 0.41 | \$ 0.64 |
| Intrinsic value of options exercised | \$ 1.70 | \$ 0.67 |

As of June 30, 2007 and December 31, 2006 there was \$626,339 and \$527,434 respectively of total unrecognized compensation cost related to non-vested share-based compensation awards granted under the stock option plans. This cost will be recognized over the remaining vesting period.

8. Warrants

| | For the six months ended June 30, 2007 | | For the year ended December 31, 2006 | |
|--|--|------------------------------------|--------------------------------------|------------------------------------|
| | # of warrants | Weighted average exercise price | # of warrants | Weighted average exercise price |
| Outstanding as at beginning of the period | 4,615,825 | \$ 1.54 | 3,501,592 | \$ 1.76 |
| Issued through private placement | - | | 2,124,000 | \$ 2.00 |
| Issued as commission for private placement | - | | 152,560 | \$ 2.00 |
| Issued for investor relations services | - | | 350,000 | \$ 1.60 |
| Exercised | (28,457) | \$ 1.00 | - | |
| Expired | - | | (1,512,327) | \$ 2.75 |
| Outstanding as at end of the period | 4,587,368 | \$ 1.54 | 4,615,825 | \$ 1.54 |

| | As at June 30, 2007 | | As at December 31, 2006 | |
|-----------------|-------------------------|---|-------------------------|---|
| | Outstanding warrants | Weighted average remaining contractual life (years) | Outstanding warrants | Weighted average remaining contractual life (years) |
| Exercise prices | | | | |
| \$1.00 | 1,960,808 | 0.2 | 1,989,265 | 0.8 |
| \$1.60 | 350,000 | 0.7 | 350,000 | 1.3 |
| \$2.00 | 2,276,560 | 0.7 | 2,276,560 | 1.3 |
| | 4,587,368 | 0.7 | 4,615,825 | 1.1 |

All warrants are fully exercisable as at June 30, 2007.

9. Related Party Transactions

Summarized below is information concerning related party transactions and balances not disclosed elsewhere in these consolidated financial statements for the three months ended June 30, 2007 and the year ended December 31, 2006.

| | For the six months ended June 30, 2007 | For the year ended December 31, 2006 |
|---|--|--|
| Collective wages, fees and benefits paid to executive officers of NXT, who were also directors of NXT | \$ 82,587 | \$ 162,027 |
| Interest expense recognized or paid to related parties and officers | \$ 6,660 | \$ 14,678 |

A Director of NXT is also an officer for one of our SFD survey clients. In the six months ended June 30, 2007 we received \$259,830 from this client in payment for accounts receivable outstanding at December 31, 2006.

10. Commitments and Contingencies

On November 27, 2002 we were served a Statement of Claim. The plaintiff alleges that NXT failed to pay him compensation of \$74,750, plus interest, under a consulting agreement and further alleges that NXT, without lawful justification, obstructed the him from trading his shares of NXT. On December 10, 2002 we filed our Statement of Defense. The plaintive is a past President and director of NXT. We believe the claim against us is contentious because of the ambiguity of the arrangements and we are defending ourselves against the claim.

On March 18, 2003 we were served a Statement of Claim naming NXT and others as defendants. The plaintiffs allege that the defendants were negligent and in breach of a ferry flight contract under which an aircraft was to be delivered to Greece. The aircraft crashed enroute. The Plaintiffs are seeking, among other things, damages in the amount of Cdn. \$450,000 or loss and damages to the aircraft and cargo, and damages in respect to search and rescue expenses, salvage, storage, transportation expenses and pollution and contamination expenses. NXT was not party to the Ferry Flight Contract. The outcome of the claim is not determinable. Management believes the claim is without merit and we intend to defend ourselves against the claim.

11. Comparative Figures

Certain amounts in the consolidated financial statements have been reclassified in the comparative periods to conform to the current year's presentation.