ESTEC SYSTEMS CORP.

Interim Consolidated Financial Statements
March 31, 2009 and 2008

NOTE: These interim financial statements have been prepared by management and have NOT been reviewed by our external auditors

Interim Consolidated Statement of Income and Deficit

ESTEC SYSTEMS CORP.

Three months ended March 31, 2009 and 2008

	2009	2008
REVENUE	**$ 622,114**	**$ 410,188**
DIRECT EXPENSES	52,672	10,557
	569,442	399,631
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	498,941	348,965
AMORTIZATION OF PROPERTY AND EQUIPMENT	5,377	5,460
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	0	174
INCOME (LOSS) BEFORE INCOME TAXES	65,124	45,032
INCOME TAXES	22,053	17,698
NET INCOME (LOSS)	**43,071**	**27,334**
DEFICIT, BEGINNING OF PERIOD	(1,126,226)	(1,257,912)
DEFICIT, END OF PERIOD	**$ (1,083,155)**	**$ (1,230,578)**
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (Note 14)	**$ .004**	**$ .003**
Weighted average number of shares outstanding	10,461,629	10,461,629

Interim Consolidated Statement of Income and Deficit

ESTEC SYSTEMS CORP.

Nine months ended March 31, 2009 and 2008

	2009	2008
REVENUE	**1,663,615**	**$ 1,129,084**
DIRECT EXPENSES	103,849	59,479
	1,559,766	1,069,605
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (See schedule on Page 20)	1,323,362	1,111,215
AMORTIZATION OF PROPERTY AND EQUIPMENT	14,791	16,757
LOSS ON DISPOSAL OF PROPERTY AND EQUIPMENT	139	174
INCOME (LOSS) BEFORE INCOME TAXES	221,474	(58,541)
INCOME TAXES	72,838	18,238
NET INCOME (LOSS)	**148,636**	**(76,779)**
DEFICIT, BEGINNING OF YEAR	(1,231,791)	(1,153,798)
DEFICIT, END OF PERIOD	**$ (1,083,155)**	**$ (1,230,577)**
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (Note 14)	**.01**	**(.007)**
Weighted average number of shares outstanding	10,461,629	10,461,629

Interim Consolidated Balance Sheet

ESTEC SYSTEMS CORP.

March 31, 2009 and June 30, 2008

ASSETS		**31 March 2009**	**30 June 2008**
	CURRENT ASSETS		
	Accounts receivable	$ 582,137	$ 467,478
	Unbilled revenue	56,254	52,536
	Prepaid expenses	19,619	42,449
		658,010	562,463
	PROPERTY AND EQUIPMENT (Note 5)	90,459	79,580
	GOODWILL (Note 6)	75,796	75,796
		$ 824,265	$ 717,839

LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**31 March 2009**	**30 June 2008**
	CURRENT LIABILITIES		
	Bank indebtedness (Note 7)	$ 97,008	$ 210,394
	Accounts payable and accrued liabilities	118,799	120,172
	Income taxes payable (Note 9)	72,838	-
		288,645	330,566
	DUE TO RELATED PARTIES (Note 8)	373,679	373,968
		662,324	704,534
	CONTRIBUTED SURPLUS (Note 10)	12,833	12,833
	SHARE CAPITAL (Note 11)	1,232,263	1,232,263
	DEFICIT	(1,083,155)	(1,231,791)
		161,941	13,305
		$ 824,265	$ 717,839

Anthony B. Nelson
director

David E. Wright
director

Interim Consolidated Statement of Cash Flow

ESTEC SYSTEMS CORP.

3 months ended March 31, 2009 and 2008

	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES		
Income (loss) from continuing operations	$ 43,071	$ 27,334
Items not affecting cash:		
Amortization of property and equipment	5,377	5,460
Loss on disposal of property and equipment	0	174
	48,448	32,968
Net change in non-cash working capital items	(16,453)	(58,548)
	31,995	(25,580)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(15,109)	(1,567)
	(15,109)	(1,567)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment to) Advances from related parties	41	0
	41	0
NET (INCREASE) DECREASE IN BANK INDEBTEDNESS	16,927	(27,147)
BANK INDEBTEDNESS, BEGINNING OF PERIOD	(113,935)	(171,456)
CASH (BANK INDEBTEDNESS), END OF PERIOD	$ (97,008)	$ (198,603)

Interim Consolidated Statement of Cash Flow

ESTEC SYSTEMS CORP.

Nine months ended March 31, 2009

	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES		
Income (loss) from continuing operations	$ 148,636	$ (76,779)
Items not affecting cash:		
Amortization of property and equipment	14,791	16,757
Loss on disposal of property and equipment	139	174
	163,566	(59,848)
Net change in non-cash working capital items (Note 15)	(24,082)	(108,969)
	139,484	(168,817)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(25,809)	(5,662)
	(25,809)	(5,662)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment to) Advances from related parties	(289)	(137)
	(289)	(137)
NET (INCREASE) DECREASE IN BANK INDEBTEDNESS	113,386	(174,616)
BANK INDEBTEDNESS, BEGINNING OF YEAR	(210,394)	(23,987)
BANK INDEBTEDNESS, END OF PERIOD	$ (97,008)	$ (198,603)

Note 1
General

ESTec Systems Corp. ("the Company") owns and operates an engineering consulting firm. The principal operating subsidiary of the Company is Allan R. Nelson Engineering (1997) Inc.

The Company was incorporated under the Alberta Business Corporations Act and is listed with the TSX Venture Exchange.

Note 2
Going Concern

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that ESTec Systems Corp. (the "Company") will be able to realize its assets and discharge its liabilities in the normal course of business. However, the Company has in the past experienced significant operating losses and its ability to continue operations is dependent upon its ability to achieve profitability or secure additional debt or equity financing.

Although there is no assurance, management believes that the going concern basis is appropriate. Accordingly, these financial statements do not reflect adjustments to the carrying value of assets and liabilities, the reported revenues and expenses and balance sheet classifications used that would be necessary if the going concern assumption was not appropriate. Such adjustments could be significant.

Note 3
Significant
Accounting Policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent upon future events. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Note 3
Significant
Accounting Policies
Continued...

Basis of Presentation

These consolidated financial statements are expressed in Canadian dollars and include the accounts of the Company and its wholly-owned subsidiary, Allan R. Nelson Engineering (1997) Inc. All intercompany balances have been eliminated.

Revenue Recognition

Sales revenue is comprised of revenues from consulting and engineering contracts. It is recorded as the related service is provided, in the amount as determined by the contract for services with the customer, and collectability is reasonably assured.

Work in Progress

Costs recoverable for services provided but not yet billed are shown as work in progress. Cost is measured based on the number of hours allocated to the job multiplied by the hourly payroll rate of the professional and the actual cost of associated disbursements.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. Changes to the balances are recognized in income when they are expected to occur. A valuation allowance is provided to the extent that it is more likely than not that future tax assets may not be realized in the near term.

Note 3
Significant Accounting Policies
Continued...

Property and Equipment
Property and equipment are recorded at cost. Expenditures on major replacements, extensions and improvements are capitalized. The cost of maintenance, repairs and renewals or replacements, other than those of a major nature, are charged to expense as incurred. The Company provides for amortization at an annual rate, which will amortize the original cost to the estimated salvage value over the useful life of the assets.

Amortization is calculated using the declining balance method at the following annual rates:

	Rate
Computer hardware	20%
Computer software	30%
Equipment	20%
Office equipment	20%
Inspection equipment	20%

Impairment of Property and Equipment
Property and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess carrying value of the asset over its fair value.

Note 3
Significant
Accounting Policies
Continued...

Financial Instruments

The CICA has issued new guidance related to financial instruments that is effective for the Company commencing July 1, 2007.

CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement" provides guidance on when a financial instrument must be recognized on the balance sheet and how it is to be measured. It also provides guidance on the presentation of gains and losses on financial instruments. The Company has elected to apply the following treatment to each of its significant categories of financial instruments:

Financial statement item	Classification	Measurement
Bank indebtedness	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

The Company has also adopted CICA Handbook Section 3861, "Financial Instruments – Disclosure and Presentation" and CICA Handbook Section 1530, "Comprehensive Income".

The Company's adoption of these new accounting standards on July 1, 2007 had no material impact on the financial statements of the Company.

Goodwill

Goodwill represents the excess of the purchase price paid for Allan R. Nelson Engineering (1997) Inc. over the fair value of the net assets acquired. Management annually reviews the valuation of this goodwill based on the estimated future cash flows of Allan R. Nelson Engineering (1997) Inc. Management will also review the valuation in the event of any circumstances which might have impaired the fair value. It was concluded that no impairment exists in the value of the goodwill at March 31, 2009 or 2008.

Note 3
Significant
Accounting Policies
Continued...

Stock based compensation
The Company has a stock option plan that provides for the issuance of stock options to key employees, directors and officers as described in Note 11. The value is recognized over the applicable vesting period as an increase to compensation expense and contributed surplus. When the options are exercised, the proceeds received by the Company, together with the amount in contributed surplus, would be credited to share capital.

Earnings per share
Earnings per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method. Under the treasury stock method, deemed proceeds from potentially dilutive securities are considered to be used to acquire common shares at an average stock price during the year.

Shares provided as security for any share purchase financing agreement are excluded from the calculation for the basic earnings per share. These shares have not been included in diluted earnings per share as the result is anti-dilutive.

Statement of Cash Flow
The Company uses the indirect method of presentation in its statement of cash flow.

Measurement Uncertainty
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financials statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The significant estimates pertain to the recoverability of accounts receivable and work in progress, the physical and economic lives of property and equipment, and the valuation of goodwill.

Note 4
Future Changes in
Accounting Policies

The CICA has announced several future changes in accounting policy which affect the financial statements of the Company subsequent to June 30, 2008. The significant changes, along with the impact on the financial statements for the Company are as follows:

International Financial Reporting Standards
The Accounting Standards Board ("AcSB") establishes financial accounting and reporting standards for use by Canadian entities. It also participates in the development of internationally accepted accounting standards. The AcSB is accountable to the Accounting Standards Oversight Council, an independent body established in September 2000 by the CICA. On February 13, 2008, the AcSB announced that the use of International Financial Reporting Standards ("IFRS") is required for fiscal years beginning on or after January 1, 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP. Entities will be required to provide comparative IFRS information for the previous fiscal year. The Company is evaluating the impact of the adoption of IFRS.

Capital Disclosures
In December 2006, the CICA issued Handbook Section 1535 "Capital Disclosures", which establishes guidelines for the disclosure of information on an entity's capital and how it is managed. Effective for the Company's fiscal periods beginning July 1, 2008, this enhanced disclosure enables users to evaluate the entity's objectives, policies and processes for managing capital. This new requirement is for disclosure only and will not impact the financial results of the Company.

Note 4
Future Changes in Accounting Policies Continued…

Financial Instruments
The CICA issued Handbook Section 3862 "Financial Instruments – Disclosure" and Handbook Section 3863, "Financial Instruments – Presentation" to replace Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". Handbook Section 3862 requires enhanced disclosure of the nature and extent of financial instrument risks and how an entity manages those risks. Handbook Section 3863 carries forward the existing presentation requirements and provides additional guidance for the classification of financial instruments. These sections are effective for fiscal periods beginning on or after January 1, 2008 for the Company. This new requirement is for disclosure only and will not impact the financial results of the Company.

Note 5
Property and Equipment

			2009	**2008**
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	$ 81,902	$ 42,107	$ 39,795	$ 23,832
Computer software	108,424	81,061	27,363	34,146
Equipment	31,135	21,372	9,763	12,203
Office equipment	30,392	20,214	10,178	8,750
Inspection equipment	17,296	13,936	3,360	4,155
	$ 269,149	**$ 178,690**	**$ 90,459**	**$ 83,086**

Amortization provided for in the current period totaled $14,792 (2008 - $16,757).

Note 6
Goodwill

	2009	2008
Goodwill, at cost	$ 133,150	$ 133,150
Less accumulated amortization (prior to 2002)	57,354	57,354
	$ 75,796	$ 75,796

Note 7
Bank Indebtedness

Bank indebtedness is comprised of the following:

	2009	2008
Cash in bank	$ 15,935	$ 21,879
Outstanding Cheques	(42,943)	(30,482)
Bank operating lines	(70,000)	(190,000)
	$ (97,008)	$(198,603)

The bank operating lines are authorized to a total of $250,000 with interest payable at prime plus 1.5%. A general security agreement and limited guarantees from directors and related parties in the amount of $187,500 have been pledged as collateral for the bank operating lines.

Note 8
Related Party
Transactions and
Balances

During the year, the Company had business transactions with corporations controlled by certain directors of the Company. These transactions, which were in the normal course of operations and measured at the exchange value agreed between the parties, are as follows:

	2009	2008
Payment of rent to a company controlled by certain directors	$ 67,500	$ 67,500
Due to directors, non-interest bearing, unsecured	167,393	159,859
Due to corporations controlled by directors, non-interest bearing, unsecured	206,286	166,911
	$373,679	$326,770

Loans payable to related parties in the amount of $ 373,679 (2008 - $ 326,770) have no fixed terms of repayment and the parties waived their right to receive any repayment in the current fiscal year, therefore these amounts have been classified as long term.

Included in trade accounts payable is $4,541 (2008 - $262) owing to a director.

Note 9
Income Taxes

Income taxes for the quarters are estimated by taking the profit of the company and using the statutory rate of 29.5% (2008 - 32.12%).

Note 10
Contributed Surplus

The Company uses the fair value based method to account for stock-based compensation. Fair values are determined using the Black Scholes Model. Compensation costs are recognized over the vesting period as an increase to compensation expense and contributed surplus. When options are exercised, the proceeds received by the Company, together with the fair value amount in contributed surplus, are credited to capital stock.

	2009	**2008**
Opening Contributed surplus	$ -	$ -
Fair value of options granted – recorded as compensation expense	12,833	-
	$ 12,833	$ -

Note 11
Share Capital

Authorized:
200,000,000 common shares without par value

Issued shares:

	2009		**2008**	
	Number of Shares	Stated Capital	Number of Shares	Stated Capital
Balance – End of period	10,461,629	$1,232,363	10,461,629	$1,232,363

Note 11
Share Capital
Continued…

Stock option plan
The Company has a stock option plan that provides for the issuance of stock options to key employees, directors, and officers. Stock options allow the holder to obtain one common share for each stock option exercised. Outstanding stock options will expire over a period ending no later than February 7, 2013. The Company has reserved 1,046,162 shares in Treasury to meet share options outstanding, less options already issued.

	2009		2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Number of shares under option				
Beginning of year	650,000	$ 0.10	300,000	$ 0.10
Options granted	-	-	350,000	0.10
Options exercised	-	-	-	-
Options cancelled or expired	50,000	0.10	-	
End of period	600,000	$ 0.10	650,000	$ 0.10

Using the Black Scholes option pricing model, using a spot rate of $0.06, a strike rate of $0.10, maturity of 5 years, a risk free rate of 3.23% and a volatility of 87.25%, the fair value of the options noted above at the date of their issuance is $12,833.

Note 11
Share Capital
Continued…

At the end of the quarter, the following options were outstanding:

	Number of share options outstanding - March 31, 2009	**Weighted average remaining contractual life (years)**
Options outstanding ($0.10 exercise price)	600,000	2.81

Note 12
Capital Management

The Company's objectives in managing capital are:

i. to safeguard its ability to operate as a going concern, and
ii. to maintain a strong financial position, and
iii. to maintain a low cost of debt.

Through its subsidiary Allan R. Nelson Engineering (1997) Inc. the company has a $250,000 line of credit with ATB Financial Services. ATB Financial has placed conditions on Allan R. Nelson Engineering (1997) Inc. with regards to working capital, debt to equity and debt service. Allan R. Nelson Engineering (1997) Inc. is fully in compliance with these conditions.

Note 12
Capital Management
Continued…

	March 31, 2009	June 30, 2008
Shareholder Loans	315,411	315,700
Related Party Loans	58,268	58,268
ATB Financial	70,000	170,000
Total Debt	443,679	543,968
Cash & Cash Equivalents	(27,008)	(40,394)
Net Debt	470,687	584,362
Shareholders' equity	(161,941)	(13,305)
Total Capitalization	632,628	597,667

Note 13
Financial Instruments

Fair Value
The carrying amount of the Company's accounts receivable, bank indebtedness, and accounts payable and accrued liabilities approximate their fair value due to the short-term maturities of these amounts.

The fair value of amounts due to related companies have not be estimated since these items are not marketable and are not subject to terms and conditions that would otherwise be available with arm's length parties.

Credit Risk
The Company is exposed to credit risk through trade receivables and work in progress. In the normal course of business, the Company evaluates the financial condition of its customers on a continuing basis and reviews the credit worthiness of all new customers. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historic trends, and other information.

Note 13
Financial Instruments
Continued…

The Company is subject to a concentration of credit risk with respect to $ 278,846 in accounts receivable from the Company's three largest customers at March 31, 2009.

Interest rate risk
The Company's bank operating lines are subject to fluctuations in interest rates. Based on the amount of the operating line at March 31, 2009, fluctuations in the interest rate would not materially affect the operating results of the Company.

Note 14
Diluted Earnings Per Share

Options to purchase 600,000 common shares that were outstanding as of the quarter ended March 31, 2009 were not included in the computation of diluted earnings per share, since the effect of these options was anti-dilutive.

Note 15
Changes in Non-Cash Working Capital

	2009	**2008**
Accounts receivable	$(114,659)	$(182,921)
Work in progress	(3,718)	(4,479)
Prepaid expense	22,830	33,931
Accounts payable and accrued liabilities	(1,373)	26,262
Income taxes payable	72,838	18,238
	$ (24,082)	$ 108,969

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SCHEDULE OF SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

ESTEC SYSTEMS CORP.

March 31, 2009 and 2008

	2009	**2008**
Salaries and benefits	1,012,425	827,704
Advertising and promotion	84,984	38,143
Rent	67,500	67,500
Professional fees	44,460	48,561
Insurance	28,539	46,097
Technology and telecommunications	17,320	15,252
Office supplies and maintenance	16,290	17,343
Bank charges and interest	16,504	8,113
Repairs and maintenance	10,808	15,754
Public company compliance	11,969	12,693
Dues, memberships and business taxes	9,754	10,751
Courier and freight	2,278	1,158
Office	350	2,146
Bad debts	105	0
Misc. costs	76	0
	1,323,362	762,250