Seaway Energy Services Inc.
Condensed Financial Statements
March 31, 2013
(Unaudited)

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Notice for National Instrument 51-102

The accompanying unaudited condensed financial statements of Seaway Energy Services Inc. for the three and six month periods ended March 31, 2013 have been prepared by Management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed or audited by the Company's external auditors.

Seaway Energy Services Inc.
Condensed Statements of Financial Position
(Unaudited)

As at	March 31, 2013	September 30, 2012
Assets		
Current		
Cash and cash equivalents	**$ 29,091**	$ 259,196
Accounts receivable	**432,424**	913,681
Prepaid expenses	**11,684**	21,175
	473,139	1,194,052
Property and equipment (Note 3)	**-**	16,132
	$ 473,139	$ 1,210,184

Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 242,385**	$ 501,723
Convertible debentures (Note 5)	**-**	100,000
	242,385	601,723
Share capital (Note 7(b))	**2,712,166**	2,712,166
Contributed surplus	**487,246**	487,246
Deficit	**(2,968,658)**	(2,590,951)
	230,754	608,461
	$ 473,139	$ 1,210,184

The accompanying notes are an integral part of these condensed financial statements.

Seaway Energy Services Inc.
Condensed Statements of Operations, Comprehensive Loss
(Unaudited)

	For the three months ended March 31, 2013	2012	For the six months ended March 31, 2013	2012
Revenues	**$ 217,863**	$ 372,929	**$ 546,336**	$ 981,286
Expenses				
Operating	**148,319**	232,137	**361,422**	661,152
General and administrative	**362,861**	282,626	**543,918**	527,666
Interest	**715**	5,544	**2,885**	11,947
Amortization and impairment of property and equipment (Note 3)	**15,101**	1,145	**16,132**	2,595
	526,996	521,452	**924,357**	1,203,360
Income (loss) before other and income taxes	**(309,133)**	(148,523)	**(378,021)**	(222,074)
Other items				
Interest income	**140**	72	**314**	274
Income (loss) before income taxes	**(308,993)**	(148,451)	**(377,707)**	(221,800)
Income taxes				
Current	**-**	-	**-**	-
Future (recovery)	**-**	(36,000)	**-**	(54,300)
	-	(36,000)	**-**	(54,300)
Net and comprehensive income (loss) for the period	**$ (308,993)**	$ (112,451)	**$ (377,707)**	$ (167,500)
Net earnings (loss) per share - basic and diluted	**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average shares outstanding - basic and diluted *(1)*	**28,877,470**	28,877,470	**28,877,470**	29,268,245

(1) The options and warrants have been excluded from the diluted loss per share computation as they are anti-dilutive

The accompanying notes are an integral part of these condensed financial statements.

Seaway Energy Services Inc.
Condensed Statements of Shareholders' Equity
(Unaudited)

	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance October 1, 2012	$ 2,712,166	$ 487,246	$ (2,590,951)	$ 608,461
Net loss for the period	-	-	(377,707)	(377,707)
Balance March 31, 2013	$ 2,712,166	$ 487,246	$ (2,968,658)	$ 230,754

	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance October 1, 2011	$ 2,768,518	$ 452,024	$ (2,390,214)	$ 830,328
Net loss for the period	-	-	(167,500)	(167,500)
Normal course issuer bid	(56,352)	35,222	-	(21,130)
Balance March 31, 2012	$ 2,712,166	$ 487,246	$ (2,557,714)	$ 641,698

The accompanying notes are an integral part of these condensed financial statements.

Seaway Energy Services Inc.
Condensed Statements of Cash Flows
(Unaudited)

For the six months ended March 31,	2013	2012
Cash flows from (used in) operating activities		
Net income (loss) for the period	$ (377,707)	$ (167,500)
Items not involving cash:		
Amortization of property and equipment	16,132	2,595
Future income taxes (recovery)	-	(54,300)
	(361,575)	(219,205)
Change in non-cash working capital balances:		
Accounts receivable	481,257	452,378
Prepaid expenses	9,491	10,425
Accounts payable and accrued liabilities	(259,338)	(285,555)
Cash flow from (used in) operating activities	(130,165)	(41,957)
Cash flows from (used in) financing activities		
Repayment of debentures	(100,000)	(75,000)
Repurchase of common shares	-	(21,130)
Cash flow used in financing activities	(100,000)	(96,130)
Cash flows from (used in) investing activities		
Expenditures on property and equipment	-	-
Cash flow from investing activities	-	-
Decrease in cash and cash equivalents	(230,165)	(138,087)
Cash and cash equivalents, beginning of period	259,196	237,101
Cash and cash equivalents, end of period	$ 29,031	$ 99,014

Supplemental information		
Interest paid	$ 2,885	$ 11,731
Taxes paid	$ -	$ -

The accompanying notes are an integral part of these condensed financial statements.

1. Corporate Information

Seaway Energy Services Inc. ("Seaway" or the "Company") was incorporated under the Business Corporations Act (Alberta) on September 4, 1998. The principal activities of Seaway include the provision of environmental consulting services to the petroleum and natural gas industry. The Company's common shares trade on the TSX Venture exchange under the symbol SEW.

The head office of the Company is located at 101A, 1120 - 53 Avenue NE, Calgary, Alberta, T2E 6N9 and the registered office is located at Suite 1000, 250 2nd Street SW, Calgary, Alberta, T2P 0C1.

2. Basis of Presentation

Statement of compliance

These condensed interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. These financial statements were authorized for issue by the Board of Directors on May 29, 2013. They do not contain all disclosures required by IFRS for annual financial statements and, accordingly, should be read in conjunction with the audited financial statements for the year ended September 30, 2012.

The condensed financial statements have been prepared using the same accounting policies and methods as the financial statements for the year ended September 30, 2012.

Going concern assumption

These financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent upon achieving profitable operations, increasing cash flow from operations which is dependent on revenue generation and prudently managing administrative costs. There is no certainty that Company can reverse the revenue decline and the difficult economic environment in the oil and gas service sector which may cast significant doubt about the Company's ability to continue as going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of property and equipment, liabilities, the reported expenses, and the classifications used in the statement of financial position. Such adjustments could be material.

Seaway's Board of Directors has determined, after extensive and careful consideration of potential alternatives, that it is in the best interests of the Company and its shareholders to liquidate its assets and dissolve the Company. In connection with the liquidation and dissolution, which shareholder approval was received on February 28, 2013, the Company intends to distribute to its shareholders all available cash, except such cash as is required for paying or making reasonable provision for known and potential liabilities and other obligations of the Company. Notwithstanding the foregoing, the Company continues to evaluate other opportunities that have the potential of providing a superior return to its shareholders.

Basis of Measurement

The financial statements have been prepared on the historical cost basis, which is based on the fair value of the consideration at the time of the transaction, except for certain financial instruments which are accounted for at fair value.

Functional and Presentation Currency

The financial statements are presented in Canadian dollars, which is the functional currency of Seaway.

2. Basis of Presentation - continued

Use of Estimates, Judgments and Assumptions
The preparation of financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these financial statements are as follows:

Property and equipment – estimates are used in determining useful economic lives of property and equipment for the purpose of calculating depreciation.

Revenue recognition – environmental consulting services revenue earned from consulting contracts is recognized by the stage of completion of the transaction determined using the percentage-of-completion method. Judgment is used in determining progress of each contract at period end. In assessing revenue recognition, judgment is also used in determining the ability to collect the corresponding account receivable.

Stock-based compensation – assumptions and estimates are used in determining the inputs used in the Black-Scholes option pricing model, including assumptions regarding volatility, dividend yield, risk-free interest rates, forfeiture estimates and expected option lives.

Deferred income taxes – assumptions and estimates are made regarding the amount and timing of realization and/or settlement of the temporary differences between the accounting carrying value of the Company's assets versus the tax basis of those assets, and the tax rates at which the differences will be recovered or settled in the future.

Operations - The operations of the Company are complex, and regulations and legislation affecting the Company are continually changing. Although the ultimate impact of the matters noted above on the profit or loss cannot be determined at this time, it could be material for any one quarter or year. Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results can differ from those estimates.

3. Property and Equipment

Cost		Corporate
Balance, September 30, 2012	$	181,764
Additions		-
Balance, March 31, 2012	$	181,764
Accumulated Amortization		
Balance, September 30, 2011		(165,632)
Amortization		(2,061)
Impairment charge		(14,071)
Balance, September 30, 2012	$	(181,764)
Net book value September 30, 2012	$	16,132
Net book value March 31, 2013	$	-

The Company recorded an impairment provision on its property and equipment as a result of the decision to shut down the operations approved by the shareholders on February 28, 2013 due to the limited market for the corporate assets.

4. Bank Loan

As a result of the decision to shut-down the operations of the Company cancelled the $600,000 (September 30, 2012 - $600,000) operating line of credit. The operating line of credit would of bore interest at bank prime plus 1½ percent and was secured by a general assignment of book debts, and a first floating charge debenture over all the assets of the Company has been pledged as collateral.

5. Convertible Debentures

The convertible debentures were repaid in February 2013 to a Director and Officer of the Company, bear interest at 9% (2012 – 9%) per annum, convertible into common shares of the Company at $0.15 per share and mature on April 4, 2013.

6. Related Party Transactions

Except as disclosed elsewhere in these financial statements the Company had the following related party transactions:

(a) During the period, the Company incurred approximately $18,656 in management fees, which is included in general and administrative expenses, to company controlled by an Officer of which $3,675 is included in accounts payable and accrued liabilities at March 31, 2013.

(b) Included in interest expense is $2,885 related to interest on the debentures (Note 5).

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

7. Share Capital

(a) Authorized
Unlimited number of common voting shares without nominal or par value
Issued and outstanding

	March 31, 2013			September 30, 2012		
Common shares	**Shares**		**Amounts**	Shares		Amounts
Balance, beginning of period	**28,877,470**	**$**	**2,712,166**	29,477,470	$	2,768,518
Normal course issuer bid*(1)*	**-**		**-**	(600,000)		(56,352)
Balance, end of period	**28,877,470**	**$**	**2,712,166**	28,877,470	$	2,712,166

(1) Pursuant to a Normal Course Issuer Bid ("NCIB") approved on February 17, 2011 through the facilities of the TSX Venture Exchange, Seaway can purchase up to 3,098,847 common shares. During the 2011 fiscal year, the Company repurchased 1,511,000 Common Shares at an average price of $0.044 for a total cost of $65,795. In October 2011, the Company purchased 600,000 Common Shares with an average price of $0.035. The NCIB was not renewed in February 2012.

7. Share Capital - continued

(c) Stock options

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. Options granted under the plan have varying vesting periods as determined by the Board at the grant date. Options can be exercisable for a maximum of five years from the effective date. The options are non-transferable if not exercised. Pursuant to the Stock Option Plan, the exercise price of options will be set by the Board at the time options are granted and cannot be less than the discounted market price, except as permitted by the Exchange. A summary of the status of the Company's stock option plan as at March 31, 2013 and September 30, 2012 and changes during the periods ending on those dates are presented below.

	March 31, 2013		September 30, 2012	
Stock Options	**Number of options**	**Weighted average Exercise price**	Number of options	Weighted average exercise price
Beginning of period	-	-	540,000	$0.24
Expired	-	-	(540,000)	$0.24
End of year	-	-	-	-
Exercisable, end of period	-	-	-	-

8. Financial Instruments

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate and foreign currency, liquidity, and fair value risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. These risks are outlined more fully below.

Financial instrument:	Category:
Cash and cash equivalents	Held for trading
Accounts receivable	Loans receivable
Accounts payable and accrued liabilities	Other financial liabilities
Current portion of convertible debentures	Other financial liabilities

(a) Fair value of financial instruments

The Company has determined that the fair values of the financial instruments consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and convertible debentures are not materially different from the carrying values of such instruments reported on the statement of financial position due to their short-term nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

8. Financial Instruments - continued

- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

All financial assets (except for cash and cash equivalents which are classified as held for trading), are classified as either loans or receivables and are accounted for on an amortized cost basis. All financial liabilities are classified as other liabilities. There are no financial assets on the statement of financial position that have been designated as available-for-sale. There have been no changes to the aforementioned classifications during the period ended March 31, 2012.

(b) Credit risk
The Company is subject to a concentration of credit risk in its accounts receivable as all of the Company's customers are in the oil and gas sector. Management is of the opinion that any risk of loss is reduced due to the financial strength of its customers. Concentration of credit risk is mitigated by having concentrations with credit worthy clients and broadening the Company's customer base. As at September 30, 2012, the total trade accounts receivable with three customers accounted for 50% of the Company's current accounts receivable.

		March 31, 2013		September 30, 2012
1-30 days	**$**	**150,581**	$	503,740
31-60 days		**90,190**		65,586
61 + days		**199,689**		352,391
Total trade receivables		**440,460**		921,717
Allowance for doubtful accounts		**(8,036)**		(8,036)
Total accounts receivable	**$**	**432,424**	$	913,681

(c) Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to interest rate fluctuations at March 31, 2013, and September 30, 2012.

Fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. As at September 30, 2012 the Company had fixed interest rates on 100% of its interest bearing obligations. As the interest rates approximate the prevailing market rates, the fair value of these debt instruments approximate its carrying values.

(d) Liquidity risk
Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value which is less than what they are worth; or

8. Financial Instruments - continued

- The Company may be unable to settle or recover a financial asset at all.

Trade and other payables

		March 31, 2013		September 30, 2012
Trade	**$**	**82,511**	$	403,448
Accrued		**154,912**		84,205
Other		**4,962**		14,070
Total accounts payable	**$**	**242,385**	$	501,723

Seaway expects that cash flows from operations commencing, together with its credit facilities, will be more than sufficient to fund its requirements for investments in working capital, capital expenditures and scheduled debt repayment. As these variables change, liquidity risks may necessitate the need for the Company to conduct equity issues or obtain additional debt financing.

9. Capital Risk Management

The Company's objectives when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. Managed capital consists of the Company's current working capital (current assets less current liabilities). The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable profitable growth. The Company is not subject to any externally imposed capital requirements other than maximum credit facility which is based on 75% of the Company's accounts receivable under 90 days. There have been no changes to the Company's capital risk management approach during the period ended March 31, 2012.

10. Commitments and Contingencies

(a) The Company's office lease rental arrangements expire on November 30, 2013 and October 30, 2014. The future minimum lease payments are 2013 - $69,269, 2014 - $38,048 and 2015 - $2,524 exclusive of common costs. Seaway has entered into a sublease effective January 1, 2013 and expiring on November 30, 2013 whereby it will be reimbursed $42,670 of rent plus common costs.

(b) In May 2006, Seaway entered into an employment agreement with the Chief Executive Officer. The employment agreement provides for a termination without cause or change in control allowance of six months plus one month for every year of service as severance for termination without cause and/or change of control of the Company. At March 31, 2013, the Company's remaining obligation to the Chief Executive Officer is $120,375 which has been accrued for in these financial statements.

10. Commitments and Contingencies - continued

(c) From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is not currently aware of any claims or actions that would materially affect the Company's reported financial position or results from operations.

Under the terms of certain agreements and the Company's by-laws the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service. The Company has no outstanding claims having a potentially material adverse effect on the Company as a whole.