

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. Name and Address of Company:**

WellPoint Systems Inc. ("WellPoint" or the "Company")  
500 – 4th Avenue SW  
Suite 2000, Altius Centre  
Calgary, Alberta T2P 2V6

**2. Date of Material Change:**

August 13, 2007

**3. News Release:**

A press release was issued on August 13, 2007 and disseminated through Canada NewsWire.

**4. Summary of Material Change:**

WellPoint (TSXV:WPS) announced that it had completed its acquisition of substantially all of the assets of Bolo Systems, Inc. and its US \$15 million debt financing with Crown Advisory Services Inc.

**5. Full Description of Material Change:**

For a full description please see the attached press release.

**6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:**

N/A

**7. Omitted Information:**

N/A

**8. Executive Officer:**

For further information, please contact

Frank Stanford  
Chief Executive Officer  
Telephone (403) 538-3604

**9. Date of Report:**

August 20, 2007



# News Release

## WELLPOINT SYSTEMS INC. COMPLETES ACQUISITION OF BOLO SYSTEMS, INC. AND USD\$15 MILLION ACQUISITION FINANCING

CALGARY, Alberta, August 13, 2007 - WellPoint Systems Inc. ("**WellPoint**" or the "**Company**") (TSX-V:WPS), today announced that it has completed its acquisition of substantially all of the assets of Bolo Systems, Inc. ("**Bolo**"), a privately held company with offices in Denver, Colorado and Houston, Texas, for approximately USD\$22,860,000. Bolo is a leading provider of integrated multi-tiered financial, land and production accounting solutions for the oil and gas industry in the United States. Bolo's more than 100 clients range in size from start-up to large independents.

"With the completion of this acquisition we have further strengthened our position as a truly global energy software company by improving our access to the sizeable U.S. market through the addition of expanded country specific strategies, products, expertise and infrastructure," said Frank Stanford, CEO of WellPoint Systems. "We are now well positioned to further penetrate the U.S. market by accessing cross-selling opportunities as we leverage our complementary operations, customer bases and service offerings."

"Bolo has enjoyed significant growth over the last few years and we are pleased to be able to build on that track record as part of the WellPoint family," said Richard Slack, President and CEO of Bolo Systems. "Bolo has a reputation for developing quality products and delivering high levels of customer satisfaction and we expect to make a significant contribution to WellPoint's back office product offering, while also being able to present new high-value solutions to our existing clients."

### Details of the Acquisition

The consideration paid by WellPoint to complete the acquisition consisted of USD\$14.5 million cash, 8,000,000 common shares of WellPoint issued pro rata to the shareholders of Bolo at a price of USD\$0.42 per share (being the closing price of the common shares on August 10, 2007) and a promissory note in the principal amount of USD\$5 million. The note is due three years from the date of issue, bears interest at a rate of 7% per annum and is secured by all the assets of WellPoint and its material operating subsidiaries. The common shares issued to Bolo and its shareholders are subject to a four-month hold period from the closing date as well as other resale restrictions contained in the acquisition agreement. Additional consideration of up to USD\$4.5 million may be paid to Bolo in either cash or common shares of WellPoint (at the election of Bolo) if the acquired business achieves certain revenue and earnings targets for the 24-month period following closing. If the additional consideration is paid in common shares such shares will be issued at a deemed price at \$0.90 per share for the first year and at \$1.60 per share for the second year and will also be subject to a four-month hold period following the issuance of those shares.

The acquisition agreement was negotiated at arm's length and prohibits Bolo from receiving additional common shares of WellPoint to the extent Bolo would directly or indirectly hold 19.9% or more of the issued and outstanding shares of WellPoint following receipt of those shares. Bolo's shareholders together hold approximately 17.9% of the current issued and outstanding common shares of WellPoint. Bolo and its shareholders have represented to WellPoint that they have not entered into, or have any present intention to enter into, any arrangements or understandings respecting the voting, control or direction over the common shares to be issued to Bolo and the shareholders in connection with the acquisition.

In addition, the WellPoint acquisition subsidiary has entered into employment agreement with certain officers and key employees of Bolo.

A finder's fee in the amount of approximately USD\$262,000 is payable to Winston Sage Partners, Inc. in connection with the completion of the acquisition.

WellPoint expects to file a business acquisition report with the applicable securities commissions within 75 days after the closing date, which will contain financial statement information with respect to Bolo as well as pro forma financial information of WellPoint after giving effect to the acquisition of all of the assets of Bolo.

### **Details of the Acquisition Financing**

WellPoint financed the acquisition by borrowing the sum of USD \$15 million from Crown Advisory Services Inc. ("**Crown**"). The loan must be repaid in one balloon payment on August 10, 2010, or earlier as provided in the credit agreement. The loan bears interest at a rate equal to 15% per annum. Interest must be paid on the last day of each month at a rate equal to 10% per annum. The balance of the interest owing on the loan will continue to accrue and be compounded monthly and payable on maturity of the loan. The obligations under the loan are secured by all of the assets of WellPoint and its material operating subsidiaries.

In connection with the advance of the loan, WellPoint issued an aggregate of 2.7 million common share purchase warrants to Crown and a US institutional shareholder of Crown, each of which expires three years from the date of issue (or earlier as described below) and entitles Crown and the US institutional shareholder to purchase one common share of WellPoint at an exercise price of USD\$0.50 per common share. 900,000 warrants are exercisable immediately with the balance to become exercisable in equal instalments on the sixth month and twelve month and one week anniversary of the closing date. If the loan is repaid prior to the warrants becoming exercisable, then those warrants which are not yet exercisable will automatically terminate. If the loan is reduced or repaid in full prior to maturity, the warrants will be reduced on a pro rata basis. The warrants are non-transferable and the common shares issued on the exercise of the warrants will be subject to a four-month hold period from the closing date. The issuance of the warrants remains subject to the final approval of the TSX Venture Exchange.

### **Debenture Amendments**

In connection with the acquisition and related financing, WellPoint agreed to amend the terms of the convertible secured debentures issued to Quorum Investment Pool Limited Partnership and Quorum Secured Equity Trust in March, 2007 to lower the conversion price by which such debentures will be convertible into common shares of WellPoint from \$0.65 to \$0.55 per common share, and to make certain other amendments as well. WellPoint also agreed to reduce the maturity date of the convertible secured debenture issued to Quorum Secured Equity Trust in the principal amount of \$300,000 from April 12, 2012 to December 15, 2009. These amendments remain subject to final approval of the TSX Venture Exchange.

### **About WellPoint Systems Inc.**

WellPoint Systems provides premier software and related services for managing critical operations within the energy industry. Aligning tightly with Microsoft Corporation, WellPoint is the only Independent Software Vendor (ISV) and Microsoft Dynamics partner dedicated to the energy sector. It is breaking new ground with the creation of a more comprehensive, integrated energy software suite based on existing Microsoft ERP technology that utilizes state-of-the-art Dynamics AX® and .NET architectures.

WellPoint became a Microsoft Gold Certified Partner in 2005. Founded in 1997, Calgary-based WellPoint Systems also has major operations in Houston, TX, Livingston, NJ, Tampa, FL, Tunis, Tunisia and Moscow, Russia. WellPoint is publicly traded on the TSX Venture Exchange under the symbol WPS.

For more information, please contact:

**WellPoint Systems Inc.**

Frank Stanford  
Chief Executive Officer  
(403) 538-3604  
[frank.stanford@wellpointsystems.com](mailto:frank.stanford@wellpointsystems.com)  
[www.wellpointsystems.com](http://www.wellpointsystems.com)

**The Equicom Group Inc.**

Nick Hurst  
Investor Relations  
(403) 538-4845  
[nhurst@equicomgroup.com](mailto:nhurst@equicomgroup.com)  
[www.equicomgroup.com](http://www.equicomgroup.com)

**Forward Looking Statements**

This document contains forward-looking statements. Some forward looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. The statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. The Company's actual results could differ materially from those currently anticipated due to a number of factors, including, but not limited to, successful integration of structural changes, including restructuring plans, acquisitions, technical or manufacturing or distribution issues, the competitive environment for the Company's products, the degree of market penetration of the Company's products, and other factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time.

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*