



Destiny Resource Services Corp.

Annual Information Form

For the Year Ended December 31, 2009

March 31, 2010

Table of Contents

Page 2	Cautionary Statement Regarding Forward-Looking Information
Page 4	Corporate Structure
Page 6	Acquisition of Logan Holdings, Inc.
Page 6	General Development of the Business
Page 8	Description of the Business
Page 10	Risk Factors
Page 10	Client Economic Dependence
Page 10	Foreign Operations
Page 11	Dividends
Page 11	Description of Capital Structure
Page 11	Stock Option Plan
Page 12	Market for Securities
Page 13	Directors and Officers
Page 14	Audit Committee Information
Page 14	Legal Proceedings
Page 14	Interest of Management and Others in Material Transactions
Page 14	Transfer Agent and Registrar
Page 14	Interests of Experts
Page 15	Material Contracts
Page 15	Additional Information
Page 16	Schedule A – Audit Committee Information

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form constitute “forward-looking information” within the meaning of applicable Securities Laws. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “goal”, “predict”, “potential”, “should”, “believe” and similar expressions are intended to identify forward-looking information and statements. The information and statements involve known and unknown risks, uncertainties and other factors that may cause future results or events to differ materially from those anticipated in such forward-looking information and statements. Such statements reflect Destiny’s as the case may be, current views or expectations with respect to certain events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause Destiny’s future results, performance, or achievements to vary from those described in this Annual Information Form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Annual Information Form as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this Annual Information Form include, among others, statements pertaining to the following:

- business strategy;
- growth expectations within Destiny
- realization of the anticipated benefits of acquisitions and dispositions;
- operating costs, general and administrative costs, costs of services and other costs and expenses;
- treatment under government regulation and taxation regimes; and

Although Destiny believes that the expectations with respect to such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Destiny’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- fluctuations in the price of and demand for oil and gas;
- fluctuations in the level of oil and gas exploration and development activities;
- fluctuations in the demand for Destiny’s services;
- the ability of Destiny to raise capital;
- the existence of credit risk inherent within the international oil and gas services business;
- technological changes and developments in the oil and gas industry;
- the existence of operating risks inherent in Destiny’s services;
- general economic conditions in Canada, the United States and globally;
- industry conditions;
- governmental regulation of the oil and gas industry, including environmental regulation and taxation regimes;
- variations in foreign exchange rates or interest rates;
- environmental risks;
- failure to realize anticipated benefits of acquisitions and dispositions;
- failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisitions and the ability to attract and retain key skilled personnel;
- competition for and inability to retain drilling equipment and other services;
- other factors, many of which are beyond the control of destiny, which could impact the use of services supplied by Destiny and those identified under the heading “Risk Factors” in this Annual Information Form

The forward-looking statements contained in this Annual Information Form identify additional factors that could affect the operating results and performance of Destiny. Readers are cautioned that the foregoing list and as identified in “Risk Factors” is not exhaustive and that these factors and risks are difficult to predict and the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be correct. We urge you to consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements speak only as of the date of this Annual Information Form. Destiny does not intend to nor assumes any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required by law.

With respect to the forward-looking statements contained herein, Destiny has made assumptions regarding, among other things: no material disruption in operations; ability to obtain required capital to finance operations; no material variations in the current tax and regulatory environments and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking statements and other information contained

herein concerning the oil field services industry and Destiny's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which Destiny believe to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Destiny is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

CORPORATE STRUCTURE

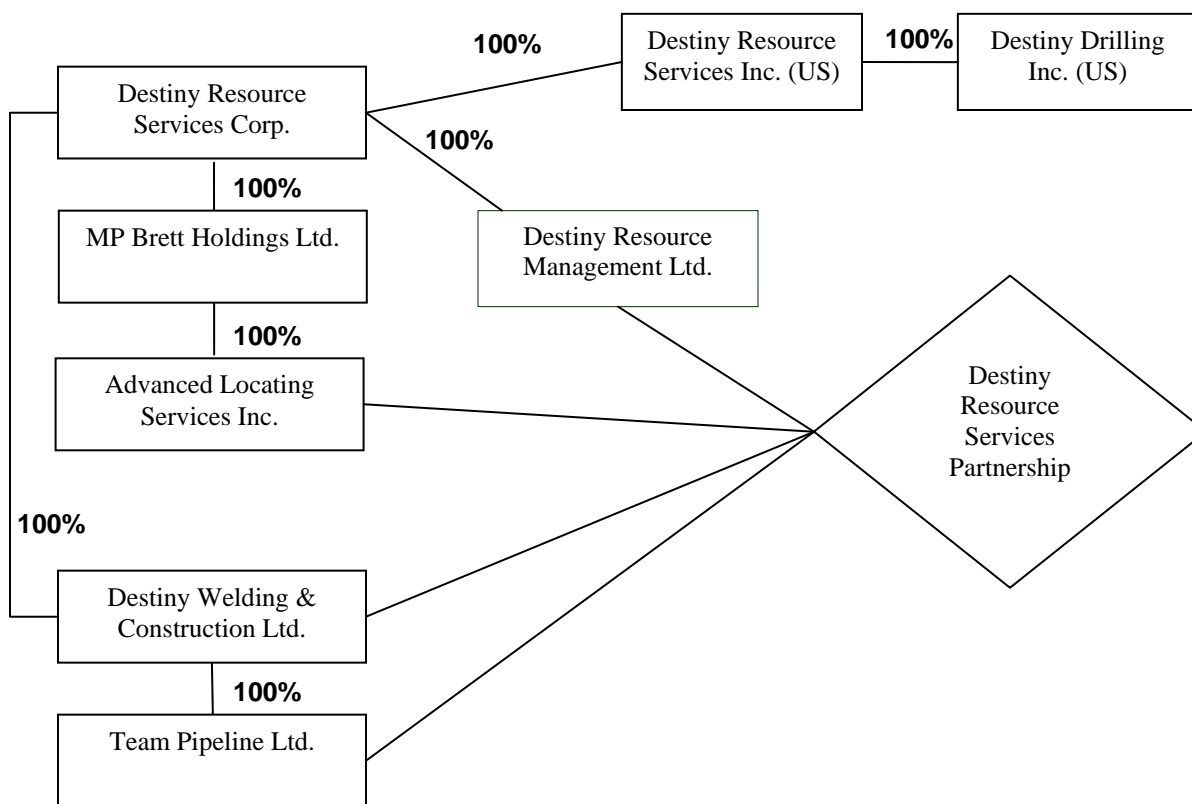
Destiny Resource Services Corp. (hereinafter called the "Company" or "Destiny") was incorporated under the *Business Corporations Act* (Alberta) on April 7, 1993 as 562328 Alberta Ltd. The address of its corporate and registered office is Suite 300, 444 - 58th Avenue S.E., Calgary, Alberta T2H 0P4. On November 10, 1993, Destiny's Articles of Incorporation were amended to change its name to Destiny Resource Services Corp. On May 31, 1999, the Company amalgamated with its wholly owned subsidiaries, Destiny Resources Ltd., Triple B Reclamation Ltd., Sharp Environmental Ltd., and J.D. & M.E. Holdings Ltd. On June 30, 2000 it amalgamated with its wholly owned subsidiary, Wolf Survey & Mapping Inc. Effective February 1, 2002, the Company and its wholly owned subsidiaries, Destiny Welding & Construction Ltd. and Team Pipeline Ltd., each incorporated under the *Business Corporations Act* (Alberta), transferred their respective businesses to Destiny Resource Services Partnership, a partnership formed under the *Partnership Act* (Alberta). All of the businesses formerly carried on by the Company and its subsidiaries are now carried on by Destiny Resource Services Partnership. Late in 2004, the Company commenced operations for its US operations of its survey and mapping services with a new entity called Destiny Resource Services Inc. On January 28, 2005, the Company bought the assets and business of Kodiak Nav Solutions Ltd., which business is now carried on by Destiny Resource Services Partnership.

On October 31, 2006, the Company acquired all of the shares of MP Brett Holdings Ltd. and its wholly owned subsidiary, Advanced Locating Services Inc. This business provides additional front-end oilfield services, principally pipeline locating, 1st Call Management and inspection services to the oil and gas and utility industry throughout western Canada.

In January 2007 the Company undertook a corporate reorganization which transferred the Company's interest in its operating partnership to Destiny Resource Management Limited, a wholly owned subsidiary. On a consolidated operating and financial reporting basis, the overall business of the Company remains unchanged.

Effective April 1, 2008 the business assets of All-Terrain Industries, Inc., a seismic shot-hole drilling company located in Houston, Texas, were acquired by Destiny Resource Services Inc., a wholly owned subsidiary, and are being used within Destiny Drilling Inc.

The following diagram illustrates the inter-corporate relationships between the Company, its subsidiaries and Destiny Resource Services Partnership as at December 31, 2009.



Legal Entity	Date	Jurisdiction
Destiny Resource Service Corp.	Incorporated 2003	Alberta
Destiny Welding & Construction Ltd.	Acquired 1998	Alberta
Team Pipeline Ltd.	Acquired 1998	Alberta
Destiny Resource Services Partnership	Formed 2002	Alberta
Destiny Resource Services Inc. (US)	Incorporated 2004	Utah
MP Brett Holdings Ltd.	Acquired 2006	Alberta
Advanced Locating Services Inc.	Acquired 2006	Alberta
Destiny Resource Management Ltd.	Incorporated 2006	Alberta
Destiny Drilling Inc. (US)	Incorporated 2008	Texas

Destiny Resource Services Partnership carries on business under the following trade names:

- Destiny Drilling (formerly Double R Drilling), a division of Destiny Resource Services Partnership
- Destiny Line Clearing (formerly Destiny Resources), a division of Destiny Resource Services Partnership
- Destiny Survey & Mapping (formerly Wolf Survey & Mapping), a division of Destiny Resource Services Partnership
- Destiny Navigation Technologies (formerly Kodiak Nav Solutions), a division of Destiny Resource Services Partnership
- Advanced Locating Services, a division of Destiny Resource Services Partnership

ACQUISITION OF LOGAN HOLDINGS, INC.

On March 1, 2010, the Company completed a merger (the "Merger") between a wholly-owned subsidiary of the Company, Destiny Merger Co. ("Mergeco"), and Logan Holdings, Inc. ("Logan"), a company based in Houston, Texas which specializes in a complete line of downhole products for a variety of well workover, intervention, drilling and completion activities. Pursuant to the terms of an agreement and plan of merger dated November 18, 2009 by and among the Company, Mergeco and Logan: (i) Mergeco merged with and into Logan, resulting in Logan being the surviving corporation and becoming a wholly-owned subsidiary of the Company; and (ii) the Company issued a total of 27,267,706 Common shares to the former holders of Logan's common stock and Series A preferred stock as consideration for the Merger, such that, following the Merger, the former Logan security holders held approximately 83% of the then issued and outstanding Common shares.

Immediately following the Merger, the Company adopted a new management team and began operating the combined businesses of Destiny and Logan. For more information on the composition of the Board of Directors and the management team of the Company following the Merger, reference should be made to the disclosure under the heading "Pro Forma Information of Destiny After Giving Effect to the Merger – Officers and Directors of New Destiny" in the management information circular and proxy statement of the Company dated January 29, 2010 (the "Merger Circular") and available on the Company's SEDAR profile at www.sedar.com, which disclosure is incorporated herein by reference. For more information regarding the operations of Logan, reference should be made to Appendix C – "Information Concerning Logan Holdings, Inc." of the Merger Circular, which Appendix C, with the exception of Annex A and Annex B thereto, is incorporated herein by reference.

On February 26, 2010, the shareholders of the Company approved a new option plan. For a detailed summary of the Company's option plan, see the section entitled "Matters to be Considered at the Meeting – Approval of New Destiny Stock Option Plan" of the Merger Circular. For a copy of the Company's new option plan see Appendix D – "New Option Plan" of the Merger Circular.

GENERAL DEVELOPMENT OF THE BUSINESS

The information presented below can be supplemented by reference to the Company's Annual Reports for the years ended December 31, 2009, 2008, and 2007.

2007 – General Development

Overall revenues for 2007 were \$65.2 million. Gross margin for the Company was at 14% compared to 22% in 2006. Revenues in Canada were impacted by a reduction in oilfield activity which reduced demand for the services provided by the Company. Also, this tighter market in Canada provided downward pressure on pricing resulting in lower overall gross margins on awarded jobs. For the U.S. revenues in 2007 doubled over the previous year, however, gross margins declined due to the Canadian infrastructure support costs utilized. In 2007 the Company had a loss from operations, before income tax, of \$1.0 million which included are non-recurring costs of \$0.9 million in corporate restructuring costs that were incurred during Q1'07 and a \$2.8 million write down relating to the navigation, positioning and asset management technology incurred during Q3'07. Total cash dividends paid in 2007 were \$0.48 per share. Operationally the Company is focused on growth opportunities in all of its geographic segments. The Company continued to evaluate overall infrastructure levels in light of existing and planned business and adjusted levels accordingly and where appropriate. Focus on this initiative was intensified for 2008. The sense of uncertainty as to the size of the market is greater than at any other time in recent years. Working capital at the end of 2007 was at \$5.1 million. The calculated ratio at 1.42 at the end of 2007 remained at a strong level.

2007 - Major Events

- The board of directors of the Company declared and the Company paid a \$0.24 cash dividend per share in each of the first two quarters for the year. There were no dividends declared or paid for Q3'07 or Q4'07.
- In January 2007 the Company undertook a corporate reorganization which transferred the Company's interest in its operating partnership, Destiny Resource Services Partnership to a wholly owned subsidiary, Destiny Resource Services Management. On a consolidated operating and financial reporting basis, the overall business of the Company remained unchanged.
- A total of \$2.8 million was considered as impairment in the cumulative value of the development costs incurred to the end of Q3'07 and was consequently written off. These costs were related to the development of the navigation, positioning and asset management technology (Destiny Navigation Technologies) and were comprised primarily of capitalized salaries and expenses. There is still perceived value in the hard

assets which are expected to provide benefit for the future and the carrying value of these assets is approximately \$0.3 million.

2008 - General Developments

Total revenues for 2008 at \$65.3 million were almost the same as the \$65.2 million over the same period in 2007. Total revenues in Canada were \$49.6 million in 2008 compared to \$53.3 million in 2007. The events of the economic crisis caused a decrease in overall exploration activities which had the direct effect of reducing the Company's overall Canadian revenues by approximately 7%. Total revenue for 2008 in the US increased by \$3.8 million or 32% over in 2007. Although the economic crisis caused an overall decline in demand for exploration services in North America, the Company was able to increase its market share in the US, partly as a result of the acquisition of US business assets of All-Terrain Industries, Inc. that occurred during Q2'08.

With the continued focus on cost efficiencies during the year, the Company was able to realize non-recurring benefits of approximately \$1.1 million. Approximately \$0.6 million was realized at the gross margin level due to more efficient operations which allowed for a reduction in total costs for repair and maintenance provisions. Approximately \$0.5 million was realized in general and administrative expenses which had resulted from a historical review of fuel and commodity taxes. 2007 expenses included a \$2.8 million write-down of navigation technologies assets.

Foreign exchange gain/expense changed by approximately \$1 million from a \$0.2 million expense in 2007 to a \$0.8 million gain in 2008. This foreign exchange amount arose from the translation of US net working capital and the US denominated long-term debt. During 2008 the exchange rate was at par and by the end of the year the rate was at 1.22:1 (CAD:USD). The Company did not expect this rate to change drastically for 2009 and therefore did not hedge foreign currency.

2008 - Major Events

Effective April 1, 2008 the business assets of All-Terrain Industries, Inc., a seismic shot-hole drilling company located in Houston, Texas, were acquired and are being used within Destiny Drilling USA. This purchase transaction included a cash payment of \$3.6 million USD at closing. An additional \$0.3 million USD is payable at the end of 2 years in the event a certain revenue threshold is obtained. This transaction was financed by a \$4 million USD long-term debt facility.

Destiny's Management and Board of Directors concluded a strategic planning process in Q4'08 which highlighted the Company's strengths and growth opportunities, both organic and through acquisition. The Company's view was that the goals therein were achievable, though likely set back in time by virtue of the overall economy. Explicit in these goals was the utilization of the depth and experience of Destiny's Executive Management Team and its Operations Team.

2009 - General Developments

Total revenues for 2009 at \$60.8 million decreased from \$65.3 million for 2008.

- Canada - For 2009 continuing depressed commodity prices reduced the demand for exploration activities which in turn reduced the Company's overall level of work in this geographic region. The late winter freeze caused delays in the commencement of some regional programs, consequently pushing some revenue into 2010. In Canada, 2009 revenues were \$32.3 million compared to \$49.6 million in 2008
- US – Despite the reduction of revenues in Canada, this region continues to experience rapid growth. This is due to the increased focus and development of market share that has been occurring over the past two years which has seen revenues grow from \$11.9 million in 2007 to \$28.5 million for 2009.

Cost control remained a focus for the Company over the year and specific attention was devoted to field costs. An analysis was conducted in 2008 to explore ways to improve efficiencies and maximize the use of consumables. The conclusions of this process identified areas of continuous improvement opportunities which were utilized during the 2009. This allowed the Company to realize an additional 2% of gross margin for 2009 over 2008 which was a great achievement in light of existing market conditions that increased competitive factors resulting in continued pressure on pricing. Also for 2009 the mix of jobs were fewer in number and larger in size over the 2008 mix which required less overall start-up and demobilization costs.

General and administrative expenses for 2009 were \$0.9 million higher than 2008. In 2009 increased compliance costs accounted for \$0.3 million of this change. In 2008 there was approximately \$0.5 million of non-recurring recoveries related to the review of fuel and commodity taxes paid in prior periods. During 2009 workforce attritions resulted in an overall reduction of personnel to which the Company restructured existing resources to accommodate the same workload without adding any new additional personnel. It is expected that this will result in savings for 2010 and beyond.

Net income for the year was \$1.1 million compared to \$1.8 million last year. Continued profitability in 2008 with 2007 along with a modest sustaining capital expenditure program and close monitoring of working capital has resulted in a year-end cash balance of \$8.3 million. Although the Company will continue to be frugal with cost management for the future it has the ability to explore and evaluate expansion opportunities both organically and through merger and acquisition approaches. Also, the Company has the ability to continue to thrive in the current depressed economic market environment that exists so that it can continue to have choices for the future and the reserves necessary to continue to weather the storm.

2009 – Major Events

On February 26, 2010, the shareholders of the Company approved the issuance of a total of 27,267,706 common shares to the former holders of Logan's capital stock.

On March 1, 2010, Destiny, Logan and Mergeco completed the Merger. Pursuant to the terms of the Merger Agreement: (i) Mergeco merged with and into Logan, resulting in Logan being the surviving corporation and becoming a wholly-owned subsidiary of the Company; and (ii) the Company issued a total of 27,267,706 common shares of the Company (representing approximately 489% of the then issued and outstanding common shares) to the former holders of Logan's capital stock as consideration for the Merger. For details regarding the Merger, see the Merger Circular, available on the Company's SEDAR profile at www.sedar.com.

Through its subsidiaries, Logan manufactures and sells a complete line of downhole products — retrieving tools, stroking tools, surface tools, remedial tools and high-performance polycrystalline diamond compact cutters and bearings for a variety of well workover, intervention, drilling and completion activities. The main uses of fishing and intervention tools are to free downhole equipment, releasing them from a stuck drill string; retrieve twisted-off drill or workover string; retrieve miscellaneous tools, bits, parts of bits, chain, or other small objects from the well bore; or to repair casing. Fishing tools are used in the retrieval of drill bits, drill pipe, tubing, casing, and bottom hole assemblies from a well bore in order to permit normal drilling operations or production to continue. Drilling tools assist in the drilling process by reducing drilling time and extending the life of drill bits. Power equipment is used in workover and drilling applications for improved pipe handling capability and enhanced safety and productivity of the drilling process. For a detailed discussion regarding the operations of Logan, see Appendix C – “Information Concerning Logan Holdings, Inc.” of the Merger Circular.

DESCRIPTION OF THE BUSINESS

SEISMIC FRONT-END SERVICES

Destiny's business is providing Seismic Front-End Services to energy explorers and producers and to seismic acquisition companies and locating services to the oil and gas and utilities industries by providing exploration and production companies and geophysical acquisition contractors with the opportunity for integrated or unbundled front-end services. Destiny is an industry leader in technological innovation and the implementation of coordinated services in North America.

Specific areas of service are as follows:

Geospatial Services

Survey & Mapping

Destiny's survey division, Destiny Survey & Mapping, utilizes world class GPS survey equipment and highly skilled personnel to garner extra efficiencies in delivering services and to produce the highest quality products. This division continues to expand the implementation of high technology surveying including its proprietary UCGPS™ and Lidar surveys. These techniques enable seismic operations to occur with minimal tree cutting, thereby greatly reducing environmental impact, safety risk exposure and timber damage costs. Innovation and quality have established this division as one of the leading survey contractors in the geophysical industry. In late 2004, this division began operations in the US under Wolf Survey and Mapping (now Destiny Survey and Mapping) providing the same reputation and quality of services as its Canadian counterpart.

Navigation Technologies

Destiny's navigation division, Destiny Navigation Technologies, utilizes proprietary software and hardware to provide navigation, positioning and asset management technology to improve the productivity and safety of seismic operations. This division continues to innovate with the development of the AccuDrill™, AccuStacker™ and CrewTracker™ services. These services enable the Company and its clients to track equipment and personnel in the field resulting in value added from faster field response to incidences and an overall increased level of safety.

Locating Services

Destiny's locating business, Advanced Locating Services, provides services of pipeline locating, 1st Call Management and inspection services to the oil and gas industry throughout western Canada.

Line Clearing

Destiny's line clearing division, Destiny Line Clearing, specializes in low impact seismic right-of-way clearing. This division maintains its focus on integrity and innovation and is widely recognized as a quality orientated service provider. This division has deployed GPS guidance systems throughout its entire fleet of line clearing equipment and has revolutionized the hand-cut line clearing business with unique GPSlashing™ methodologies.

Drilling

Destiny's drilling division, Destiny Drilling, provides shot-hole drilling services to the geophysical industry. This division operates a large fleet of track drills to accommodate our clients needs in areas ranging from the foothills of the Rocky Mountains to the high Arctic. It also offers low impact drills with physical dimensions that allow them to operate in demanding terrain with a minimal environmental footprint. This division is a world leader in Helicopter Portable drilling. Our people have proven that we can operate successfully in any terrain or environment. Lightweight yet powerful, our equipment leads the industry in innovative technology and reliability.

Revenues of the Company's business, by segment, for the last two complete financial years were as follows:

(000's)	Year ended December 31, 2009	Year ended December 31, 2008
	\$	\$
Front End Services	60,776	65,255

The Company faces a wide spectrum of competitors that range from smaller owner-operated businesses to larger publicly held companies. The Company believes that it has taken the appropriate steps necessary to be an effective competitor in its principal markets and geographic areas of operation within North America.

The Company's business is seasonal with Q1 and Q3 traditionally being the two strongest quarters and Q2 and Q4 traditionally being the weakest quarters. The underlying causes of the seasonality are the weather and the Company being restricted from entering certain wildlife areas during migration and calving seasons.

Due to the seasonal and cyclical nature of the oil and gas service sector, combined with the work performed being project oriented, the Company monitors the low and high number of people that each of its business units employs. For the year ended December 31, 2009 the total number of people employed were as follows:

	Low (Q2,Q3)	High (Q1,Q4)
Front-End Services	166	392
Other (Corporate)	11	11
Total	177	403

RISK FACTORS

The Company is subject to the risks and variables inherent in the oilfield services industry. Demand for products and services depend on the exploration, development and production activities of energy companies. These activities are directly affected by factors such as oil and gas commodity prices, weather, changes in legislation, exchange rates, the general state of domestic and world economies, concerns regarding fuel surpluses or shortages, substitution through imports or alternative energy sources, changes to taxation or regulatory regimes and the broad sweep of international political risks such as war, civil unrest, nationalization and expropriation or confiscation, which are all beyond the control of the Company and cannot be accurately predicted. The oil market is influenced by global supply and demand considerations and by the supply management practices of OPEC. The natural gas market is primarily influenced by North American supply and demand and by the price of competing fuels. The risks associated with external competition are minimized by concentrating Company activities in areas where it has demonstrated technical and operational advantages and by employing highly competent professional staff. Environmental standards and regulations are continually becoming more stringent in this industry and the Company is committed to maintaining its high standards. Environmental constraints include pollution, natural habitat disturbance, wildlife considerations and protocols relating to breaches such as spill containment and other damages. The strategy to expand into the US market will create a shift in the geographic makeup of business which will require risks such as foreign exchange to be monitored and mitigated. These business risks are also mitigated by establishing strategic alliances with reputable partners, developing new technologies and methodologies as well as investigating new business opportunities.

Current economic conditions are creating greater uncertainty in capital markets and with respect to the solvency and liquidity of many companies. The Company may experience solvency and liquidity issues with its clients and suppliers.

The risks inherent in the oilfield services industry could impact the Company's ability to meet its financial covenants on its revolving, bank operating loan facility. As at December 31, 2009 the Company had a net cash balance of \$8.3 million.

The most variable component of the Company's business is the level of heli-portable seismic drilling that will be conducted in a given year. Within this business the challenge is the amount of market share and margins that will be achieved. These services are traditionally the most volatile business line. Activity and pricing in this area are closely monitored on an ongoing basis and the Company is highly adaptable during times of change.

CLIENT ECONOMIC DEPENDENCE

The Company's sales are to customers in the oil and gas industry, which results in a concentration of credit risk. The Company generally extends unsecured credit to these customers, and therefore the collection of receivables may be affected by changes in economic or other conditions and may accordingly affect the Company's overall credit risk. Management believes the risk is mitigated by the size, reputation and diversified nature of the companies to which the Company extends credit. The Company has not previously experienced any material credit losses on the collection of accounts receivable related to its operations.

Approximately 73% of trade accounts receivable at December 31, 2009 (72% at December 31, 2008) is with three clients. With respect to its largest client, the Company provides services both directly for the client's own account (for the development of seismic data for the client to sell) and indirectly for work for third party exploration and production companies, most of which are substantial oil companies and several of which specify the Company as their sub-contractor of choice when contracting with the Company's client. Approximately 75% of trade accounts receivable at December 31, 2009 were less than 60 days old (52% were less than 30 days old). As at December 31, 2008 approximately 79% of trade accounts receivable were less than 60 days old (57% were less than 30 days old).

In January 2009, the CICA issued EIC 173, "Credit risk and the fair value of financial assets and liabilities". This new guidance requires an entity's own credit risk and the credit risk of the counterparty to be taken into account in determining the fair value of financial assets and financial liabilities, for presentation and disclosure purposes. The Company has adopted the aforementioned guidance and no significant impact on the financial statements was noted.

FOREIGN OPERATIONS

US revenues have grown from 24% of 2008 total revenues to 47% of 2009 total revenues. The US operation is heavily dependent on the Canadian parent for support services in the areas of accounting, purchasing and logistics, human resources, safety and equipment. This dependence will continue for the near future as the US operations continue to grow. At this time the US operation was considered as a fully integrated operation.

DIVIDENDS

On October 4, 2004, the Board of Directors instituted a policy for the payment of regular quarterly dividends, commencing in the first quarter of 2005. The dividend policy is subject to change as the Board of Directors assesses Destiny's available cash, needs for cash, prospects and financing alternatives.

For 2007 the declared and paid cash dividends were as follows:

Date declared	Date paid	Amount per share	Aggregate amount
March 5, 2007	March 15, 2007	\$0.24	\$1,338,499
May 11, 2007	June 15, 2007	\$0.24	\$1,338,499
		\$0.48	\$2,676,998

There were no cash dividends declared or paid for 2008 or 2009.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue one class of shares, to be designated as "common shares", in an unlimited number. As at December 31, 2010, there were 5,582,581 common shares issued and outstanding. However, pursuant to the Merger an additional 27,267,706 common shares were issued to former Logan shareholders (for further details on this Merger please refer to the Merger Circular dated January 29, 2010). As at March 31, 2010 the Company had issued 32,850,287 common shares issued and outstanding.

The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- (i) the right to vote at all meetings of shareholders of the corporation, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the prior rights and privileges attaching to any other class of shares of the corporation, the right to receive any dividend declared by the corporation; and
- (iii) subject to the prior rights and privileges attaching to any other class of shares of the corporation the right to receive the remaining property and assets of the corporation upon dissolution.

The Company is further authorized to issue an unlimited number of preferred shares issuable in series, to be designated as "Second Preferred Shares". As at December 31, 2009 and March 31, 2010 there were no Second Preferred Shares outstanding and has no current or foreseeable plans to issue Second Preferred Shares in the future.

STOCK OPTION PLAN

As at December 31, 2009 the Company had no options outstanding. On February 26, 2010, the shareholders of the Company approved at a Special meeting a new option plan. See the section entitled "Acquisition of Logan Holdings, Inc." of this Annual Information Form.

MARKET FOR SECURITIES

The Company's Common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "DSC".

The following table provides the reported high and low trading prices and volume of trading of common shares by month during 2009.

2009	\$ High	\$ Low	VOLUME
January	2.39	1.91	500
February	2.24	2.05	2,200
March	2.95	2.00	1,200
April	2.94	2.10	1,000
May	2.47	2.11	1,100
June	2.24	1.75	300
July	2.09	1.82	0
August	2.09	1.44	0
September	2.00	1.50	200
October	2.01	1.60	300
November	4.50	1.73	13,200
December	4.00	3.41	11,500

DIRECTORS AND OFFICERS

The following table lists the name, municipality of residence, respective positions and offices, principal occupations, and the period or periods served as a Director or Officer of the Company as at December 31, 2009:

Name, Positions of Office and Municipality of Residence	Principal Occupation	Period of Service
Bruce R. Libin ⁽³⁾ Executive Chairman and Chief Executive Officer Calgary, Alberta	Executive Chairman and Chief Executive Officer, Destiny Resource Services Corp.	May 20, 1994 to February 28, 2010
Glen Roane ⁽¹⁾⁽²⁾ Director Canmore, Alberta	Corporate director and independent businessman	June 27, 2001 to February 28, 2010
Nathan Feldman ⁽¹⁾⁽²⁾ Director Calgary, Alberta	President, N.S. Feldman & Associates	August 28, 2003 to February 28, 2010
David McGoey ⁽¹⁾ Director Calgary, Alberta	Vice-President, Finance Matco Capital Ltd.	September 4, 2003 to February 28, 2010
James Rathwell ⁽²⁾ Director Calgary, Alberta	Sr. Vice President and COO, Well Service Division, Trinidad Drilling Ltd.	March 21, 2005 to February 28, 2010
James O. Holt Chief Operating Officer Calgary, Alberta	Company Officer	May 31, 1997 to February 28, 2010
Warren S. Plue Vice-President, Navigation Technologies Calgary, Alberta	Company Officer	November 4, 2002 to February 28, 2010
Joe Pilieci Vice-President, Geospatial Services Calgary, Alberta	Company Officer	May 1, 2005 to February 28, 2010
Patrick Egli ⁽³⁾ Vice-President, Finance & Administration Chief Financial Officer; Corporate Secretary Calgary, Alberta	Company Officer	August 23, 2005 to February 28, 2010
Pete Scott ⁽³⁾ Vice-President, Drilling and Chief Safety Officer Calgary, Alberta	Company Officer	September 13, 2006 to February 28, 2010
Murray Leier ⁽³⁾ Vice-President, Line Clearing Calgary, Alberta	Company Officer	February 1, 2007 to February 28, 2010

Notes:

1. Member of the Audit Committee of the Board.
2. Member of the Compensation Committee. The Corporation does not have an Executive Committee.
3. All of the above Directors and Officers of the Company have been engaged within the five preceding years in their principal occupations or in other executive capacities with the companies or firms with which they are presently associated or with affiliates or predecessors thereof, Mr. Egli who from 2000 to August 2005 was Corporate Controller of Foremost Industries Inc.; Mr. Scott who from 1999 to September 2006 was Operations Manager of Veritas DGC Land. From October 2003 to February 2007 Mr. Leier served as General Manager of Destiny Resources.

As of December 31, 2009 the Directors and Officers as a group beneficially owned, directly or indirectly, or could exercise control or direction over 2,124,545 or 38.06% of the issued Common shares of the Company.

Following the completion of the Merger on March 1, 2010 the Company had the following management team: Gerald Hage as Chief Executive Officer, Bruce Libin as President, David Jones as Chief Financial Officer, Pete Scott as Chief Safety Officer and Patrick Egli as Corporate Secretary.

The post-merger board of directors as at March 1, 2010 consisted of six members, consisting of two previous directors of the Company (Bruce Libin and Glen Roane) and four directors who had previously served on Logan's board of directors (Gerald Hage, Paul McDermott, David Barr and David Kennedy). For further details regarding the current Directors and Officers, see "Pro Forma Information of Destiny after Giving Effect to the Merger – Officers and Directors of New Destiny" of the Merger Circular.

AUDIT COMMITTEE INFORMATION

Information concerning the Audit Committee of the Board of Directors of Destiny is provided in Schedule A to this Annual Information Form.

LEGAL PROCEEDINGS

The Company, through the performance of its service obligations, is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury or operations not considered to be complete. The Company maintains a level of insurance coverage considered appropriate by management for matters for which insurance coverage can be maintained.

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which the Company is or was a party or of which any of its properties are or were the subject matter during the recently completed financial year ended December 31, 2009, nor are any such proceedings known to the Company to be contemplated.

During the recently completed financial year ended December 31, 2009, there have not been any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Circular, to the knowledge of the directors and officers of the Company, none of the directors or executive officers of the Company, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding voting securities of the Company, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the Company's current year or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for common shares of the Company is Valiant Trust Company at its principal office noted below with a branch office in Toronto, Ontario.

Valiant Trust Company
Suite 310
606 - 4th Street S.W.
Calgary, Alberta T2P 1T1

INTERESTS OF EXPERTS

The auditor of the Company is Ernst & Young LLP.

As at December 31, 2009, Ernst & Young LLP, Chartered Accountants have reported that they are independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

Other than as set out above, no other experts (whose profession or business gives authority to a report, valuation, statement or opinion made by them) were named in any securities disclosure document filed by the Company in the most recently completed financial year.

MATERIAL CONTRACTS

Except as mentioned or referenced in the Merger Circular and except for contracts entered into in the ordinary course of business, no material contracts were entered into by the Company during the most recently completed financial year, nor are any material contracts in effect that were entered into prior to the beginning of the most recently completed financial year.

ADDITIONAL INFORMATION

Additional information relating to Destiny Resource Services Corp.:

1. may be found on SEDAR at www.sedar.com;
2. including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's Annual Information Form relating to its Annual and Special General Meeting of shareholders to be held May 13, 2010; and
3. is provided in the Company's consolidated financial statements and MD&A for the financial year ended December 31, 2009.

SCHEDULE A

AUDIT COMMITTEE INFORMATION

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee as at December 31, 2009 was made up of three unrelated and independent directors (see Directors and Officers table): David McGoey (Chair), Nathan Feldman and Glen Roane. Canadian securities regulation requires all Audit Committee members be financially literate. Destiny's Board of Directors has determined all members of the Audit Committee are financially literate.

EDUCATION AND EXPERIENCE

David M McGoey holds a Bachelor of Commerce (Honours) degree and is a Chartered Accountant (Canada) and a Certified Public Accountant (US). Mr. McGoey has practiced as a public accountant for over 25 years. During this time he has obtained experience in preparing, analyzing, reviewing and evaluating financial statements, tax returns and other financial related documents. Mr. McGoey has also had experience as the Chief Financial Officer of several public and private companies as well serving as a member of the Board of Directors for several of these companies.

Nathan S. Feldman holds a Bachelor of Commerce degree, is a Chartered Accountant and has been a member of the Alberta Institute of Chartered Accountants since 1975. Mr. Feldman achieved significant experience as senior partner in a Western Canadian public accounting practice and currently specializes in financial management and business consulting. Mr. Feldman has held executive positions in private and public companies as well as a number of not for profit organizations. He has served on the board of directors for several of these companies and organizations, often participating in their finance and audit committees.

Glen D. Roane holds the degrees of Bachelor of Arts and Master of Business Administration. Mr. Roane is a corporate director and serves on the boards of several private and public companies operating primarily in the field of oil and gas production and services businesses. Until 1997, Mr. Roane spent almost 20 years in the Canadian financial services industry, working in increasingly senior roles in corporate banking, investment banking and the management of investments in marketable securities.

AUDIT FEES AND PRE-APPROVAL OF AUDIT SERVICES

The following table presents fees for the audits of the Company's annual consolidated statements for 2009 and 2008 and for other services provided by Ernst & Young LLP.

	2009	2008
Audit Fees	\$196,000	\$ 170,000
Tax Fees	\$ 48,000	\$ 30,000
All Other Fees	\$ 50,000	\$ 10,000

Under the Mandate of the Audit Committee (which follows), the Audit Committee is required to review and pre-approve the objectives and scope of the external audit work and the proposed fees. In addition, the Audit Committee is required to review and pre-approve all non-audit services the Company's external auditors are to perform. Pursuant to these requirements since their implementation in 2003, 100% of each of the services relating to fees reported above were pre-approved by the Audit Committee or its delegate, the Chair of the Audit Committee.

MANDATE OF THE AUDIT COMMITTEE

Policy Statement

It is the policy of Destiny Resource Services Corp. (the "Corporation") to establish and maintain an Audit Committee, composed entirely of independent directors, to assist the Board of Directors (the "Board") in carrying out their oversight responsibility for the Corporation's internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition of the Committee

1. The Audit Committee shall consist of at least three directors. The Board shall appoint the members of the Audit Committee. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Each director appointed to the Audit Committee by the Board shall be an outside director who is unrelated. An outside, unrelated director is a director who is independent of management and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. In determining whether a director is independent of management, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.
3. Each member of the Audit Committee shall be "financially literate". In order to be financially literate, a director must be, at a minimum, able to read and understand basic financial statements, and at least one member shall have "accounting or related financial management expertise", meaning the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.
4. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

Meetings of the Committee

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the auditors, or a senior officer of the Corporation. Meetings of the Audit Committee shall correspond with the review of the quarterly financial statements and management discussion and analysis.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.
3. Notice of a meeting of the Audit Committee shall:
 - (a) be in writing;
 - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - (d) be given at least two business days notice prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.

7. The Chairman of the Board, senior management of the Corporation and other parties may attend meetings of the Audit Committee; however, the Audit Committee (i) shall meet with the external auditors independent of management and (ii) may meet separately with management.
8. Minutes shall be kept at all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting.

Duties and Responsibilities of the Committee

1. The Audit Committee's primary duties and responsibilities are to:
 - (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
 - (b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
 - (c) monitor the independence and performance of the Corporation's external auditors;
 - (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
 - (e) directly oversee the external audit process and results (in addition to items described in Section 4 below);
 - (f) provide an avenue of communication among the external auditors, management and the Board;
 - (g) ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
 - (h) ensure that an appropriate Code of Conduct is in place and understood by employees and directors of the Corporation. The Corporation does not have an explicit code of conduct.
2. The Audit Committee shall have the authority to:
 - (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
 - (b) discuss with the management of the Corporation, its subsidiaries and affiliates and senior staff of the Corporation, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
 - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (d) to set and pay the compensation for any advisors employed by the Audit Committee.
3. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
4. The Audit Committee shall:
 - (a) review the audit plan with the Corporation's external auditors and with management;
 - (b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;
 - (c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

- (d) review any problems experienced or concerns expressed by the external auditors in performing their audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (e) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (f) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
- (g) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;
- (h) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public;
- (i) before release, review and, if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, Annual Information Forms, management discussion and analysis and press releases; and
- (j) oversee any of the financial affairs of the Corporation, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management.

5. The Audit Committee shall:

- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
- (b) consider the recommendations of management in respect of the appointment of the external auditors;
- (c) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors, or the external auditors of the Corporation's subsidiary entities;
- (d) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
- (e) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Policy 31 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period; and
- (f) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

6. The Audit Committee shall:

- (a) review with management, at least annually, the financing strategy and plans of the Corporation; and
- (b) review all securities offering documents (including documents incorporated therein by reference) of the Corporation.

7. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
8. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
9. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Corporation, the external auditors, or senior management.
10. The Audit Committee shall periodically review with management the need for an internal audit function.
11. The Audit Committee shall review the Corporation's accounting and reporting of environmental costs, liabilities and contingencies.
12. The Audit Committee shall establish and maintain procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation on concerns regarding questionable accounting or auditing matters.
13. The Audit Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors or other auditing matters.
14. The Audit Committee shall review with the Corporation's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Corporation's consolidated financial statements, and any enquiries received from regulators or government agencies.
15. The Audit Committee shall assess, on an annual basis, the adequacy of this Mandate and the performance of the Audit Committee.