



COMMUNICATION SYSTEMS INTERNATIONAL INC.

ANNUAL INFORMATION FORM

MAY 19, 2000

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INCORPORATION

Communication Systems International Inc. ("CSI" or the "Corporation") was incorporated under the laws of the Province of Alberta on July 31, 1990. Effective April 30, 1996, the Corporation amended its Articles to effect, among other things, a redesignation of the Corporation's Class A common shares, a stock split of the common shares on a 12,500 for 1 basis and to delete the "private company" share transfer restrictions.

The Corporation's registered and head office is located at 1200 - 58th Avenue S.E., Calgary, Alberta, Canada, T2H 2C9.

The Corporation has two wholly-owned subsidiaries, Leading Edge Technologies Ltd. ("Leading Edge"), a corporation incorporated under the laws of the Province of Alberta and Satloc (1999) Inc. ("Satloc"), a corporation incorporated pursuant to the laws of the State of Arizona. In this Circular, "Corporation" or "CSI" refer to CSI and its subsidiaries as a whole unless the context otherwise requires.

BUSINESS OF THE CORPORATION

The Corporation is a global designer and manufacturer of differential global positioning systems ("DGPS") beacon receivers, combined DGPS/global positioning system ("GPS") receivers, original equipment manufacturer ("OEM") circuit boards and antenna systems. Its products are employed worldwide in many DGPS applications, including marine, precision farming, geographic information systems, automatic vehicle location, hydrographic surveying, commercial fishing and recreational uses. CSI's Satloc division (based in Phoenix, Arizona) is a global supplier of precision guidance systems using differential GPS technology and also offers GPS aerial swath guidance systems for agriculture and other applications.

Background

The Corporation commenced operations in 1990 with the introduction of its first radio receiver product. In 1993, CSI introduced and sold its first DGPS radio beacon product, the MBX-1 unit, which plugged into a regular global positioning system ("GPS") unit to provide the differential corrections to enhance the user's overall accuracy of position data. In 1994, the Corporation broadened its product line by offering a printed circuit board card (or PCB card) to OEM customers that require the differential corrections gained by inserting the PCB card into their electronic equipment. In 1995, the Corporation introduced a combined GPS/DGPS unit.

In October 1996 CSI acquired ownership of the beacon receiver technology used for DGPS and entered into an exclusive license arrangement (except for one pre-existing license) for the loop antenna utilized with its technology.

In March, 1997 the Corporation completed an initial public offering of 2,400,000 common shares for gross proceeds of \$6 million and its common shares commenced trading on The Toronto Stock Exchange.

In June 1997 CSI acquired all of the outstanding shares of Leading Edge, a manufacturer of a variety of cables, including those used by the Corporation. CSI purchased the shares for cash consideration of \$130,000.

In December 1997 CSI introduced an upgrade to its SBX-2 intelligent radio beacon receiver engine and introduced an L-band receiver product that can receive both satellite and station beacon differential correction data. CSI also released its ABX-3 automatic differential beacon receiver in April 1998 being the first of a new series of high performance dual channel digital beacon DGPS receivers targeted at the leisure marine and in-shore fisheries market.

In December 1998 CSI received ISO 9002 certification.

In April 1999 CSI's new "smart antennae", the SBA-1, was commercialized and available for distribution. The SBA-1 combines the SBX-2 with CSI's lowest cost antennae and is utilized primarily in the marine industry.

Effective April 4, 1999 CSI acquired the business and assets of Satloc, Inc. Satloc, Inc. was founded in 1992 and is a global supplier of precision guidance systems using DGPS technology and has gained acknowledgment in the industry for its GPS aerial swath guidance systems for agriculture and other applications. Satloc, Inc. was also a leading supplier of ground-based systems for precision agriculture and GIS/survey applications, including ground based chemical applicators, yield monitoring, soil sampling, crop scouting and other precision farming applications. Transportation departments, utility companies and local municipalities use Satloc, Inc.'s real time DGPS positioning systems to collect geo-referenced records of their assets into electronic geographic information systems ("GIS").

Management of CSI views the acquisition of Satloc Inc.'s business and assets as strategic. Historically, Satloc, Inc. has had a skilled research and development team that develops all of its products and a reputation for a high commitment to quality, innovative designs and responsive customer service all of which further enhance CSI's presence in the United States.

The business and assets of Satloc, Inc. were acquired by Satloc, the Corporation's wholly-owned subsidiary, and are located at the Scottsdale facility.

The acquisition provides several strategic opportunities to CSI including development of new products through combined technologies, access to new distribution channels thereby generating increased market share and reduction in operating expenses due to cost efficiencies.

The effective date of the acquisition was April 4, 1999. The purchase price for the acquisition was \$6,069,627 as at the closing date, comprised of \$2,824,873 of net working capital, \$592,290 of capital assets and \$2,652,464 of goodwill. Pursuant to the asset purchase agreement, contingent consideration of up to \$1,550,000 (USD) (approximately \$2,300,000 CDN as at the closing date) of series 1 shares in the capital of CSI ("Series 1 Shares") issuable over a five year period subject to the future performance of the Satloc business. The Series 1 Shares accrue dividends at the rate of 10% per annum. No dividends will be paid until the Series 1 Shares are converted or redeemed. The Series 1 Shares are not convertible before April 1, 2004, except in the event of a change in control of CSI. The conversion price is the greater of \$1.00 or the 30-day average trading price prior to April 1, 2004 (the "Conversion Date"). The conversion price is subject to anti-dilution provisions and adjustments for currency fluctuation until the Conversion Date at which time the conversion price will be fixed. In no event will more than 5,000,000 common shares in the capital of CSI ("Common Shares") be issued to satisfy conversion rights of the Series 1 Shares. The Series 1 Shares are redeemable at the request of Satloc, Inc. on or after April 1, 2004, and by CSI after April 1, 2007.

The acquisition was funded using cash, term debt and operating lines of credit of \$3,849,627 and vendor take back subordinated debt of \$1,500,000 (USD). The subordinated debt carries interest at a rate of 15% per annum compounded annually. The subordinated debt becomes due on June 24, 2001 and the Corporation is not required to make any monthly payments of principal or interest until such date. In conjunction with the financing, CSI also established an operating line of credit of \$2,000,000 with a major bank.

GPS and DGPS

GPS is a satellite-based positioning system utilizing twenty-four satellites in high earth orbits transmitting signals that allow positioning and navigation functions to be obtained by users with suitably equipped receivers. The constellation of GPS satellites is owned and operated by the U.S. Department of Defence, however a civilian component is available, without charge, worldwide. For many applications, stand-alone GPS accuracies are adequate, however, applications such as precision farming, land surveying and general harbour navigation require more accurate readings ranging from a few centimetres to less than 5 metres depending on the application.

A technique called DGPS was developed to reduce the errors related to stand-alone GPS. DGPS uses a stationary GPS receiver, at a precisely known location, to calculate the error between its GPS satellite computed position and its known position. These errors, or differential corrections, are the same for all

receivers operating in the vicinity of the stationary receiver (the "reference station"). Typically, the reference station transmits the DGPS corrections over a radio or satellite communications link to users operating in the area. The users' GPS receiver (the "remote") must be equipped with a radio or satellite receiver to accept this data and apply the corrections to its own computed position to derive a greatly improved position accuracy.

Differential correction services are provided by privately-owned reference stations in some areas or by government agencies. The United States Coast Guard, and similar agencies in other parts of the world, operate extensive networks of DGPS reference stations, referred to as marine beacons, that transmit the DGPS corrections. In the U.S., all coastlines, to a few hundred miles inland, and most of the entire eastern half of the country have coverage from this free signal. The stations transmit differential corrections at frequencies slightly lower than normal AM radio band (300 Khz) and all CSI products use this signal.

GPS and DGPS products operate by using specific radio frequencies. The radio frequency ("RF") spectrum ranges from very low frequency waves to extremely high frequency waves. Although the RF spectrum contains many different sections, there are basically two distinct categories. The first category is "line of sight" frequencies which are capable of high data transmission rates but have a shorter range. The second category of transmissions is called "over the horizon" frequencies which have lower data rate transmissions but a longer range.

Differential GPS reference stations and the Corporation's DGPS products operate in the 300 Khz frequency (the medium to high frequency bands of the "over the horizon" category of radio frequencies). This frequency is just below the lowest frequencies used by AM radio stations, which begin at approximately 500 Khz. The two most significant advantages of this particular choice of an RF frequency of 300 Khz are its long range performance and the low cost of related receivers and ancillary equipment.

Markets

The Corporation serves global markets with approximately 6.4% of its 1999 sales (8.7% in 1998) occurring in Canada, approximately 48.7% of its 1999 sales (42.4% in 1998) occurring in the U.S., approximately 23.3% of its 1999 sales (41.0% in 1998) occurring in Europe and 21.5% of its 1999 sales (7.9% in 1998) occurring elsewhere.

From a customer's perspective, the benefits provided by DGPS and GPS are accurate navigation, improvements in productivity and safety and savings in costs and time. CSI currently serves the marine, geographic information systems (including precision farming applications), automatic vehicle location, hydrographic surveying, commercial fishing, recreational and other OEM markets. The acquisition of

the business and assets of Satloc, Inc. has advanced CSI's position as a supplier of ground-based systems solutions for precision agriculture and GIS/survey applications, including ground based chemical applicators, yield monitoring, soil sampling, crop scouting and other precision farming applications. The Corporation's DGPS products are focused on markets where an accuracy level of five metres or less is required and CSI is targeting the automotive, harbour management and asset tracking markets as new growth areas for 2000.

In marine applications, CSI's commercial customers typically use CSI's products for accurate navigation and positioning as well as for determining a vessel's precise speed which, in turn, keeps trailing nets at a desired depth.

In precision farming applications, CSI's products are used in conjunction with a device which monitors the grain yield on harvesting equipment. This yield monitor constantly records the harvest yield and in conjunction with a DGPS system, allows yield-by-field location maps which can be used in subsequent years to increase or decrease the type and amount of fertilizers and other additives used. Significant cost savings can be achieved through using these types of precision farming techniques.

Products

Existing CSI products include:

- (i) SBX series - OEM beacon differential receivers;
- (ii) ABX, MBX and SBA series - packaged beacon differential receivers;
- (iii) GBX series - combined GPS and beacon differential receivers;
- (iv) LGBX series - combined GPS and satellite differential and radio beacon differential receivers;
and
- (v) antenna products - CSI designs and manufactures a variety of corresponding antenna products.

CSI's products are utilized in a variety of applications including marine navigation, commercial fishing, hydrographic survey, precision farming, geographic information systems, vehicle tracking and recreational uses. The Corporation continues to conduct research and development to improve its existing products, enhance reliability, reduce costs and to develop new products. All of CSI's current receiver products employ digital signal processing as opposed to analog signal processing, which gives CSI a competitive advantage over other products.

The following summary describes the different classes of products offered by CSI to serve the customer demands for high precision DGPS accuracy.

Differential only receivers

These receivers are generally used in situations where a customer has already purchased a GPS receiver and now desires the greater accuracy provided by "differential". CSI introduced the MBX-1 in June 1993, followed by the MBX-2 in December 1994 and the MBX-3 in June 1998. The MBX-3 is primarily sold into professional applications which are less cost sensitive and where performance and functionality are more critical.

The ABX-1 was introduced in April 1998, followed by the ABX-3 in April 1999. The ABX-3 was specifically priced to compete with other low end radio beacon receiver products and is usually sold into the consumer marine navigation market with our low cost MBA-3 E-field antenna. More recently, the ABX-3, along with CSI's new AVL-1 vehicle antenna coupler, has been used in several vehicle tracking applications where differential GPS is required.

The smart beacon antenna ("SBA")-1 features CSI's high performance beacon receiver, along with an integrated E-field antenna, all housed in CSI's traditional antenna housing. The SBA-1 is priced reasonably and its function and performance as a radio beacon receiver rate favourably in the price range in which this product competes.

OEM differential only receivers

To serve those customers that wish to develop their own packaged DGPS products, CSI has continued to design and manufacture a variety of OEM receivers. The SBX-1 OEM radio beacon was first introduced in November 1994, followed by the SBX-2 in December 1997 and the SBX-3 in January 2000. CSI also designs and manufactures custom OEM products for DGPS applications.

In 2001, CSI intends to introduce a combined GPS and beacon receiver on a single pcb for the low cost consumer market and also a combined GPS and satellite differential OEM product on a single printed circuit board for a variety of high precision and high end professional applications.

Combined receivers

To serve those customers that have not yet purchased any GPS equipment, CSI provides a variety of combined receivers available.

The GBX receiver was first introduced in February 1995, followed by the GBX-PRO high precision receiver in January 1997. These receivers were both upgraded and improved in 1998 after the release of the SBX-2. The GBX series receivers are combined GPS and radio beacon receivers in a single housing and are usually sold with CSI's combined GPS and H-field beacon antenna, the MGL-3.

The LGBX receiver is a three way combined receiver, adding a satellite differential receiver component to the already successful GBX receiver. The LGBX was first introduced in September 1998, and upgraded and improved in April 2000. The LGBX receivers are usually sold with CSI's CDA series antennas.

In June 2000, CSI intends to introduce a new class of combined receiver, the GLX series. The GLX receiver will consist of GPS and satellite differential receivers, but will also include the USA's Federal Aviation Administration's satellite differential capability. Although CSI does not plan to have the wide area augmentation system operational until 2001, it is currently available in test mode.

Product Mix as a Percentage of Sales

The following table sets out CSI's product mix as a percentage of sales revenue for 1999. Sales revenue by product is unavailable for previous years.

Product Line	% of 1999 Sales Revenue
MBX, ABX, SBA	10.2%
SBX OEM Boards	14.3%
GBX	12.4%
LGBX	3.7%
Antennas	12.5%
Agricultural application systems	40.0%

Competition

The Corporation has encountered competitors in each of its target markets and expects competition to intensify as acceptance and awareness of GPS technology increases. The Corporation's main competitors include Trimble Navigation Limited ("Trimble"), the GPS industry leader. Trimble's GPS products currently address the survey and mapping, tracking and communications, navigation and military systems markets. Other competitors offering products similar to those of the Corporation include Starlink Incorporated and Phillips Communication Systems Inc. as well as other new market entrants.

The principal competitive factors in the markets the Corporation serves include: ease of use, physical characteristics, power consumption, product features (including DGPS), product reliability, price, size of installed base, vendor reputation and financial stability of the vendor. Management believes its products compete favourably with competitors' products on the majority of the foregoing factors. The

Corporation recognizes it may be at a competitive disadvantage against companies with greater financial, marketing, service and support and technological resources.

Management believes that its ability to compete successfully in the future against existing and additional competitors will depend largely on its ability to provide systems and products with significantly differentiated features compared to currently available products. See "Strategic Plan".

The Corporation also faces competition from various low-end, analog based (as opposed to digital based products) manufacturers of DGPS receivers. The primary advantage that the Corporation has over the low-end competitors is that CSI's digital signal based products are viewed as being more reliable for every day operation and CSI products have a coverage range which is at minimum 100% farther than the analog signal based products.

In addition to competition from other providers of DGPS receivers, CSI also faces competition from other competing differential systems such as FM sub-carriers and satellite based services. FM subcarriers transmit differential corrections over the FM radio frequencies for an additional charge. Independent satellite-based differential services such as the OmniStar System also transmit differential corrections for an additional fee. For customers to use these alternative services, alternate forms of technology are required which CSI does not currently provide.

Furthermore, the U.S. Federal Aviation Administration intends to implement a satellite based wide area augmentation system ("WAAS") which also provides differential corrections, primarily for the aviation industry.

Marketing Plan

Since 1993, CSI has been developing radio beacon receiver technology and the related markets for its products. CSI typically sells its products on a wholesale basis to distributors and dealers who, in turn, sell such products to the retail market. CSI will continue to use a dealer and distributor network to market and distribute its products with an in-house customer services department. The use of a dealer and distributor network as opposed to a direct sales force, allows the Corporation to keep its overhead lower and avoid confrontation between a direct sales force and a dealer - distributor network.

Management of CSI believes its DGPS receivers are well recognized in the GPS industry. Within the beacon receiver segment of the market, CSI has concentrated its marketing efforts on the marine navigation and agricultural markets through distributors. An important secondary objective has been providing the component printed circuit boards to OEM customers who incorporate the PCB's into their own products.

CSI will continue to attend trade shows which have, for the past six years, allowed the Corporation to meet new and existing customers and update their awareness with respect to the use and advantages of CSI's products.

CSI's products are competitively priced and the Corporation is committed to discovering ways to reduce the cost of its products in order to gain market share.

Research and Product Development

The focus of the Corporation's research and development team is on continuing the development of the Corporation's core DGPS technology and on the development of new products. The Corporation believes research and development is the number one barrier to entry into the GPS industry and CSI will continue to organize its affairs and resources to maintain its position as a recognized provider of DGPS products. Accordingly, CSI has increased its level of in-house research and product development activity. CSI currently has 22 full-time employees and consultants devoted to research and development, an increase of 15 persons during the past year. In 2000, CSI's research and product development expenditures are budgeted at 8.2% of sales. The Corporation's goal is to devote approximately 10% of annual revenues to research and product development by 2000.

The objectives of the research and product development department are as follows:

- using product management guidelines, ensure orderly, timely and leading edge products are available for marketing;
- continuously review DGPS technology and expand CSI's engineering team to conduct research and development on an ongoing basis;
- implement an ongoing cost reduction program; and
- pro-actively plan the next generation of products using available technology.

Production and Operations

The production and operations department provides production engineering to ensure CSI's products are manufacturable, technical production problems are corrected and averted, and alternative production methodologies are introduced to remain competitive. In addition, vendor and subcontractor qualifications are reviewed by the engineering group and test engineering is provided to guide the department in achieving specifications and ensure product integrity.

The Corporation sources its assembly materials and components from a variety of suppliers, most of which are located in North America. All of the Corporation's suppliers are at arm's length. Alternate supply sources for all components is a desired goal and policy for CSI but currently is not available in all cases.

The Corporation is determined to enhance its production operations to allow it to continue as a low-cost producer and ensure production processes are responsive, smooth and flexible to serve the needs of its customers.

The ISO 9000 Quality Assurance Program is an international standard for procedures and controls to ensure that manufacturing operations consistently build reliable, quality products. The Corporation achieved ISO 9000 Quality Assurance Program certification in December 1998.

Recent Developments

The Corporation has entered into a letter agreement dated March 31, 2000, as amended (the "Letter of Intent") among the Corporation, Wireless Link Corporation ("Wireless") and the principal shareholder of Wireless, pursuant to which the Corporation has agreed to acquire up to all of the issued and outstanding securities in the capital of Wireless on a full-diluted basis (the "Acquisition"). Wireless is a privately held company located in the Silicon Valley and is engaged in the business of developing, manufacturing, licensing and selling technology and products associated with wireless data communications applications. Wireless is a leader in the development of low cost wireless products for automotive, commercial and consumer markets. A discussion of the proposed Acquisition is set forth under the heading "Acquisition of Wireless Link Corporation" on pages 11 to 14 inclusive and Schedule "A" of CSI's Notice of Special and Annual General Meeting dated May 12th, 2000, which pages are incorporated herein by reference.

Facilities

CSI operates from a 15,000 square foot facility in south Calgary where it manufactures and assembles its products, carries out its research and development activities and houses its sales and administration staff. This facility is leased by CSI and is anticipated to be adequate to achieve annual sales levels of up to approximately \$30 million dollars.

Satloc operates from a 15,000 square foot leased facility in Scottsdale, Arizona.

Personnel

CSI currently has approximately 106 employees and consultants, 15 of whom are engaged in finance and administration, 24 of whom are engaged in sales and marketing, 45 of whom are in production and operations, and 22 of whom are involved in research and development. As the Corporation experiences continued sales growth, it expects to add additional employees and consultants as required.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table contains a summary of financial information of CSI for its last five financial years.

Annual Information

(in thousands except for share and per share information)

	<u>For the Year Ended December 31</u>				
	1999	1998	1997	1996	1995
	(audited)	(audited)	(audited)	(audited)	(audited)
Revenue	\$16,360	\$8,350	\$4,405	\$6,500	\$3,505
Gross Margin	6919	3607	303	2026	1129
Net Earnings	568	423	-3920	125	167
Working Capital	2637	2308	1861	1093	93
Total Assets	11801	4635	4533	3143	1876
Long-term Debt	3359	--	--	261	279
Shareholder Equity	4037	3525	3125	1632	356
Research and Development Costs	1261	510	880	92	65
EPS-Basic ⁽²⁾⁽³⁾	0.09	0.07	-0.65	0.04	0.07
Outstanding Shares (Weighted Average)	6393988	6450600	6475600	3125000	2500000
Outstanding Shares (At Period End)	6362375	6425600	6475600	4048100	2500000
Options Outstanding ⁽⁵⁾	482750	846750	846500	322500	nil

Notes:

- (1) "EPS" means earnings per share.
- (2) EPS-Basic was calculated using the weighted average number of outstanding shares for the applicable period.
- (3) EPS-Fully Diluted is calculated to include all Common Shares which would be outstanding if all outstanding options and warrants were exercised at the beginning of the applicable period and the result of the EPS-Fully Diluted calculation is, for each of the periods reported herein, the same as the result of the EPS-Basic calculation.
- (4) These options are granted pursuant to the Corporation's stock option plan.

There have been no changes in accounting policies, significant acquisitions or divestitures or major changes in the direction of CSI's business that affect the comparability of this annual data other than a change in its method for accounting for income taxes.

Quarterly Information

(in thousands of dollars except per share information)

	December 31, 1999	September 30, 1999	June 30, 1999	March 31, 1999	December 31, 1998	September 30, 1998	June 30, 1998	March 31, 1998
Revenue	\$ 4,450,758	\$ 4,769,271	\$ 4,977,282	\$ 2,162,498	\$ 2,366,712	\$ 2,013,059	\$ 2,229,016	\$ 1,740,991
Income for the quarter	79,816	147,791	199,427	141,157	115,152	273,053	33,130	2,339
EPS - Basic	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.02	\$ 0.018	\$ 0.042	\$ 0.006	\$ 0.000

Dividend Policy

The Corporation has not paid any dividends on its Common Shares during the last five financial years. The future payment of dividends will be determined by the board of directors of the Corporation and will be dependent on the financial needs of the Corporation to fund future growth, the general financial condition of the Corporation and other relevant factors. The Corporation does not intend to pay dividends on its Common Shares in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis is set forth under the heading "Management's Discussion and Analysis" on pages 12 to 16, inclusive, of CSI's Annual Report for the year ended December 31, 1999, which pages are incorporated herein by reference.

MARKET FOR SECURITIES

The Common Shares of the Corporation are listed and posted for trading on The Toronto Stock Exchange and trade under the symbol "CSY".

DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Corporation, the offices held by them in the Corporation, their principal occupations and the year each director first became a director are set out below. Each of the directors has served continuously as a director since the date he was first elected or appointed. The present term of each director will expire immediately prior to the election of directors at the next annual meeting of shareholders, which is scheduled for June 15, 2000.

Name and Municipality of Residence	Offices Held	Principal Occupation	Period of Service as a Director
Stephen A. Verhoeff Scottsdale, Arizona	Chairman of the Board, Chief Executive Officer and a Director	President and Chief Executive Officer of the Corporation	1990
Michael W. McCullagh Calgary, Alberta	Senior Vice-President, Manufacturing Operations and a Director	Senior Vice-President, Manufacturing Operations of the Corporation	1991
Brian J. Hamilton ⁽¹⁾ Calgary, Alberta	Chief Financial Officer and a Director	Chief Financial Officer of the Corporation	1996
Michael J. Lang ⁽¹⁾⁽²⁾ Calgary, Alberta	Director	Vice-Chairman of Beau Canada Exploration Ltd.	1996
Howard W. Yenke ⁽²⁾ Needham, Massachusetts	Director	President of The Yenke Group	1996
Sharon A. Jones Calgary, Alberta	Director	President of The Idea Mill, LLC	1997
Paul L. Camwell ⁽¹⁾ Calgary, Alberta	Director	Vice-President of Research, Engineering and Development, Ryan Energy Technologies Inc.	1998
Walter Feller Calgary, Alberta	Vice-President, Engineering and Research and Development	Vice-President, Engineering, Research and Development of CSI	---
Theresa J. Lea Calgary, Alberta	Vice-President, Finance and Administration	Vice-President, Finance and Administration, CSI	---
Jim Burge Calgary, Alberta	Vice-President, Sales and Marketing	Vice-President, Sales and Marketing, CSI	---

Notes:

- (1) Member of the Corporation's Audit Committee.
(2) Member of the Corporation's Compensation Committee.

- (3) The Corporation does not have an Executive Committee.

During the past five years, all of the directors and officers of the Corporation have been engaged in their principal occupations or in other executive capacities with the corporations or firms with which they currently hold positions, with the following exceptions: Prior to 1999, Walter Feller was employed with Satloc, Inc., prior to 1997, Theresa Lea was employed by Easy Street Adventures Inc. of Calgary and prior to 1998, Jim Burge was employed by Dyad Data Inc. of Calgary.

As at December 31, 1999, the directors and senior officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over approximately 2,670,000 Common Shares representing approximately 32% of the outstanding Common Shares of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's voting shares, options to purchase the Corporation's shares and interests of insiders in material transactions is contained in the Corporation's Information Circular - Proxy Statement dated May 10, 2000 (the "Information Circular") prepared in connection with the annual general and special meeting of shareholders of the Corporation to be held on June 15, 2000. Additional financial information is provided in the Corporation's comparative financial statements for its financial year ended December 31, 1999, together with the accompanying report of the auditor, which are contained in the Corporation's 1999 Annual Report.

Copies of the Information Circular, the financial statements, including any interim financial statements, Management's Discussion and Analysis, additional copies of this Annual Information Form and any other documents incorporated therein by reference may be obtained upon request from Brian J. Hamilton, the Chief Financial Officer of the Corporation at the head office of CSI, 1200 - 58th Avenue S.E., Calgary, Alberta, T2H 2C9. Telephone: (403) 259-3311; Facsimile: (403) 259-8866.