

COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985 c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
ARRANGEMENT AND REORGANIZATION

OF

COW HARBOUR CONSTRUCTION LTD. ("APPLICANT" OR THE "COMPANY")
UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985 c. C-36, AS AMENDED

THIRD REPORT TO THE COURT
SUBMITTED BY DELOITTE & TOUCHE INC.
IN ITS CAPACITY AS MONITOR ("MONITOR")

April 26, 2010

INTRODUCTION

1. On April 7, 2010, Cow Harbour Construction Ltd. (“CHC” or the “Company”) filed and obtained protection from its creditors under the *Companies’ Creditors Arrangement Act* (“CCAA”) pursuant to an Order rendered by this Honourable Court (the “Initial Order”).
2. The Initial Order provides, inter alia, for the following:
 - a. No proceeding or enforcement process in any court or tribunal shall be commenced or continued against or in respect of the Company or its property, or affecting the Company’s business operations and activities until and including May 3, 2010 (the “Stay Period”).
 - b. All persons having agreements with the Company for the supply of goods and services must continue to provide goods and services in the normal course of business.
 - c. No person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, cancel, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Company, except with the written consent of the Company and the Monitor, or with leave of the Court.
 - d. The appointment of Deloitte & Touche (“Deloitte”) as monitor of the Company under the CCAA.
3. This report ("Third Report") covers:
 - a. The Chief Restructuring Advisor contract terms.
 - b. The Critical Suppliers issues.
 - c. The Company’s operations since the granting of the Initial Order.
 - d. The Monitor’s activities since the granting of the Initial Order.
 - e. The Restructuring efforts.
 - f. The Company’s request for an extension of the Stay Period.
4. In preparing this Report, the Monitor has relied upon unaudited interim financial information, the Company’s records and discussions with management of the Company and their financial and legal advisors. While the Monitor has reviewed the information, some in draft format, submitted in the abridged time available, the Monitor has not performed an audit or other verification of such information.

5. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Third Report are as defined in the First Report of the Proposed Monitor submitted to the Court, dated April 1, 2010, and the Initial Order.
6. A copy of this Third Report, the motion record in this CCAA Proceeding and further reports of the Monitor will be available on the Monitor's website at www.deloitte.com/ca/cowharbour. The Monitor has also established a hotline number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the Company's restructuring or the CCAA.

CHIEF RESTRUCTURING ADVISOR CONTRACT TERMS

7. At the April 7, 2010 Court Hearing, the Court requested the Monitor to report on the compensation terms of the Chief Restructuring Advisor (the "Advisor").
8. The Advisor entered into a contract with the Company effective March 24, 2010. A summary of the compensation terms are as follows:
 - The Advisor is paid a daily work fee of \$2,000, payable weekly, plus a subsistence allowance of \$190 per day.
 - Three months after the date of a plan of arrangement being accepted or sanctioned by the Court, the Advisor is entitled to a completion fee of \$500,000.
 - The Advisor is entitled to a success fee of 1% of any combination of new financing by new or existing lenders and/or sales proceeds from the Company's equity or assets.
 - In the event that the Advisor is terminated without cause, in addition to the daily work fee the Advisor is entitled to the greater of \$10,000 per week worked or the success fee (subject to certain restrictions).
9. In summary, it would appear that if the Company successfully restructures under the *Companies' Creditors Arrangement Act*, the Advisor will receive considerable contingent compensation, whereas if the Company is unsuccessful in its restructuring efforts, the Advisor's fees will be restricted to the daily work fee.

CRITICAL SUPPLIERS

10. Paragraphs 21, 26 and 27 of Demetri Koumarelas' Affidavit in Support of the Initial Application estimates Critical Supplier claims to be \$9.0 million at the date of the Initial Order.
11. Paragraphs 35 to 41 of the Initial Order provide the Critical Suppliers with a charge of up to \$8.0 million and require the Critical Suppliers to, "... supply work and material to the Applicant on the terms and conditions that were in effect prior to the filing of the Notice of Intention by the Applicant."
12. At the time of seeking the Initial Order, the Company was of the view that Critical Suppliers were, for the most part, restricted to unpaid services and materials supplied to Syncrude Canada Ltd.'s site, wherein the creditors could file a lien under the *Builders' Lien Act*. Subsequent to obtaining the Initial Order, there arose uncertainty as to who might be classified as Critical Suppliers. Attached as Appendix A is a letter from the Monitor's legal counsel to the Monitor identifying Critical Supplier issues.
13. Of particular note is that the amounts owing to Lessors under capital leases might qualify as Critical Suppliers. The cash flow projection attached to the Proposed Monitor's First Report assumed capital leases would be paid commencing the week ending July 2, 2010. However, if these amounts are determined to be Critical Suppliers and must be paid in accordance with paragraph 36 of the Initial Order, there will not be sufficient funds in the short term to make these and other required payments (monthly payment obligations for capital leases are approximately \$6.0 million).
14. The determination of the quantum of Critical Suppliers is a complex matter that the Monitor has not yet had sufficient time to determine. In particular, the Monitor must:
 - Review all payables and accrued payables at April 1, 2010.
 - Identify those payables that are in respect of prevenient contracts.
 - Identify those goods and services provided within 45 and 90 days of April 1, 2010 and the extent to which these and prior obligations might be critical supplies.
 - Obtain definitive guidance as to whether the lien period is for 45 or 90 days.

- Summarize those goods and services as at April 1, 2010 that fit the definition of Critical Suppliers.
 - Obtain definitive guidance as to whether lessors of capital leases are Critical Suppliers in regards to amounts owing at April 1, 2010, and subsequent charges. In doing so, consideration must not only be given to the terms of the contract, but also whether the equipment has continued to operate since April 1, 2010.
 - Develop a process to enable aggrieved creditors to challenge any decision by the Company or Monitor that they are not a Critical Supplier.
 - Provide guidance to the Applicant as to the quantum of pre April 1, 2010 Critical Suppliers so that the Applicant can seek an amendment to the Initial Order such that cash flow will permit distributions to be made in accordance with the Court Order.
 - Develop a mechanism to enable payment to Critical Suppliers on a fair and equitable basis in the event there are insufficient funds to pay all Critical Suppliers at the same time.
15. As a further observation, it would appear that employee wages might also qualify as Critical Suppliers. As all employee claims are current and continue to be paid on an ongoing basis, this does not cause initial concerns. However, if the Company does not successfully restructure under the *Companies' Creditors Arrangement Act*, then the priority of outstanding employee claims as Critical Suppliers, if any, will have to be addressed.

OPERATIONS

16. The Company paid its employees in the normal course of business, as authorized by the Initial Order.
17. The highlights of the Company's financial performance for the period commencing on April 1, 2010 and ending on April 23, 2010 are presented in the Actual Cash Flow annexed hereto as Appendix B. Our comments on the financial performance of the Company during such period are as follows:
- a. Compared with the initial projected cash flow statement presented by the Company to the Court and filed with the Motion for Initial Order (the "Initial Cash Flow Statement"), the

Company experienced a favorable variance of \$16,177,763 in respect of cash inflows.

The variance is primarily attributable to:

- i. Favorable timing variance of \$8,448,351 related to receipt of invoiced Suncor amounts totaling an estimated \$11,601,000 million, which were originally expected to be received in approximately equal payments through May, June, and July.
 - ii. Net favorable timing variances from Syncrude equaled \$7,344,660 $[(\$3,018,548)+\$5,613,208+\$4,750,000]$. \$4,750,000 was paid in respect of amounts owing to Emeco Canada Limited in order to remove a builder's lien on the Syncrude site. In turn, \$3,050,000 was distributed to this supplier and the remaining \$1,700,000 is being held in trust by Emeco Canada Limited's lawyer. In the initial cash flow statement, the company anticipated the receipt of \$8,540,000 from Syncrude, calculated as \$15.6 million, less a 10% holdback, less \$5.5 million cumulative holdback. Actual amounts received from Syncrude totaled \$15,884,750.
- b. Compared with the Initial Cash Flow Statement, the Company experienced an unfavorable variance of approximately \$787,000 in respect of the cash outflows. The variance is primarily attributable to the following:
- i. Favorable variance of \$1,980,725 related to reduced payroll expenses, source deductions, and union payments. The reduction is mainly a result of a partial shutdown of operations from April 10 to April 12, 2010 due to a severe snow storm in the Fort McMurray area, as well as a general slowdown related to longer than usual spring breakup.
 - ii. Favorable timing variance of \$2,196,603 related to the supplier costs disbursements. These savings in part are a result of the company not paying post March 31, 2010 rental costs until a legal opinion as to entitlement is received by the Monitor.
 - iii. Unfavorable variance of \$4,750,000 paid in regards to Emeco Canada Limited lien claims. This is outlined above in paragraph 17.a.ii.

The net effect of the favorable variances noted above has resulted in a DIP financing nil balance as at April 23, 2010.

18. As at the date of this report, all post-filing expenses incurred by the Company (except for rental and leases payments) have been or will be paid in the normal course out of the existing working capital of the Company, which includes the DIP Facility of \$15 million.
19. As mentioned earlier in this report, the Monitor, with the assistance of the Monitor's counsel, is reviewing every lease and rental agreement in order to conclude on the nature of these agreements (capital leases versus operating leases). While this analysis is underway, no payments were made by the Company for equipment rentals and operating leases until the Monitor receives an opinion from its counsel that these agreements qualify as operating leases or rental agreements. The Monitor should be receiving an opinion from its counsel shortly, which will enable the Company to resume payment of its operating leases and rentals obligations for services rendered post April 1, 2010.
20. As most of the Company's April cash flow will not be received until April 30, 2010, the Monitor is not able to provide the Court with meaningful information prior to May 3, 2010 (the previously planned Court Hearing date) as to whether the cash flow projections for April were met, and if they were not met, to provide the Court with an explanation as to why they were not met. The Monitor anticipates that this information could be provided prior to the proposed extended Court Hearing to a date in the week of May 17, 2010.
21. Due to a severe snow storm, the Company shut down part of its operations from April 10, 2010 to April 12, 2010. This will cause lower than anticipated cash flows in May, however, the negative effects are somewhat offset by reduced labour and operating costs in April. The Monitor will be able to quantify this variance in its next report, which will be issued in the week of May 17, 2010.
22. The company is in the process of updating its cash flows. It is still anticipated that payments to capital lease financiers will resume commencing the week ending July 2nd, 2010.

MONITOR'S ACTIVITIES

23. As of April 1, 2010, the Monitor has made available, on its website, all public information and documentation related to the Company's restructuring process, including the Monitor's reports and all Court documentation.
24. On April 19, 2010, the Monitor sent a notice by regular mail to all known creditors of the Company. A copy of the notice is included in Appendix C attached hereto.
25. As contemplated in paragraph 66 of the Initial Order, the Monitor was not required to publish the notice under paragraph 23(1)(a)(i) of the CCAA.
26. The Monitor is analyzing the receipts and disbursements of the Company on a weekly basis with the full collaboration of the Company's management and the Advisor.

RESTRUCTURING EFFORTS

27. The Monitor continues to keep in close contact with the Company's Advisor in regards to restructuring efforts. We understand that the Advisor is diligently pursuing potential financing and/or investors in an attempt to secure additional funds to enable the Company to successfully restructure.

EXTENSION TO THE STAY OF PROCEEDINGS PERIOD

28. Pursuant to the Initial Order, a Stay Period was granted until May 3, 2010.
29. The Company notified the Monitor of its intention to request an extension of the Stay Period to enable the Monitor to finalize the Critical Suppliers analysis.
30. In addition, the Company will not receive funds due from Syncrude for work done in March 2010 until Friday, April 30, 2010. Considering that the initial stay period expires on Monday, May 3, 2010, the Monitor requires additional time to enable him to provide the Court with meaningful information as to whether the cash flow projections for April 2010 were met, and if they were not met, to provide the Court with an explanation of this negative variance.

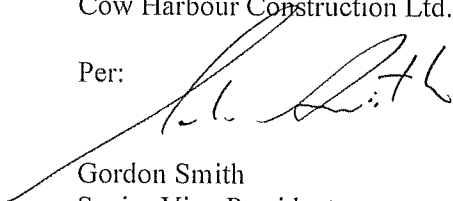
31. It is the Monitor's view that the Company has acted in accordance with the Initial Order.
32. It is the Monitor's opinion that an extension of the Stay Period to a date in the week of May 17, 2010 will allow the Monitor to finalize the Critical Suppliers analysis and enable the Monitor to provide the Court with meaningful information as it relates to the Critical Suppliers issue.
33. The Company continues to work with its Advisor in an attempt to develop a Plan of Arrangement.
34. Based on our discussions with the Company's representatives and the Advisor, it is the Monitor's opinion that the Company has acted and continues to act in good faith and with due diligence, and will likely be able to present a plan of arrangement in the upcoming months.

The Monitor respectfully submits to the Court this, its Third Report.

Dated at Edmonton, this 26th day of April, 2010

Deloitte & Touche Inc.
in its capacity as Monitor of
Cow Harbour Construction Ltd.

Per:


Gordon Smith
Senior Vice-President



MCLENNAN ROSS LLP
LEGAL COUNSEL

Appendix A

Our File Reference: 101122

Charles P. Russell, Q.C.
Direct Line: (780) 482-9115
e-mail: crussell@mross.com

Lynn Matthews, Assistant
Direct Line: (780) 482-9262

Fax: (780) 482-9102
PLEASE REPLY TO EDMONTON OFFICE

April 21, 2010

SENT VIA E-MAIL

Deloitte & Touche Inc.
2000 Manulife Place
10180 - 101 Street
EDMONTON AB T5J 4E4

Attention: Gordon Smith

Dear Sir:

Re: Cow Harbour Construction Ltd ("CHC")

In your capacity as Monitor appointed pursuant to the Initial Order granted in the CHC proceedings under the *Companies Creditors' Arrangement Act* ("CCAA") you have been directed to review the initial cash flow projection which is Appendix "B" to the First Report of the Proposed Monitor, and with the benefit of further examination of the financial affairs of CHC create a revised cash flow projection (the "Revised Cash Flow").

To assist in creating the Revised Cash Flow, we are in the process of reviewing with you, the operating leases, capital leases and accounts payable as at April 1, 2010, in order to provide assistance in identifying "Critical Suppliers" as that term is defined in paragraph 35 of the Initial Order. In substance, Critical Suppliers are those who would, but for the stay provisions in the Initial Order, be entitled to file valid and enforceable builders' liens under Alberta law, on any of the projects on which CHC does work or on which CHC furnishes materials in respect of improvements. Therefore, identification of lien rights in Alberta, is key to the preparation of the Revised Cash Flow.

H:\WDocs\101122\99954206.DOC

Edmonton Office
600 West Chambers
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
p. 780.482.9200
f. 780.482.9100
tf. 1.800.567.9200

Calgary Office
1600 Stock Exchange Tower
300 - 5th Avenue SW
Calgary, AB T2P 3C4
p. 403.543.9120
f. 403.543.9150
tf. 1.888.543.9120

Yellowknife Office
1001 Precambrian Building
4920 - 52nd Street
Yellowknife, NT X1A 3T1
p. 867.766.7677
f. 867.766.7678
tf. 1.888.836.6684

Visit our website at www.mross.com

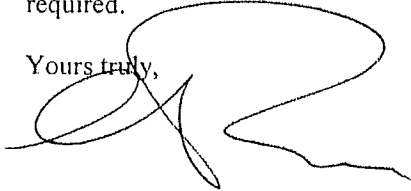
Appendix A

In that regard, we wish to advise of the following issues which may significantly impact the level of Critical Suppliers' claims both as at April 1, 2010 and arising during the CCAA proceedings:

- (a) Lessors under operating leases are to be paid during the CCAA proceedings for use of the leased collateral, pursuant to section 11.01 of the CCAA. Lessors under capital leases are not entitled to payment under such statutory provision;
- (b) Lessors under operating leases need to qualify as Critical Suppliers to be entitled to payment for arrears arising during the period prior to April 1, 2010;
- (c) Lessors under capital leases may qualify as Critical Suppliers for obligations accruing during the period prior to April 1, 2010, and during the CCAA proceedings, on the principles enunciated in *Ed Miller Sales & Rentals Ltd. v. R* where the payments falling due under such capital leases retain the character of rental payments prior to the exercise of an option to purchase. The CHC capital leases vary in terms from lessor to lessor and contract to contract, and it may be necessary to obtain advice and direction from the Court as to the extent to which this principle applies to a given capital lease;
- (d) Assumptions must be made or advice and direction sought from the Court, as to whether a 45 or 90 day lien period applies to Critical Suppliers on the Syncrude site. The 90 day period is applicable to "oil or gas wells" or "oil or gas well sites", neither of which term is defined in the *Builders' Lien Act*. Although the Construction Owner's Association of Alberta is seeking an amendment to the *Builders' Lien Act* clarifying that with respect to projects such as Syncrude, the 45 day time period will apply, there is no specific authority on that point as at this date;
- (e) Not all goods and services provided to CHC give rise to lien rights, and determination of the extent to which a given supply qualifies as a Critical Supply is fact specific. Consideration must also be given to whether the right to treat repairs and maintenance as "rent" under an operating or capital lease, makes a given lessor a Critical Supplier for those items or entitles an operating lessor to payment thereof under section 11.01 of the CCAA. Close analysis of the outstanding payables as at April, 2010 will be required;
- (f) Some outstanding payables could still qualify as Critical Supplies if the goods or services have been provided more than 45 days prior to April 1, 2010 (or 90 days if the Court interprets "oil and gas well site" to include sites such as Syncrude) where the supply commenced prior to that date but was last provided after such date, or prevenient contracts exist.

Identification of these issues (and other issues which may become evidence as we conduct our review) and the treatment you are according them in the Revised Cash Flow will be required.

Yours truly,

A handwritten signature in black ink, appearing to be 'CPR', written over a horizontal line.

CHARLES P. RUSSELL, Q.C.
CPR/lmm

H:\Wdocs\101122\99954206.DOC

APPENDIX B

Cow Harbour Construction
Cash Flow Variance Analysis
Reviewed by Monitor (Deloitte)
April 23, 2010

Actual results to Initial Report Cash Flows

	Thu, 01-Apr-10 to Fri, 09-Apr-10 9 days			Sat, 10-Apr-10 to Fri, 16-Apr-10 7 days		
	Actual	Projected	Variance	Actual	Projected	Variance
	Cash Flow	Cash Flow	Actual - Proj	Cash Flow	Cash Flow	Actual - Proj
(\$000's CAD)						
Cash Receipts						
Suncor Cash Receipts	8,440	-	8,440	9	-	9
Syncrude Cash Receipts	5,522	8,540	(3,018)	-	-	-
Release of Syncrude Holdbacks	-	-	-	-	-	-
Other cash receipts	119	-	119	266	-	266
Rec'd from Syncrude re: Emeco Canada Limited	4,750	-	4,750	-	-	-
	18,830	8,540	10,290	275	-	275
Cash Disbursements						
Payroll	1,587	2,000	(413)	617	1,000	(383)
Source deductions	653	675	(22)	425	700	(275)
GST and corporate taxes	366	-	366	-	-	-
Union payments	-	-	-	407	650	(243)
Finning RPO payments	-	-	-	-	-	-
Loans/leases	-	-	-	-	-	-
Operating leases, misc. rentals	-	12	(12)	-	87	(87)
Supplier payments	177	1,000	(823)	701	1,200	(499)
Restructuring costs	613	825	(212)	395	400	(5)
Interest on DIP loan	-	-	-	-	-	-
Interest on operating line	-	-	-	-	-	-
Payments on new EX1900	-	67	(67)	67	-	67
Payment of lienable payables	-	-	-	-	-	-
Misc.	103	120	(17)	98	-	98
Paid to Emeco Canada Limited	3,050	-	3,050	-	-	-
Funds remaining in trust account re: Emeco Canada Limited	1,700	-	1,700	-	-	-
Total Cash Disbursements	8,250	4,699	3,551	2,710	4,037	(1,327)
Net cash inflow (outflow)	10,580	3,841	6,739	(2,436)	(4,037)	1,601
Bank, opening	(40,272)	(40,272)	(0)	(29,693)	(36,431)	6,738
Bank, ending	(29,693)	(36,431)	6,738	(32,128)	(40,468)	8,339
Change	(10,580)	(3,841)	(6,739)	2,436	4,037	(1,601)
Allocation of Bank, end of period						
Pre-CCAA bank line, ending	(28,677)	(34,332)	5,655	(28,769)	(34,332)	5,562
DIP Financing, ending	-	(2,099)	2,099	(2,860)	(6,136)	3,276
Current Account, ending	(1,016)	-	(1,016)	(499)	-	(499)
	(29,693)	(36,431)	6,738	(32,128)	(40,468)	8,339
Total Balance and Approved Cheques in Transit						
Cheques in Transit	505	-	505	1,561	-	1,561
Net Balance Owing Including Cheques in Transit	(30,197)	(36,431)	505	(33,669)	(40,468)	1,561

APPENDIX B

Cow Harbour Construction
Cash Flow Variance Analysis
Reviewed by Monitor (Deloitte)
April 23, 2010

Actual results to Initial Report Cash Flows

	Period of (Inclusive)			Cumulative Period of (Inclusive)		
	Sat. 17-Apr-10 to Fri. 23-Apr-10		Fri. 23-Apr-10	Thu. 01-Apr-10 to Fri. 23-Apr-10		Fri. 23-Apr-10
	Actual Cash Flow	7 days Projected Cash Flow		Variance Actual - Proj	Actual Cash Flow	
(\$000's CAD)						
Cash Receipts						
Suncor Cash Receipts	-	-	-	8,448	-	8,448
Syncrude Cash Receipts	-	-	-	5,522	8,540	(3,018)
Release of Syncrude Holdbacks	5,613	-	5,613	5,613	-	5,613
Other cash receipts	-	-	-	385	-	385
Rec'd from Syncrude re: Emeco Canada Limited	-	-	-	4,750	-	4,750
	5,613	-	5,613	24,718	8,540	16,178
Cash Disbursements						
Payroll	652	1,000	(348)	2,857	4,000	(1,143)
Source deductions	403	700	(297)	1,480	2,075	(595)
GST and corporate taxes	-	-	-	366	-	366
Union payments	-	-	-	407	650	(243)
Finning RPO payments	-	-	-	-	-	-
Loans/leases	-	-	-	-	-	-
Operating leases, misc. rentals	-	12	(12)	-	111	(111)
Supplier payments	325	1,200	(875)	1,203	3,400	(2,197)
Restructuring costs	70	15	55	1,078	1,240	(162)
Interest on DJP loan	-	-	-	-	-	-
Interest on operating line	-	-	-	39	-	39
Payments on new EX1900	-	-	-	67	67	-
Payment of lienable payables	-	-	-	-	-	-
Misc.	-	-	-	202	120	82
Paid to Emeco Canada Limited	-	-	-	3,050	-	3,050
Funds remaining in trust account re: Emeco Canada Limited	-	-	-	1,700	-	1,700
Total Cash Disbursements	1,489	2,927	(1,438)	12,450	11,663	787
Net cash inflow (outflow)	4,124	(2,927)	7,051	12,268	(3,123)	15,391
Bank, opening	(32,128)	(40,468)	8,339	(40,272)	(40,272)	(0)
Bank, ending	(28,004)	(43,395)	15,390	(28,004)	(43,395)	15,390
Change	(4,124)	2,927	(7,051)	(12,268)	3,123	(15,391)
Allocation of Bank, end of period	Period Ending Fri. 23-Apr-10	Period Ending Fri. 23-Apr-10	Period Ending Fri. 23-Apr-10	Period Ending Fri. 23-Apr-10	Period Ending Fri. 23-Apr-10	Period Ending Fri. 23-Apr-10
Pre-CCAA bank line, ending	(28,769)	(34,332)	5,562	(28,769)	(34,332)	5,562
DIP Financing, ending	-	(9,063)	9,063	-	(9,063)	9,063
Current Account, ending	765	-	765	765	-	765
	(28,004)	(43,395)	15,390	(28,004)	(43,395)	15,390
Total Balance and Approved Cheques in Transit						
Cheques in Transit	2,258	-	2,258	2,258	-	2,258
Net Balance Owning Including Cheques in Transit	(30,262)	(43,395)	2,258	(30,262)	(43,395)	2,258



Appendix C

Deloitte & Touche Inc.
2000 Manulife Place
10180 - 101 Street
Edmonton AB T5J 4E4
Canada

Tel: 780-421-3611
Fax: 780-421-3782
www.deloitte.ca

CANADA
PROVINCE OF ALBERTA
DISTRICT OF ALBERTA
ACTION No.: 1003 05560

THE COURT OF QUEEN'S BENCH OF ALBERTA
Judicial District of Edmonton

IN THE MATTER OF A PLAN OF
ARRANGEMENT AND REORGANIZATION OF:

COW HARBOUR CONSTRUCTION LTD., a legal person,
duly incorporated according to law, having its head office and
principal place of business at 316 MacKay Crescent, Fort
McMurray, Alberta T9H 4E4

Debtor

– and –

DELOITTE & TOUCHE INC.
(Gordon Smith, CA, CIRP, responsible), having a place of
business at 2000 Manulife Place, 10180 - 101 Street,
Edmonton, Alberta T5J 4E4

Monitor

NOTICE TO CREDITORS

Please be informed that the Debtor filed a motion pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") before the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "Court"), on April 7th, 2010.

The Court has issued an order (the "Initial Order") on April 7th, 2010 under the CCAA. The Initial Order applies to the Debtor. The Court has appointed Deloitte & Touche Inc. as Monitor (the "Monitor") of the Debtor.

A Stay was granted to give the Debtor time to determine if it can formulate a plan of compromise or arrangement with its creditors. Under the CCAA, the Stay may be extended on such terms and with such modifications as the Court considers appropriate.

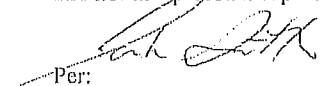
If the Debtor files a plan of compromise or arrangement, the Monitor will invite creditors to submit their proofs of claim against the Debtor, and to attend a meeting to vote on the proposed plan of compromise or arrangement. The Monitor may also prepare progress reports to the Court, copies of which will be provided to the creditors.

The Initial Order and a list showing the name and address of the creditors and the estimated amounts of their related claims have been posted and are available on the Monitor's Web site at <http://www.deloitte.com/ca/cowharbour>. If you are unable to access the documents, please contact us at 780-401-3914 by leaving your name and phone number, as well as your fax number, e-mail address or postal address according to the transmission mode desired.

DATED AT EDMONTON, this 16th day of April, 2010.

DELOITTE & TOUCHE INC.
in its capacity as Monitor of
Cow Harbour Construction Ltd.
and not in a personal capacity

Per:


Gordon G. Smith, CA, CIRP, CMC, CBV
Senior Vice-President