



**PRESS RELEASE**

**FOR IMMEDIATE PUBLICATION**

**DAVIE YARDS OBTAINS AN EXTENSION OF CCAA STAY ORDER**

**Lévis, Québec, February 17, 2011** – Davie Yards (“Davie” or the “Corporation”) announced today that it has obtained an order from the Québec Superior Court (the “Court”) extending the stay of proceedings ordered by the Court to March 10, 2011, the whole pursuant to the Companies' Creditors Arrangement Act (“CCAA”).

Davie still requires additional clarifications in respect of the proposals it received from four potential investor groups prior to moving forward on an exclusive basis with one of them. The new extension will also allow Davie to continue working on a response to the request for proposal to become one of the two selected shipyards under the National Shipbuilding Procurement Strategy (“NSPS”), and to develop and eventually submit a plan of arrangement to its creditors under CCAA.

**About Davie Yards Inc.**

Davie Yards Inc. owns and operates the Davie yard in Quebec. With over 185 years of operating experience, the shipyard is the largest in Canada and among the largest and most sophisticated in North America. The Corporation has a focus on building large and complex offshore service vessels and rigs, and other sophisticated vessels for commercial and governmental use. News and information are available at [www.davie.ca](http://www.davie.ca).

***Forward-Looking Statements***

*This news release contains forward-looking information within the meaning of applicable Canadian securities legislation. These statements include those relating to statements that are not historical facts, and reflect the current intentions, plans, expectations and beliefs of Davie's management (“Management”). Such forward-looking statements reflect Management's current beliefs and are based on information currently available to Management. Forward-looking statements involve known and unknown risks, uncertainties and other factors outside Management's control. A number of factors could cause actual results of Davie to differ materially from the results predicted in the forward-looking statements, including, but not limited to, risks associated with the Corporation's current restructuring under the CCAA, fiscal results, working capital requirements, major disruptions of production, a downturn in economic conditions, competition and other factors.*

*Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, Management cannot assure investors that actual results will be consistent with these forward-looking statements. Certain assumptions underlying the forward-looking statements contained in this news release include Management's assumptions regarding its current restructuring process under the CCAA, the risks associated with the NSPS, the market outlook for the construction of complex offshore vessels as well as the assumptions that new vessels will be delivered on schedule and that the Corporation will attract and retain key personnel in key positions. These forward-looking statements are made as of the date of this release, and Management assumes no obligation to update or revise them to reflect new events or circumstances, except as required pursuant to applicable securities laws. Readers are cautioned not to place undue reliance on these forward-looking statements. For additional information with respect to certain of these and other assumptions and risks, please refer to the Corporation's Management's Discussion and Analysis for quarter ended September 30, 2009 and the year ended December 31, 2008 as well as the Financial*

*Statements for the quarter ended September 30, 2009 and the year ended December 31, 2008, and the Corporation's Annual Information Form dated March 29, 2009.*

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