

Cause No.: S/M/92/07

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF SAINT JOHN

BETWEEN:

COURT OF QUEEN'S BENCH
CLERK / SAINT JOHN

REC'D
RECU

APR 11 2008

FILED
DEPOSE

COUR DU BANC DE LA REINE
GREFFIER / SAINT-JEAN

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

and

IN THE MATTER OF THE APPLICATION OF
ATLANTIC YARNS INC., a body corporate and
ATLANTIC FINE YARNS INC., a body
corporate

ORDER

UPON READING the Notice of Motion of the Applicants filed April 8th, 2008 (the "Motion"), the Affidavit of Pasqual Alles sworn April 8, 2008, the Fourth Report of the Monitor dated March 28th, 2008, and the Fifth Report of the Monitor dated April 3rd, 2008;

UPON HEARING Joshua J.B. McElman, Counsel for the Applicants;

UPON HEARING John Logan, Counsel for the Province of New Brunswick;

UPON HEARING M. Robert Jette, Q.C., Counsel for GE Canada Finance Holding Company;

AND UPON HEARING Robert C. Smith, Court appointed Monitor in this matter;

AND WHEREAS the Monitor has recommended that an adjournment of the Motion for a period of 45 days would provide an opportunity for discussions to proceed between GE Canada Finance Holding Company, the Applicants and others;

AND WHEREAS the Applicants accept the Monitor's recommendation despite their confidence in the Plan of Arrangement as presented;



I certify that this is a true copy of the original on
file in the Court Office, Judicial District of Saint John
Dated this 11th day of April, 2008

Edward Joas
Edward Joas, under written authorization of
The Registrar dated the 21st day of December 2007

IT IS ORDERED THAT:

Defined Terms

1. All terms defined in this Court's Initial Order dated October 26th, 2007 (the "Initial Order") shall have the same meaning when used in this Order.

Service

2. The time for any required service or notice of the Motion herein be and it is hereby abridged and validated such that the Motion is properly returnable today.
3. There has been good and sufficient notice, service, and delivery of the within Notice of Motion and Record on Motion and further service on any interested party is hereby dispensed with.
4. As no parties filed a Notice of Appearance in accordance with the Creditors Meeting Order dated February 20, 2008, no further notice need be served with respect to the hearing of this Motion. The Monitor shall post a notice of the adjournment on its website.

Extension of Stay of Proceedings & Adjournment

5. The Stay Termination Date, as stipulated in paragraph 3 of the Initial Order, is hereby extended from April 30, 2008 at 5:00 p.m. AST, to June 15, 2008 at 5:00 p.m. ADT or such later date as this Court may order.
6. The Motion is hereby adjourned until May 27th, 2008 *at 9:30 A.M. PZ* or such later date as this Court may order.

Insurance

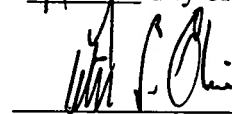
7. The Order of this Court dated January 31, 2008 ordering that all Persons shall continue to provide and maintain all policies of insurance in respect of the Applicants, or either of them, on the same terms and conditions existing as of October 26, 2007 until at least April 15, 2008 at 5:00 p.m., is extended and all policies of insurance shall be provided and maintained until at least June 15, 2008 at 11:59 p.m. AST.
8. Any Person providing or maintaining policies of insurance may apply to this Court to vary or rescind paragraph 7 of this Order or seek other relief on five days notice to the Applicants and the Monitor and to any other Person likely to be affected by the Order sought or on such other notice, if any, as this Court may order.



General

9. This Order or the Applicants' acceptance of the Monitor's recommendation to adjourn the Motion shall not be a bar to any argument, or any defence to any argument, advanced by the Applicants or any other party.
10. No further evidence with respect to the Motion shall be presented or filed without leave of the Court.
11. Any appeal, proceeding and/or action related to the Applicants or any matter dealt with by this Court in the proceedings under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 in this matter prior to the date hereof shall be unaffected and shall not be pursued until further Order of this Court.

DATED at Saint John, New Brunswick this 11TH day of April, 2008.



Judge of the Court of Queen's Bench
of New Brunswick

