

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

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

AND IN THE MATTER OF SHIFT NETWORKS INC.

**FIFTH REPORT TO THE COURT
OF PRICEWATERHOUSECOOPERS INC., IN ITS CAPACITY AS
COURT-APPOINTED MONITOR OF
SHIFT NETWORKS INC.**

INTRODUCTION

1. This report summarizes the results of the Court sanctioned sales process in respect of the undertaking, property and assets of Shift Networks Inc. (the "Applicant" or "Shift").
2. In addition to commenting on the sales process the Monitor has provided comments on other matters that it wishes to bring to the Court's attention.
3. This report has been posted on the Monitor's website.

SALES PROCESS

4. In an Order of Madam Justice Kent made on August 29, 2007 (the "Sales Order"), the Court approved a Sales Process which included the approval of a 'Stalking Horse Offer' by Strategic Equity Corp. ("Strategic Equity"), the DIP Lender.

5. As required by the August 29, 2007 Order, the Applicant in conjunction with the Monitor fulfilled its obligations relating to the advertising of the sales process and access to the data room for qualified interested parties. The sale process was advertised in the Globe and Mail on September 1, 2007.
6. In addition, the Monitor distributed sales packages to approximately 14 parties who had expressed an interest prior to the Sales Order being granted. A further 8 sales packages were distributed to parties who contacted our offices after the Sales Order was granted.
7. The Monitor was advised by the Applicant that a notice was also carried in a national trade publication to advise interested parties about the pending sale.
8. In total 4 confidentiality agreements were signed by potential purchasers. They attended the data room located at Shift's Calgary offices. All of these potential purchasers were from outside of Alberta.
9. On September 24, 2007, the Monitor received one bid in conjunction with the sale of the assets. Based on the Monitor's review and advice from counsel, the bid received on September 24, 2007 was not a superior bid as outlined in the Sales Order. As a result, the Monitor supported the Applicant's decision to reject the bid on September 26, 2007.
10. As a result, Strategic Equity, through its assignee, the DIP Lender and Stalking Horse bidder, will be purchasing all of the assets and undertaking of the Applicant as described in the Approval and Vesting Order granted by this Honourable Court on August 29, 2007.
11. The Monitor will continue to work with the Applicant to ensure that the Priority Payables have been paid and that the conditions precedent to the closing of the Asset

Purchase Agreement have been satisfied or waived at which time the Monitor will file a Certificate with this Honourable Court as required in the Approval and Vesting Order granted on August 29, 2007.

STAY EXTENSION

12. The Monitor understands that the Applicant will be requesting an extension to the stay of proceedings to complete its obligations under the Purchase and Sale Agreement. The Monitor supports the Applicant's request for the stay to be extended to October 19, 2007.

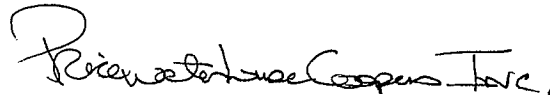
ADVICE AND DIRECTION

13. At this time, the Monitor is not seeking any advice or direction from the Court.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

this 28th day of September, 2007.

PRICEWATERHOUSECOOPERS INC.
Court Appointed Monitor of
Shift Networks Inc.



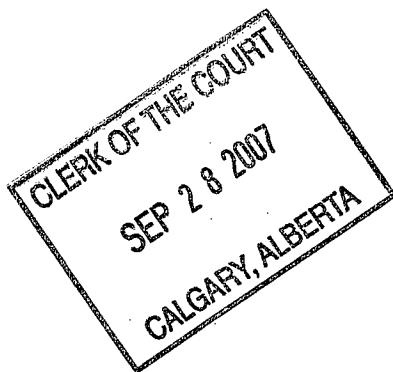
No. 0701-04723

A.D. 2007

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

AND IN THE MATTER OF
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FIFTH REPORT OF THE MONITOR

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