

INFORMATION PACKAGE

**REQUEST FOR OFFERS TO PURCHASE SPECIFIC
ASSETS OF**

KARLSEN SHIPPING COMPANY LIMITED

**PricewaterhouseCoopers Inc.
1601 Lower Water Street, Suite 400
Halifax, Nova Scotia
B3J 3P6
September, 2011**

**INFORMATION PACKAGE ON
THE ASSETS OF
KARLSEN SHIPPING COMPANY LIMITED**

NOTICE TO READER

PricewaterhouseCoopers Inc., in its capacity as Court Appointed Receiver (“Receiver”) of Karlsen Shipping Company Limited, has assembled the accompanying information package (the “Information Package”) to assist prospective purchasers in their review of specific assets of Karlsen Shipping Company Limited and potential purchase. This Information Package includes information with respect to the lands held by the Company that are available for sale.

The Information Package has been prepared based on information from the records of Karlsen Shipping Company Limited without audit or verification of any kind and the Receiver makes no expressed or implied representation or warranty with respect to its accuracy or completeness. Nothing contained in the Information Package is, or should be relied upon as, any representation as to the future prospects for the business. The Receiver expressly advises, and any prospective purchaser acknowledges by receiving this Information Package, that the prospective purchaser is not relying upon, and could not reasonably rely upon, this information in arriving at its decision. Each prospective purchaser must rely upon his own inspection and investigation in order to satisfy himself as to title, liens, encumbrances, description, fitness for purpose, quantity, condition, quality, value or any other matter or thing whatsoever in respect of the property offered for sale herein.

Dated at Halifax, Nova Scotia this 9th day of September, 2011.

**PRICEWATERHOUSECOOPERS INC.
Court Appointed Receiver of
Karlsen Shipping Company Limited**

A handwritten signature in black ink, appearing to read 'Derek Cramm', with a stylized, flowing script.

Derek Cramm, FCMA, FCIRP
Senior Vice President

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**INVITATION FOR
OFFERS TO PURCHASE SPECIFIC ASSETS OF KARLSEN SHIPPING COMPANY
LIMITED**

PricewaterhouseCoopers Inc., in its capacity as Court Appointed Receiver of Karlsen Shipping Company Limited, invites offers to purchase its right, title, and interest in specific assets Karlsen Shipping Company Limited.

Assets for sale include the following:

- **Parcel A – Property Consisting of 6 Parcels of Land Located in New Harbour, Lunenburg County, Nova Scotia**
- **Parcel B - Storage Building and Land Located at Chester, Nova Scotia**

Offers will be entertained until 3pm AST on Friday, October 21, 2011. Offers must be accompanied by a certified cheque or bank draft payable to PricewaterhouseCoopers Inc., In Trust as Receiver for Karlsen Shipping Company Limited, in an amount of 15% of the offered purchase price.

Offers shall be subject to the “Terms and Conditions of Sale” annexed hereto.

Balance of the offer price will be payable on closing by certified cheque or bank draft.

Offers will only be accepted in sealed envelopes, clearly marked “Do Not Open - Offer to Purchase- Karlsen Shipping Company Limited”.

The highest offer or any offer will not be necessarily accepted and all offers submitted are subject to the terms and conditions of sale.

Prospective purchasers may obtain a more detailed description of the assets, a statement of the terms and conditions of the sale, and viewing arrangement of the assets by contacting Ericka Clarke Scott at (902-491-7400), by email at Ericka.a.clarke@ca.pwc.com or Valerie Lotherington at (902-564-1480), by email at Valerie.i.lotherington@ca.pwc.com or by writing to the address below:

PricewaterhouseCoopers Inc., as
Receiver of Karlsen Shipping Company Limited
1601 Lower Water Street, Suite 400
Halifax, NS B3J 3P6

***TERMS AND CONDITIONS OF SALE OF SPECIFIC ASSETS
OF KARLSEN SHIPPING COMPANY LIMITED***

VENDOR

1. PricewaterhouseCoopers Inc., in its capacity as Court Appointed Receiver of Karlsen Shipping Company Limited, is offering for sale its right, title and interest in specific assets of Karlsen Shipping Company Limited described below (the “Assets”). PricewaterhouseCoopers Inc. is acting in its capacity as Receiver only and shall have no personal or corporate liability in respect of the sale of the Assets.

PROPERTY DESCRIPTION

2. The Assets offered for sale under these Terms and Conditions of Sale (as described in Schedule “A”), are all of the right, title and interest of the Vendor in parcels of land of Karlsen Shipping Company Limited, if any, and to the land and building in Chester, Nova Scotia.

OFFERS

3. Every offer submitted should be in the form attached hereto as Schedule “B”, but may contain proposals for amending the Terms and Conditions of Sale. However, a prospective purchaser seeking to change the Terms and Conditions of Sale or offers received that are not on the attached form may, at the sole discretion of the Vendor, be rejected.
4. Offers must be submitted in a sealed envelope marked “DO NOT OPEN – “KARLSEN SHIPPING COMPANY LIMITED ” and addressed to:

Attention: Derek Cramm
PricewaterhouseCoopers Inc., as Court Appointed
Receiver of Karlsen Shipping Company Limited
1601 Lower Water Street, Suite 400
Halifax, NS B3J 3P6

Offers will be received by the Vendor until 3:00 p.m. AST, Friday, 21st October, 2011 at which time offers will be opened by the Vendor.

5. All offers must be accompanied by a certified cheque or bank draft payable to “PricewaterhouseCoopers Inc. - In Trust”, in an amount equal to 15% of the offered purchase price (“the Deposit”). If the offer is accepted, the Deposit will be applied to the purchase price on closing. The purchaser hereby agrees that the Deposit constitutes a genuine pre-estimate of damages and that the Deposit will be forfeited as liquidated damages by the purchaser to the Vendor if the offer is withdrawn at any time before notification of the acceptance of the successful offer has been given. Otherwise, the Deposit shall be returned to the purchaser if the offer is not accepted and if the offer is accepted, the Deposit will be dealt with in accordance with the Terms and Conditions of Sale.
6. In consideration of the Vendor making available the Terms and Conditions of Sale and/or in consideration of receiving and considering any offer submitted, each prospective purchaser agrees that its offer is irrevocable and cannot be retracted, withdrawn, varied or countermanded prior to acceptance or rejection thereof.
7. In the event that some of the offers submitted are substantially in the same terms and/or amounts, the Vendor may in its sole discretion call upon those prospective purchasers to submit further offers. In the event no offers are accepted by the Vendor with respect to a particular Parcel, Parcels, or any part thereof, the Vendor shall have the right to negotiate for the sale of any or all of the assets described therein with respect to such Parcel, Parcels or any part thereof, with any person including any person who has previously submitted an offer for the subject Assets.
8. The Vendor, at its discretion, may waive or vary any or all of the Terms and Conditions of Sale or its advertisement, or withdraw the Request for Offers.
9. The highest or any offer shall not necessarily be accepted and the Vendor reserves the right to reject any and all offers.

10. If any offer is accepted by the Vendor, the successful purchaser shall be notified in writing of such acceptance within 5 business days of the acceptance thereof and the date of acceptance shall be deemed to be the date upon which a notice of acceptance addressed to the successful purchaser is sent by registered mail, courier or facsimile or is personally delivered at the address set forth in the offer.
11. This summary and any other documentation or material provided at any time to the purchaser has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete or accurate. Without limiting the generality of the foregoing, however, the offer does not include any assets, which are not included in the summary.

AS IS - WHERE IS

12. The Assets are being sold on an “as is, where is” basis. Without limiting the generality of the foregoing, an offer will be accepted on the basis that no representation, warranty, inducement or condition has been expressed, given or made or can be implied as to title, size, description, fitness for purpose or intended use, quantity, number, condition or quality of the Assets or in respect of any other matter or thing whatsoever, and the purchaser shall be deemed to have relied entirely upon his own inspection and investigation of the Assets.

GENERAL

13. Certified cheques or bank drafts accompanying unsuccessful offers will be returned by hand or mailed by registered mail addressed to the prospective purchaser at the address stated on the offer form on or before November 1, 2011.
14. Upon an offer being accepted, there shall be a binding agreement of purchase and sale (hereinafter referred to as the “Agreement”) which shall be constituted by:
 - (a) the offer of the successful purchaser (hereinafter referred to as the “Purchaser”);
 - (b) the Terms and Conditions of Sale;
 - (c) the acceptance of the offer.

Notwithstanding the foregoing, the Agreement may be subject to the approval of the Court as per the Court Order issued in the Supreme Court of Nova Scotia dated May 17, 2011.

15. The balance of the purchase price shall be due on closing, which closing shall occur on or before fifteen (15) days next after the date of acceptance (“the Closing Date”) or within five (5) days following the approval of the Court, if Court approval is required, whichever is later or such other time as may be agreed to by the Purchaser and Vendor.
16. The Vendor shall remain in possession of the Assets until the purchase is completed. Title to the Assets shall not pass to the Purchaser nor shall it be entitled to possession of same until the purchase price and all other payments to be made by the Purchaser to the Vendor have been paid in full.
17. From the date of acceptance of the offer as defined in paragraph 10 hereof, the Purchaser shall, at its own expense, have ten (10) days to examine title to the Assets and provide the Vendor with written notice of any valid objection, failing which the Purchaser shall be obliged to have conclusively accepted the title with any defects, limitations, and/or encumbrances.
18. Should any valid objection to title be made in writing within the time provided for in paragraph 17, the Vendor shall have a reasonable time to rectify and comply with the same and if the Vendor is unable or unwilling to rectify or comply with the same, the Vendor shall be at liberty to rescind the sale (notwithstanding any intermediate negotiations with respect to such objections or any attempt to rectify or comply with the same), by notice in writing served upon or mailed by registered mail, postage prepaid, addressed to the Purchaser at its address as designated in its offer, or addressed to its solicitor at his usual place of business, in which case the Agreement resulting from the acceptance of the offer shall be null and void and the Purchaser shall be entitled only to a return of the Deposit money without interest, and shall not be entitled to any compensation of any kind or nature whatsoever for any loss, damage, cost or otherwise. The foregoing shall not in any way

prohibit the Vendor and the Purchaser from agreeing on an adjustment to the purchase price in respect of any valid objection to title.

19. Until the Closing Date, or other date agreed to between the Vendor and the Purchaser, all risk of loss or damage by fire or other cause or hazard to the Assets shall be in and remain at the risk of the Vendor unless the Assets are in the possession of the Purchaser prior to the Closing Date in which case the Purchaser shall maintain valid policies of insurance on the Assets in form and for such amounts as may be required by the Vendor and naming the Vendor as its interest may appear. The obligation of the Vendor to sell and of the Purchaser to purchase the Assets shall terminate in the event that prior to the Closing Date, the Assets are substantially destroyed by fire, flood, the elements, Government action, civil commotion or any other external cause beyond the control of the Vendor or its principals provided however, this provision shall not apply if the Assets are in the possession of the Purchaser prior to the Closing Date.
20. On closing, the Purchaser shall be entitled only to such deed and/or assignments as may be considered necessary by the Vendor to convey to the Purchaser the Vendor's right, title and interest in the Assets. The Vendor shall only covenant that it has done nothing to encumber the Assets being conveyed.
21. The Purchaser shall pay on the Closing Date by certified cheque or bank draft made payable to the "PricewaterhouseCoopers Inc." or its solicitors in trust:
 - (a) the balance of the purchase price,
 - (b) all applicable federal and provincial taxes arising on the sale and payable by the Purchaser, including without restriction the Provincial Sales Tax and Goods and Services Tax. Any taxes which a Vendor is required by law to collect from the Purchaser on sale shall be paid by the Purchaser to the Vendor on closing, unless the Purchaser is exempt and provides to the Vendor the appropriate license, tax number evidencing exemption from payment of taxes, or (in the case of the Harmonized Sales Tax) a declaration or certificate in form and content acceptable

to the Vendor.

22. If the Purchaser fails to comply with the terms and conditions of the Agreement, the Deposit and all other payments shall be forfeited and the Assets may be sold, and the deficiency, if any, by such resale, together with all costs, expenses and charges attending to the same or occasioned by such default, shall be paid forthwith by the Purchaser to the Vendor on demand.
23. The Vendor shall not be required to furnish or produce any declarations or other documents evidencing title to the Assets, except those, if any, in its possession. The Purchaser shall rely upon its own searches and inquiries and shall provide the Vendor with details of the searches and inquiries, if requested.
24. The Vendor shall not be liable for any failure to complete the sale if enjoined by any order by a court of competent jurisdiction or if the security under which the Vendor is acting is redeemed. In this case, the Vendor shall be liable to the Purchaser only for the return of the Deposit without interest, costs or any compensation whatsoever, and the parties shall be relieved of any further obligation with respect to the Agreement.
25. Any tendered documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors.
26. This Agreement sets forth the entire terms and conditions of sale and there are no representations, warranties or conditions collateral hereto affecting the purchase of the Assets.
27. Time shall be of the essence.
28. The Agreement shall be construed and enforced in accordance with the laws of Nova Scotia.

29. In this Agreement, words importing the singular shall include the plural and vice versa and words importing gender shall include the masculine, feminine and neutral genders.
30. Neither the Agreement nor any of the rights or obligations thereunder shall be assigned by the Purchaser without the prior written consent of the Vendor. Subject to the foregoing, the Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

PRICEWATERHOUSECOOPERS INC.
in its capacity as Court Appointed Receiver of
Karlsen Shipping Company Limited

1601 Lower Water Street, Suite 400
Halifax, Nova Scotia, B3J 3P6
Telephone: (902)491-7400
Facsimile:(902)422-1166

SCHEDULE “A”

PARCEL A – Land

Land

The property consists of six parcels of land all located within Lunenburg County.

- The first parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60069671 and is +- 16.4 acres.
- The second parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60668993 and is +- 3.3 acres.
- The third parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60634482 and is +- 14,700 sq. ft.
- The fourth parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60634474 and is +- 13,000 sq. ft.
- The fifth parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60634466 and is +- 10,561 sq. ft.
- The sixth parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60634458 and is +- 3,880 sq. ft.

Location of Property

The property is located in the New Harbour area of Lunenburg County approximately 60 kilometers southwest of Halifax and just off of Highway #329 linking East River and Hubbard via the Aspotogan Peninsula.

Type of Property

The property is comprised of vacant, treed/natural land encompassing 6 land parcels and exhibiting a significant amount of bold ocean frontage and protected harbor frontage.

PARCEL B – Land and Building

Land

Parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60093572 and is +- 6,215 sq. ft.

The property is located on the south side of North Street (Highway # 3), near the village of Chester, 75 kilometers southwest of Halifax. The municipal address of the property is 3889 North Street, Chester, Lunenburg. The Town of Chester is a rural community originally built up as a summer residence. At present it exhibits a modest although adequate commercial downtown to service the needs of the town. Residents of this area often commute to the City of Halifax, which is the capital of the province for employment and for services.

Building

The building size is 30' x 40' = 1,200 +- sq. ft. of commercial space. It is a one storey, concrete block constructed light industrial/storage building, constructed on a concrete slab. The building was formally a furniture manufacturing warehouse which is currently used as a workshop and storage facility.

Appendix "A"

Parcel A:

PID 6006971

Property Online - Map Page 1 of 2

PROPERTY Online NEW SCOTIA

Search Provincial Map Policies Board Help

Back to Search Results

Map Actions

- Point Select
- Pan
- Zoom In
- Zoom Out
- Zoom Box
- Monument Select
- Clear Selection
- Center Selection

Map Layers

- ☒ Properties
- ☐ LR Parcel Shading
- ☐ Topo
- ☐ Monuments
- ☐ Place Names

Refresh Map

Map Controls

- NS Overview
- Locator Map
- Print Map

6006971

Scale: 5736

Zoom: 2

Let: Long:

The Provincial mapping is a graphical representation of property boundaries which approximate the size, configuration and location of parcels. Care has been taken to ensure the best possible quality, however, this map is not a land survey and is not intended to be used for legal descriptions or to calculate exact dimensions or area. The Provincial mapping is not conclusive as to the location, boundaries or extent of a parcel [Land Registration Act subsection 21(2)]. THIS IS NOT AN OFFICIAL RECORD.

Location:

1 Property found

PID: **6006971** Details

AAN: **02299291**

Value: **\$552,300 (2011 RESOURCE TAXABLE)**

Address: **NEW HARBOUR ROAD
BLANDFORD
LOT 25B**

County: **LUNenburg COUNTY**

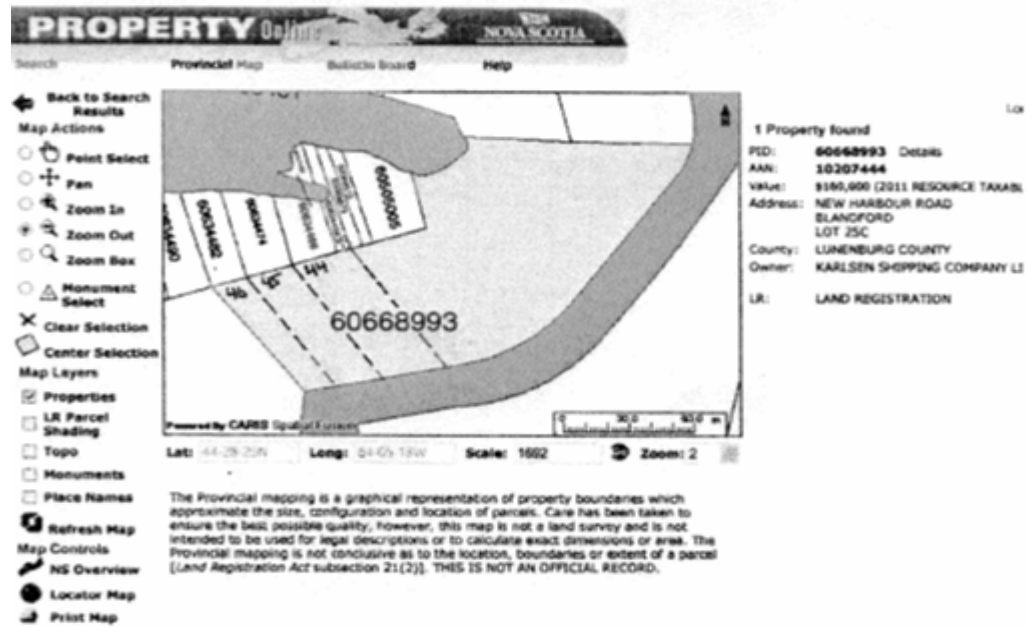
Owner: **KARLSEN SHIPPING COMPANY LIMITED**

LR: **LAND REGISTRATION**

Property Online version 2.0

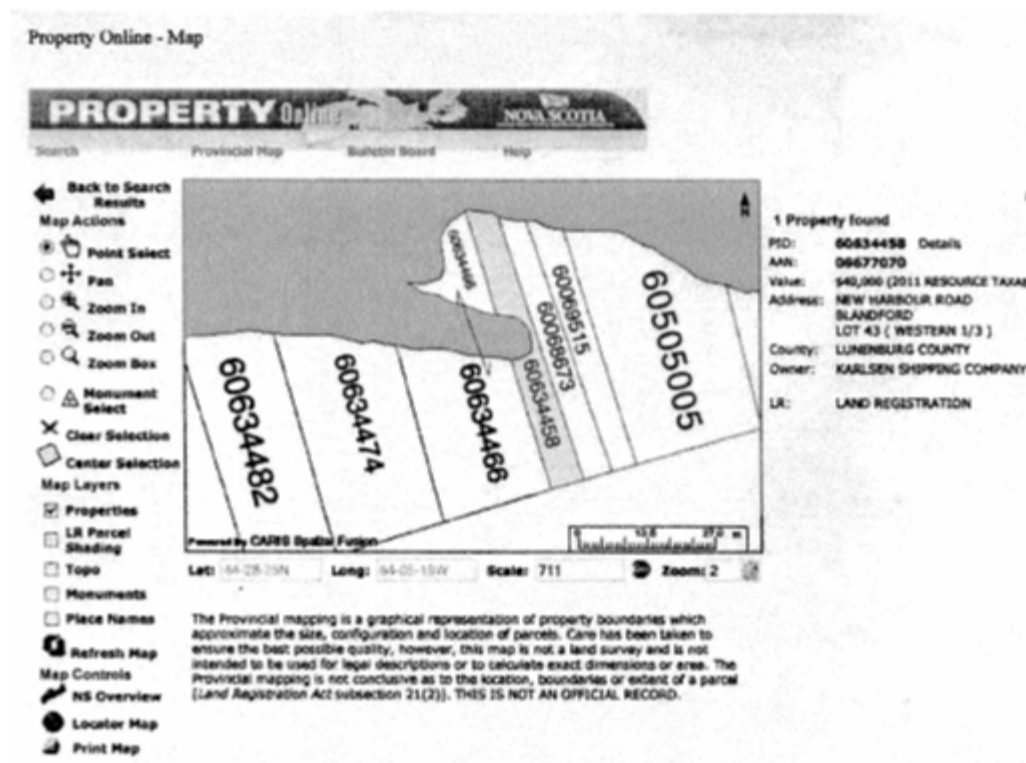
PID 60668993

Property Online - Map



<https://ows2.gov.ns.ca/property-online/secure/map/load.do?pid=60668993>

PID 60634482, 60634474, 60634466, 60634458

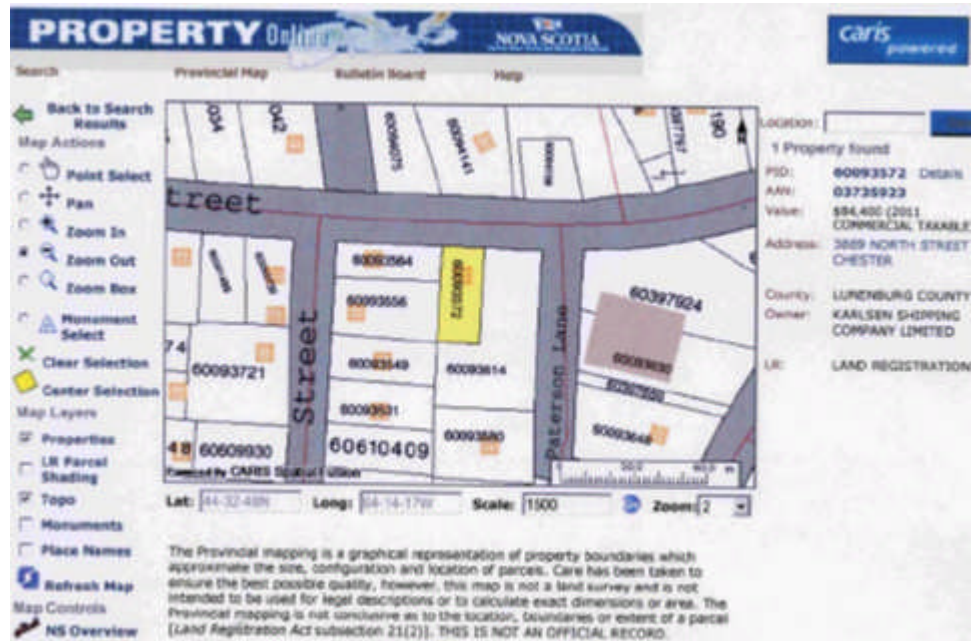






Parcel B:

PID 60093572



Photos of Subject Property



SCHEDULE "B"

***RECEIVER'S INTEREST IN SPECIFIC ASSETS OF
Karlsen Shipping Company Limited***

TO: PRICEWATERHOUSECOOPERS INC.,
Karlsen Shipping Company Limited

1601 Lower Water Street, Suite 400
Halifax, Nova Scotia, B3J 3P6
Attention: Mr. Derek Cramm, FCMA-FCIRP

(Name of Purchaser) _____

(Address of Purchaser _____
- include Postal Code)

(Telephone Number of Purchaser) _____

TERMS & CONDITIONS

1. The total amount hereby offered is \$_____, as indicated below:

Parcel A offer – Property in Lunenburg County, NS \$_____.

Parcel B offer – Land and Building in Chester, NS \$_____.
2. The amount of the offer is exclusive of Harmonized and Goods and Services Tax which shall be payable by the purchaser, where applicable, on assets purchased.
3. Enclosed is the Purchaser's certified cheque payable to PricewaterhouseCoopers Inc., In Trust in the amount of \$_____ representing 15% of the total amount of the offer.
4. It is acknowledged that this offer is subject to the Terms and Conditions of Sale issued by the Vendor.

DATED AT _____, this ____ day of _____ 2011.
(City or Town) (day) (month)

(Print name of Purchaser) _____

Per: _____

AUTHORIZED SIGNING OFFICER