

2011

Hfx No. 348504

SUPREME COURT OF NOVA SCOTIA

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

And

KARLSEN SHIPPING COMPANY LIMITED

Respondent

SECOND REPORT OF RECEIVER

PRICEWATERHOUSECOOPERS INC.

September 27, 2011

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1. APPOINTMENT

- 1.1 PricewaterhouseCoopers Inc. (the "Receiver") was appointed as Receiver of all of the property, assets and undertaking of Karlsen Shipping Company Limited ("Karlsen" or the "Company") by Order of this Honourable Court dated May 17, 2011 (the "Receivership Order") (Exhibit A).
- 1.2 The appointment of the Receiver was made pursuant to s. 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as am., and s. 43(9) of the *Judicature Act*, R.S.N.S. 1989, c. 240.
- 1.3 This is the Receiver's second report (the "Second Report") to the Supreme Court of Nova Scotia (the "Court"). The purpose of the Second Report is to provide this Honourable Court with information pertaining to the affairs of Karlsen, the administration of the file to date, and the current status of the remaining assets.
- 1.4 The purpose of this Second Report is also to provide information to assist this Honourable Court in considering the Receiver's Motion seeking approval of the sale by the Receiver of Karlsen's property at 55 Crane Lake Drive, Halifax Regional Municipality, Nova Scotia (PID No. 40513483) (the "Property").

2. OVERVIEW OF KARLSEN SHIPPING COMPANY LIMITED

- 2.1 Prior to the appointment of the Receiver, Karlsen operated a vessel named M/V Polar Star (the "Ship"), which specialized in polar expeditions to the Arctic, Antarctica, and North Atlantic. The Ship's specifications are attached as Exhibit B.

The Ship has had a history of three (3) incidents/groundings occurring since 2008 as follows:

- Ferguson Channel, Antarctica – November 18, 2008.
- Russopynten, Svlbard, Arctic – June 30, 2010.
- Dataiele Island, Antarctica - January 30, 2011.

All three incidents were the subject of insurance claims.

The latest accident in January, 2011 resulted in significant damage, and all scheduled cruises since that time were cancelled.

Karlsen made arrangements for temporary repairs and to move the Ship to the Astican Shipyard in Las Palmas, Canary Islands, Spain. This was the shipyard which had done annual refits in prior years and which was familiar with the Ship.

The Ship was lifted out of the water and has been in the Astican drydock since March 18, 2011. The repairs were completed by about April 27, 2011, insofar as could be accomplished on land. Some additional work will be necessary once the Ship is re-launched.

The Company also provided services (crew and supplies) to Solvtrans, a company which owns a vessel providing services to the aquaculture industry. This service was discontinued as at the date of the receivership.

Karlsen sustained continued operating losses over the past years. Attached as Exhibit "C" are the "draft internal" financial statements for the twelve months ended December 31, 2010 which show a deficit of \$1,703,797.

There have been no revenues generated since January 2011, other than "deferred revenue" as explained below.

Deposits received by Karlsen for future trips were not kept separate to be applied against future expenses, but instead were treated as current revenue and used for working capital. A "deferred revenue" account was recorded on the balance sheet. According to Karlsen's management, this is consistent with the common practice in this industry.

Deposits (for future trips) received up to and after the signing of a Forbearance Agreement dated March 18, 2011 were frozen, and access to these funds had been restricted. The total of such funds as of April 15, 2011 was US\$667,000. These funds were seized by the Receiver, as noted in Section 4.6 below.

- 2.2 The Receiver obtained an independent legal opinion which stated that the "funds constitute property of the debtor which may, under the terms of the Court Order, be used for the purposes of the receivership".

3. ACTIVITIES OF THE RECEIVER

- 3.1 Upon issuance of the Receivership Order, the Receiver carried out the following procedures:
- Attended at Karlsen's head office at 55 Crane Lake Drive, Bayers Lake Industrial Park, Halifax, Nova Scotia.
 - Served a copy of the Order on Karlsen's President, Mr. Martin Karlsen.
 - Met with the employees of the Company and advised of the Receivership.
 - Terminated all employees and subsequently retained certain former staff members, including Martin Karlsen, to assist with obtaining financial information, payroll information, asset information and to assist with the sale of assets.
 - Arranged for adequate insurance coverage for the Property and the Ship.
 - Changed the locks at Karlsen's head office and retained Veranova Property Management Limited to secure and maintain the Property.
 - Completed the Notice of Receiver pursuant to s. 245 of the *Bankruptcy and Insolvency Act* (Exhibit D) and sent it to the debtor and all known creditors.
 - Obtained an independent legal opinion as to the validity of the secured lenders' security.
 - Dealt with the ROE's and WEPPA claims for employees.

- Dealt with the retrieval and return of all leased vehicles.
- Contacted Solvtrans and discontinued services.
- Arranged for appraisals.
- Ongoing dealings with respect to the Ship as noted in Section 5 below.

4. Sale of Assets located in Canada

4.1 The "Polar Sun"

The Polar Sun is a 2004 Beneteau 423 yacht that was owned by Karlsen as of the date of the Receivership. This yacht was sold on August 11, 2011 for \$140,000 plus HST, and such sale was approved by Order of this Honourable Court dated August 11, 2011 (Exhibit E).

4.2 The Property

Karlsen's head office was located at the Property, which is owned by Karlsen. The Receiver obtained an appraisal from Fennell & Associates Appraisers Ltd. dated July 13, 2011 which indicated a market value of \$510,000 and a forced sale value of \$425,000. The appraisal is attached as Exhibit F. An appraisal was also completed by Castle Appraisal Ltd. for the chattels on site, indicating a distressed sale value of \$14,570.

The Receiver has not advertised for the Property for sale, but it has been contacted by several parties expressing interest in purchasing the Property. These include:

- The owner of an adjacent property. A representative of this company toured the Property, however, declined to put forward an offer.
- An unsolicited offer for \$360,000+HST received from a local solicitor on behalf of his client. As this offer was significantly below the distressed sale value, it was rejected.
- An unsolicited offer for \$485,000 was received from 3244351 Nova Scotia Limited for the land and building and the chattels located on the site. Since this amount was higher than the distressed sale value and since the offer came with a reasonable closing period and minimal conditions, the offer was accepted by the Receiver subject to the approval of this Honourable Court. A deposit of \$20,000.00 has been paid to the Receiver. The due diligence was completed by the purchaser on or about August 31, 2011 and a Purchase and Sale Agreement was signed on September 13, 2011, a copy of which is attached as Exhibit G. The Receiver wishes to proceed to conclude the sale, which is scheduled to close on or before September 29, 2011, or such other day to which the parties mutually agree.

4.3 New Harbour Properties

This asset consists of six (6) parcels of land located in New Harbour, Lunenburg

County, Nova Scotia. The Receiver has received an appraisal from Fennell & Associates Appraisers Ltd., which will be used to assess any offers received pursuant to the Request for Offers noted below.

The Receiver has prepared an Information Package and has advertised for Expressions of Interest to Purchase, with a proposed receipt date for offers of October 21st, 2011. Copies of the Advertisement and the Information Package are attached as Exhibit H.

4.4 Chester Property

This asset consists of a building and small parcel of land located at 3889 North Street, Chester, Nova Scotia. The Receiver obtained an appraisal from Fennell & Associates Appraisers Ltd., which will be used to evaluate offers received pursuant to the request for offers as noted above.

4.5 Insurance Proceeds

As noted in Section 2 above, the Ship has suffered three separate accidents which have resulted in insurance claims. It is the Receiver's understanding that the proceeds from the 2009 and 2011 incidents were paid directly to the secured banks as per the terms of the assignment of insurance proceeds pursuant to the policy. The insurance proceeds from the 2008 incident (US\$234,721.71) have been received by the Receiver.

4.6 Cash In Bank

Karlsen had a practice of intermingling deposits for future trips with current operating funds. As at May 17, 2011, the date of the Receivership Order, however Karlsen held US\$667,000 in a separate account. These funds were seized by the Receiver, and have been used to pay costs to date of the Receivership as outlined in detail in the Statements of Receipts and Disbursements attached as Exhibit I.

4.7 Shares in Karlsen Norway SA

Karlsen Norway, SA is a wholly-owned Norwegian subsidiary of Karlsen. Its main asset is land and building in Norway, which the Receiver understands is leased. A potential sale of the leased property to the tenant has fallen through due to a title issue. The Receiver also understands that there may be a significant sales tax issue with this subsidiary company, which would negatively impact its value. The Receiver is in the process of seeking further information to assist in the assessment of any potential recovery for these shares.

5 The Ship

As noted in Section 2 above, the Ship is a refurbished ice breaker that was used for Arctic, Antarctic and Northern Canadian expeditions. It is located in drydock, at the Astican shipyard in Las Palmas, Canary Islands, Spain.

At the date of the receivership, the Receiver determined that the Ship's crew were still on-board and that they had not been paid wages or salaries for almost two months. In addition, supplies on the Ship were running out. Over the next two weeks the Receiver, with the assistance of its office located

in Las Palmas, performed the following duties:

- Met with the Captain and crew and advised of the Receivership;
- Acted as a liaison with the Astican shipyard officials;
- Upon receipt of funds advanced by the Toronto-Dominion Bank, arranged for airline tickets, visas and spending money for the crew to complete their repatriation to their home countries, which included Poland, the USA and the Phillipines;
- With the assistance of the Ship's captain, arranged for the disposition to the authorities of the medical drugs and weapons which were on board; and Took possession of critical documentation including Ship's logs, certificates etc..

Since the receivership, the Receiver, with the assistance of Martin Karlsen, has been actively pursuing a purchaser for the Ship. This included placing advertisements in the international trade magazines "The Tradewinds" and "Lloyd's List". As a result of these efforts the Receiver received interest from all over the globe, including Canada, Iceland, Belgium, Germany, UK, Australia, New Zealand, The Netherlands, Norway, Austria, India and Hong Kong. The serious buyers and the results of sales discussions are as follows:

- A Dutch shipowning concern involved in the polar expedition business, conducted two inspections of the Ship in Las Palmas. The Receiver and this party agreed to a sale price of US\$6 million (subject to Court approval), but, in the end, the Receiver was informed that no bank would finance the acquisition on acceptable terms, despite the buyer's willingness to invest 50% equity. The Receiver was advised that the financing difficulties were related to the age of the Ship and the realisation that the Ship's engines would soon have to be replaced.
- Another apparently serious inquiry came forward through a broker representing a Swedish-Bermuda shipowning group. The Receiver and this party also agreed to a sale price of US\$6 million (subject to Court approval), and the offer was not "subject to financing", according to the broker. Negotiations were quite advanced and an inspection was scheduled but never conducted, as the arrangement between the buyer and an ultimate user fell through. In the course of negotiations, the broker noted that all of the vessels presently engaged in the Arctic/Antarctic expedition business would have to be re-powered or replaced by 2014 due to new restrictions on the use of heavy fuels in Arctic and Antarctic waters. The broker also reported that he has also been in touch with certain other shipping companies operating in the Arctic and Antarctic as regards the purchase of the Ship, but nothing concrete has arisen from the broker's efforts to date.
- A Canadian adventure travel firm, also had expressed interest, but continued to reduce their offer price and no deal was struck.
- The Ship was viewed by a scrap buyer, who offered \$332.28 per lightship MT in late July, which amounts to approximately US\$1.5 million.

All potential sales depended on the Receiver being in a position to deliver the ship free from liens and encumbrances and duly certified for passenger operations (except for the scrap offer). This was problematic, and would require substantial funding to bridge the gap between a firm sale agreement and closing. The Ship remains on dry land at the yard in Las Palmas. The shipyard is owed approximately 1,187,768 EUROS (approximately CDN\$1.6 million) as at August 31, 2011.

Several seizure Orders have been issued by the Spanish Court, including the bunker supplier's claim.

The known Orders in addition to the shipyard are as follows:

Claimant	Main/Principal Amount Euros	Additional fees, interest, etc	Total Amount Claimed
Crew	171,247.85	25,000.00	196,247.85
Bunkering AS	52,916.23	17,000.00	69,916.23
Suisca SLU	31,032.15	9,309.64	40,341.79
Wilhelmsen Ship S.	19,728.76	5,000.00	24,728.76
TOTAL	274,924.99	56,309.64	331,234.63

This represents approximately CDN\$450,000.

In addition to the above, DNV (the Ship's Classification Society) made it clear that it would have to be paid in full before any certifications would be issued. DNV claims to be owed US\$216,548 for prior work. The crew would also have to be paid out of any sale proceeds, since they are entitled to a maritime lien that takes priority over all other claims. Assuming the Ship could be extracted from Las Palmas based on some combination of agreements with the creditors, payments and/or posting security, the plan was to organise a quick judicial sale through the Gibraltar Court. This process would have the benefit of clearing the title to the Ship and by all accounts could be accomplished much more quickly than a judicial sale through the Spanish Court system.

In order to get the ship to Gibraltar (approximately two days steam from Las Palmas), however, additional start-up costs have been estimated at 338,230 EUROS (approximately CDN\$460,000) as summarized in Schedule J.

The total of the above expenses amounts to approximately CDN\$2,510,000. This does not include additional fees payable to DNV to recertify the Ship.

Other relevant considerations include:

- Confirmation from the secured lenders that they are not willing to fund any further protective disbursements or bridge financing to cover any of the above – noted costs;
- The Receivership Order was issued in the Supreme Court of Nova Scotia and no application has been made to have the Order recognized in the Spanish Courts.
- The shipyard has a possessory lien and has indicated that they will be proceeding to a judicial sale in the Spanish Courts.

Based upon the above, the Receiver has concluded that there is little prospect of any significant return to creditors by continuing to actively pursue the sale of the Ship. The net proceeds are unlikely to exceed the amounts owed to the lien holders.

Therefore the Receiver has concluded that the Ship be abandoned to the Astican Shipyard and the Receiver shall assist the shipyard, if required, as regards any local judicial sale of the Ship.

6 Receipts and Disbursements

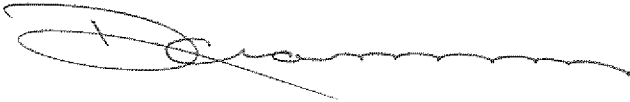
Attached as Exhibit I is an Interim Statement of Receipts and Disbursements to September 20, 2011. It includes statements for both the CDN\$ and the US\$ accounts.

7 Recommendation and Direction

Based upon the work to date carried out by the Receiver as noted in this Second Report to the Court, we recommend and request approval to complete the sale of the Property and chattels located at 55 Crane Lake Drive, Halifax, NS.

DATED at Halifax, Nova Scotia, this 27th day of September, 2011.

PricewaterhouseCoopers Inc.
In its capacity as Court Appointed Receiver
of Karlsen Shipping Company Limited

A handwritten signature in black ink, appearing to read "Derek Cramm", with a long horizontal flourish extending to the right.

Derek Cramm, FCMA, FCIRP

exhibit A

2011

Hfx No. 348504

SUPREME COURT OF NOVA SCOTIA

THE TORONTO-DOMINION BANK

Applicant

-and-

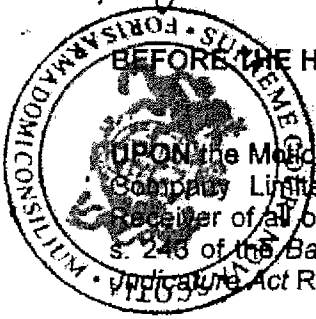
KARLSEN SHIPPING COMPANY LIMITED

Court Administration
Respondent
MAY 17 2011
Halifax, N.S.

Sgd.
A.J.L. J.
[Signature]

RECEIVERSHIP ORDER

BEFORE THE HONOURABLE JUSTICE ARTHUR J. LEBLANC, IN CHAMBERS:



UPON the Motion of The Toronto-Dominion Bank ("TD"), a secured creditor of Karlsen Shipping Company Limited ("Karlsen"), for an Order appointing PricewaterhouseCoopers Inc. as Receiver of all of the assets, property and undertaking of Karlsen pursuant to the provisions of s. 243 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as am. and s. 43(9) of the Judicature Act R.S.N.S. 1989 c. 240.

AND UPON READING the Affidavit of Kenneth J. Malcolm sworn on May 11, 2011, the Affidavit of John Stringer Q.C. sworn on May 12, 2011, and all other material on file herein;

AND UPON IT APPEARING that PricewaterhouseCoopers Inc. has consented to act as Receiver of Karlsen;

AND UPON HEARING John Stringer Q.C. on behalf of TD, Thomas Hart on behalf of Sparebank 1 SMN ("Sparebank"), and such others who appeared on the Motion;

NOW UPON MOTION IT IS HEREBY ORDERED THAT:

TIME AND SERVICE

1. 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, and further that any requirement for service of the Motion Documents therein upon any interested party is hereby dispensed with, except for service on the counsel representing Karlsen and Sparebank.

APPOINTMENT

2. PricewaterhouseCoopers Inc. is hereby appointed Receiver, without security, of all of the present and future assets, undertakings and properties of every nature and kind whatsoever, including without limitation any shares in any corporation and wherever situate and including all proceeds thereof (the "Property") of Karlsen.

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (d) to receive and collect all monies and accounts now owed or hereafter owing to Karlsen and to exercise all remedies of Karlsen in collecting such monies, including, without limitation, to enforce any security held by Karlsen;
- (e) to settle, extend or compromise any indebtedness owing to Karlsen;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of Karlsen, for any purpose pursuant to this Order;
- (g) to undertake environmental or workers' health and safety assessments of the Property and operations of Karlsen;
- (h) to initiate, prosecute and continue the prosecution of any proceedings and to defend all proceedings now pending or hereafter instituted with respect to Karlsen, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under section 60 of the *Nova Scotia Personal Property Security Act*, shall not be required;

- (k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Karlsen;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of Karlsen, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Karlsen;
- (p) to exercise any shareholder, partnership, joint venture or other rights which Karlsen may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including Karlsen, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) Karlsen, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Karlsen, and any computer programs, computer tapes, computer disks, or other data storage media

containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST KARLSEN OR THE PROPERTY

8. No Proceeding against or in respect of Karlsen or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of Karlsen or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies against Karlsen, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or Karlsen to carry on any business which Karlsen is not lawfully entitled to carry on, (ii) exempt the Receiver or Karlsen from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Karlsen, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with Karlsen or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Karlsen are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of Karlsen's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of Karlsen or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. All employees of Karlsen shall remain the employees of Karlsen until such time as the Receiver, on Karlsen's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

14. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by Karlsen, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. Nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act* and the *Nova Scotia Environment Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the *Bankruptcy and Insolvency Act* (Canada) or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, to the extent permitted by law (the "Receiver's Charge").

18. The Receiver and its legal counsel shall pass its accounts from time to time, before this Court.

19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged

by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, which to the extent permitted by law shall have priority over all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

GENERAL

22. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

23. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Karlsen.

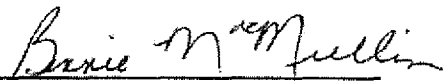
24. This Court hereby requests the aid and recognition of any domestic or foreign court, tribunal, regulatory or administrative body to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

25. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

26. The appointment of the Receiver herein shall continue from the date hereof until terminated by a further Order of this Court.

27. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ISSUED this 17th day of May, 2011.


Prothonotary

BONNIE MACMULLIN
Deputy Prothonotary

IN THE SUPREME COURT OF NOVA SCOTIA

I hereby certify that the foregoing document, identified by the Seal of the Court, is a true copy of the original document on file herein.

Dated the 17 day of May A.D., 2011

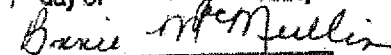
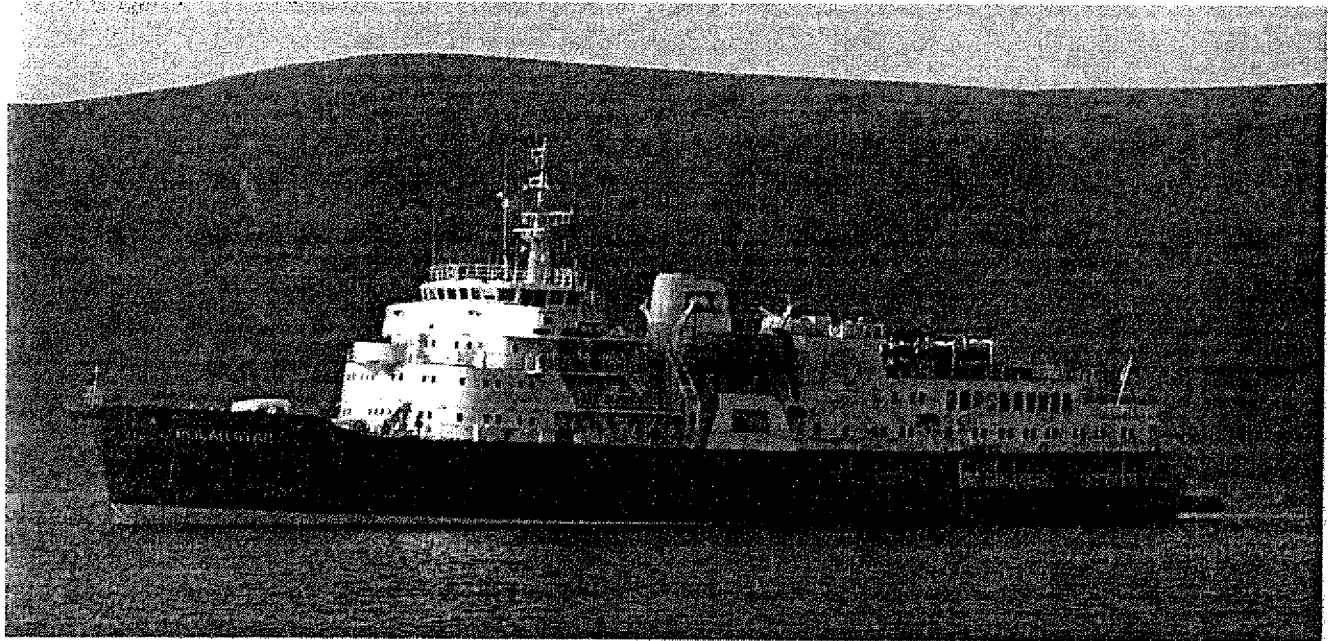

BONNIE MACMULLIN
Deputy Prothonotary

Exhibit B

Polar Star Expedition Cruise Ship

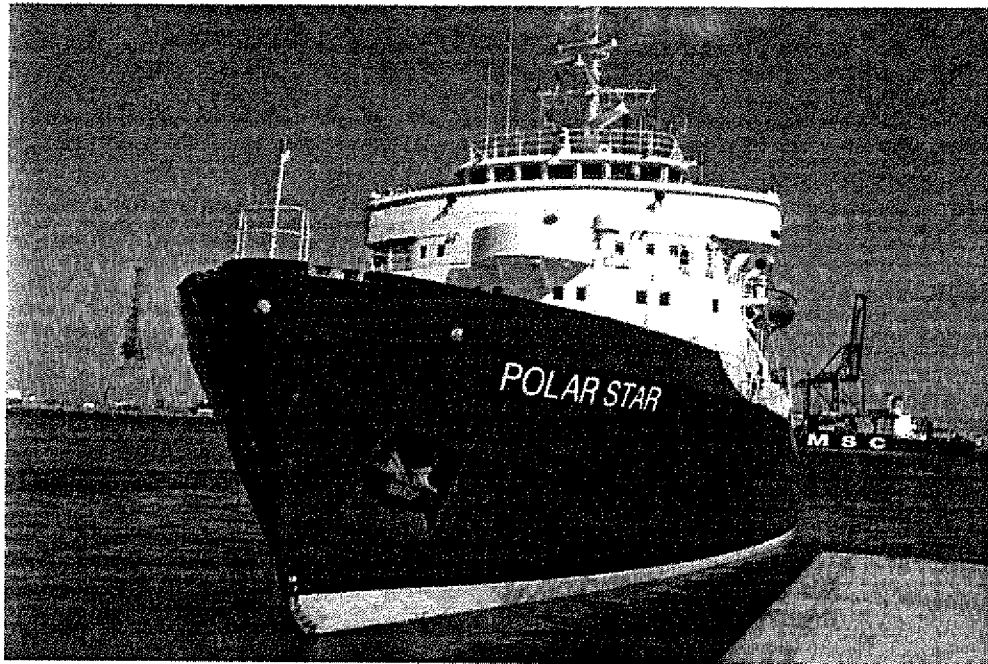


Originally named the Njord, the Polar Star was built as an icebreaker and meticulously operated and maintained by the Swedish Maritime Authority. In 2001, she underwent a complete conversion into an Arctic and Antarctic expedition cruise ship. The vessel is classed with DNV as a SOLAS compliant passengership with an Ice Class of 1A*. The Polar Star is large enough to voyage to remote areas in comfort and small enough to enter out of the way destinations.

The vessel can carry 105 passengers, with 47 exterior cabins onboard. She has a separate panoramic lounge as well as passenger restaurant. All cabins have their own bathrooms, closets, writing desks, and chairs. MV Polar Star is also equipped with a lecture hall, a small gym, a library, and a bar.

Year of Build	1969	Year of Conversion	2001
Length Overall:	86.5 m	GRT (ITC 69):	4,998
Length BP	79.49 m	NRT (ITC 69):	1,500
Breadth Max:	21.21 m	DWT:	879
Depth:	9.5 m	Draught:	6.55 m
Maximum Compliment	155	Total Passengers	105

Polar Star



Main Machinery

The Polar Star has twin screw diesel electric propulsion. The propulsion system is DC/DC with two dedicated diesel generators. Economical operation is provided with one diesel generator powering two propellers, providing an average speed of over 11 knots, while with two generators running, the vessel can obtain speeds over 14 knots.

The vessel has four ship service generators providing power at 440V/220V/110VAC at 60 hertz. During normal operations, the vessel uses two or the four generators. Electrical power throughout the vessel is 220VAC with additional 110VAC in passenger cabins.

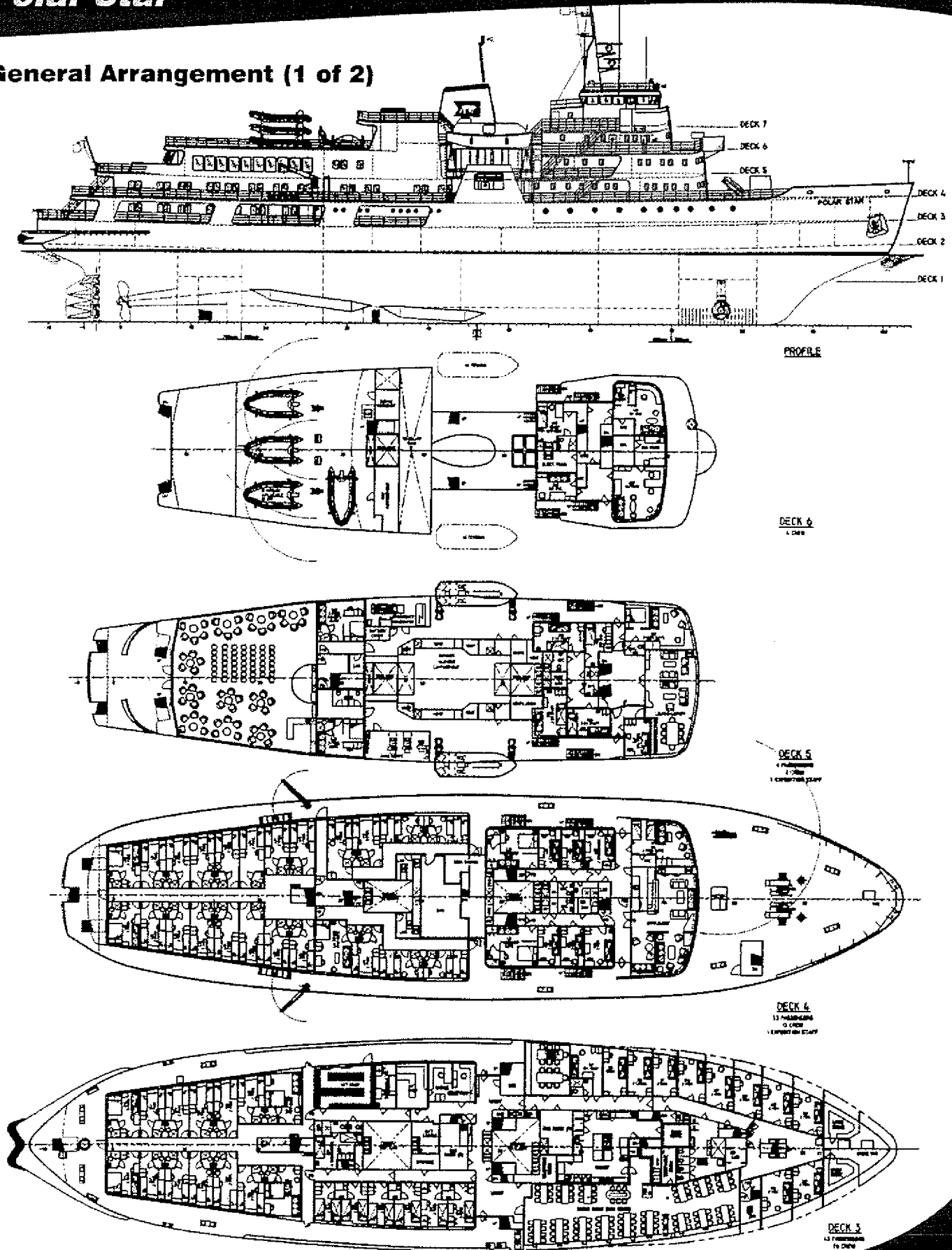
Item	# off	Model	Description	Make
Propulsion Diesel Engines	2	9MH51	2580kW @ 330 RPM	Wärtsilä (Sulzer) NSD Switzerland Ltd.
Propulsion Generators	2	GTOUL 155/355	2x1200kW, 400 VDC	Stromberg (ABB)
Propulsion Motors	2	GTOUL 180/858	2x1700kW, 150 RPM	Stromberg (ABB)
Main SS generator diesel engine	4	614T	455 kVA, 600 RPM	Wärtsilä NSD Switzerland Ltd.
Emergency generator diesel engine	1	3408	250 Kw	Caterpillar
Auxiliary boilers	2		2.4 m ³	Wärtsilä
Bow thruster	1	TT 1650 AUX FP	680 kW	Rolls-Royce Marine AS - Propulsion Ulsteinvik
Propellers	2	4 Blade Fixed Pitch - Steel	4200mm Dia.	Wärtsilä

Consumptions

Fuel Oil	14 m ³ /Day
Potable Water	15-19 m ³ /Day

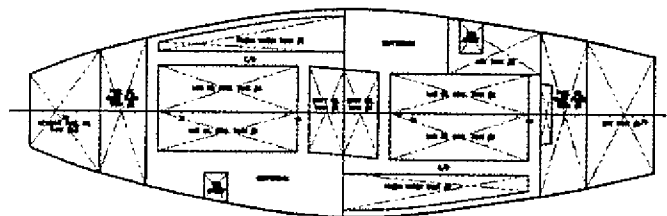
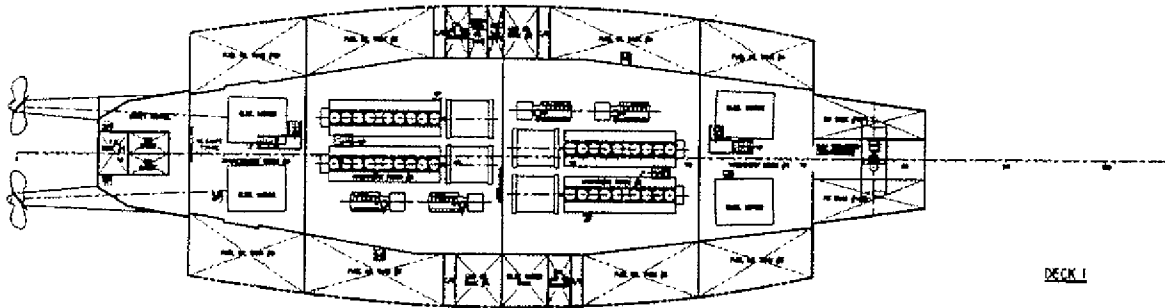
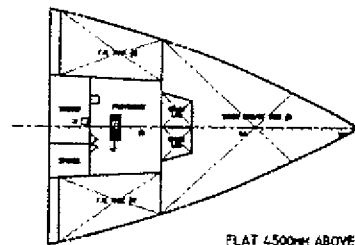
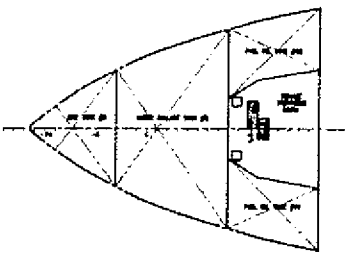
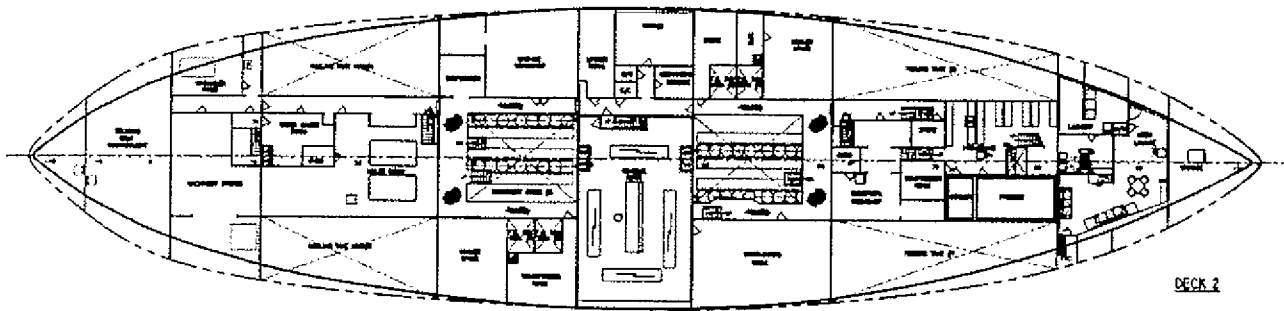
Polar Star

General Arrangement (1 of 2)

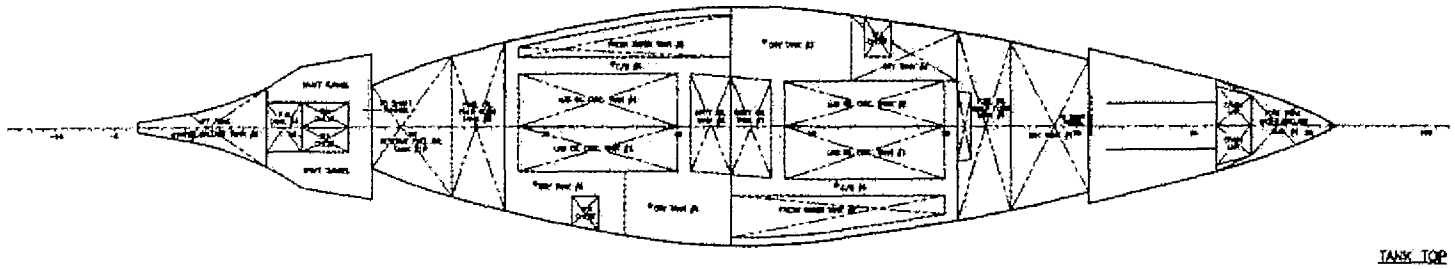
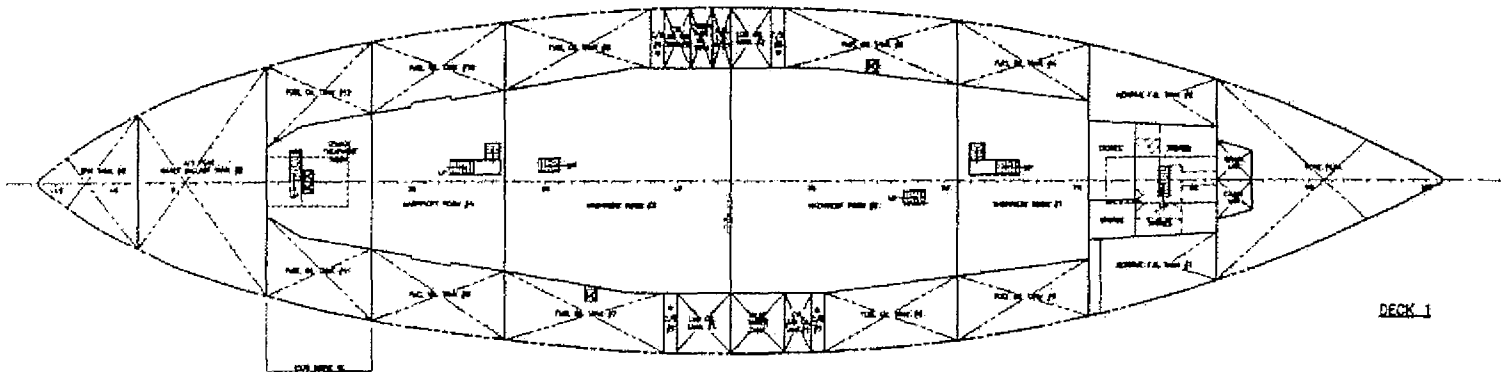
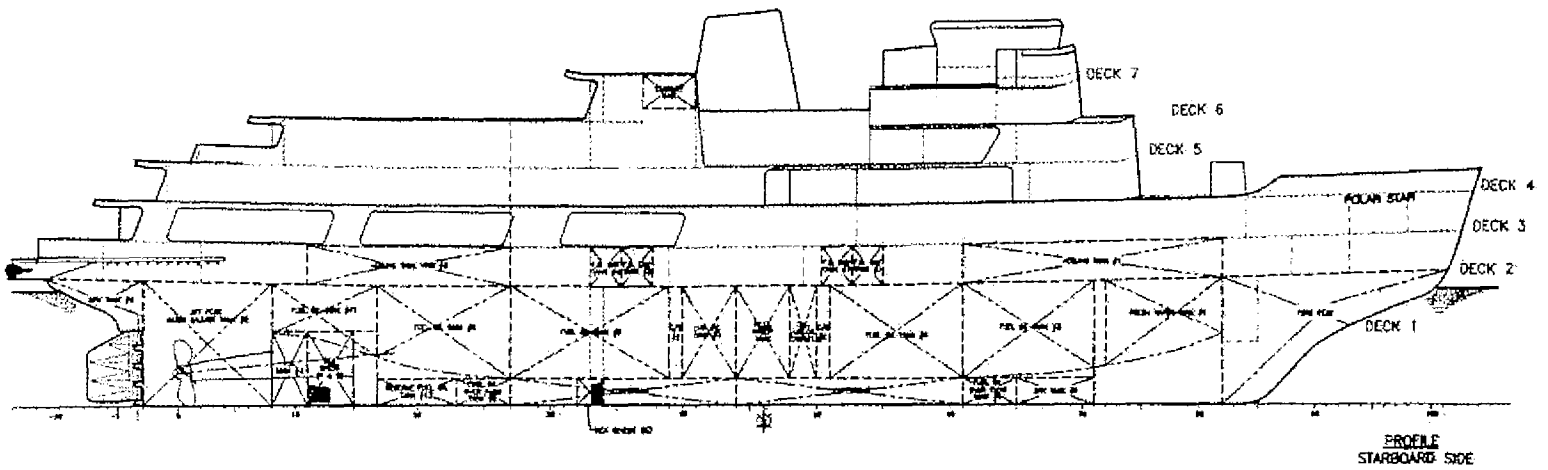


Polar Star

General Arrangement (2 of 2)



Polar Star



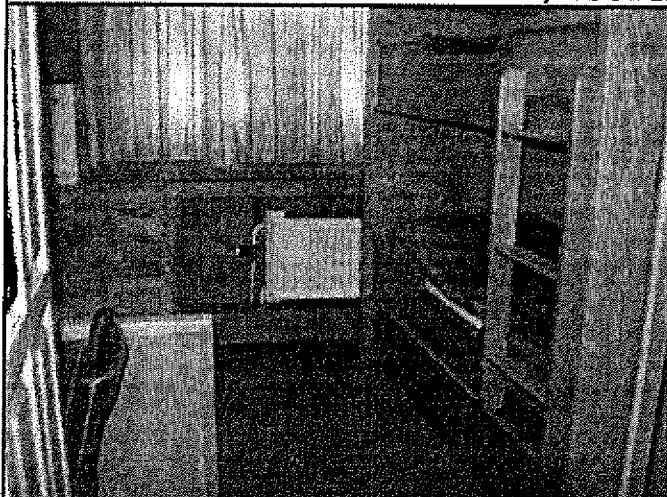
*NOTE: COFFERDAMS #1, #2, #5 AND DRY TANK #3 ARE CONNECTED TO EACH OTHER.
COFFERDAMS #3, #4, #6 AND DRY TANKS #4 & #5 ARE CONNECTED TO EACH OTHER.

Tank Capacities

Tank	Capacity (m3)
Fuel Oil (MDO)	1175
Fresh Water	281
Water Ballast	850
Lube oil	350
Void	800
Forepeak	200

Cabin Details (1 of 2)

K1 - TRIPLE/DOUBLE CABINS



Two lower and one upper berths. Sharing toilet, shower and washbasin with next cabin. Approx 100 sq. feet/10 sq. metres. Portholes. May be sold as a triple or double share (no single supplement).

Cabin Numbers:
322, 324, 326, 328, 330

K2 - DOUBLE CABINS



Two lower beds. Private bathroom with shower, toilet and washbasin. Approx 115 sq. feet/11.5 square metres. Large windows. K2 cabins on deck 3 have a partially obstructed view and one window opens. K2 cabins on deck 4 have non opening windows. May be sold as a double or single (with payment of single supplement).

Cabin Numbers: 335, 336, 337, 338, 411, 412, 413, 414, 415, 416, 417, 419, 420, 421, 422.

K3 - DOUBLE CABINS



Two lower beds. Private bathroom with shower, toilet and washbasin. Approx 115 sq. feet/11.5 square metres. Large windows, one opens. May be sold as a double or single (with payment of single supplement).

Cabin Numbers: 333, 334, 339, 340, 341, 342, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432.

Cabin Details (2 of 2)

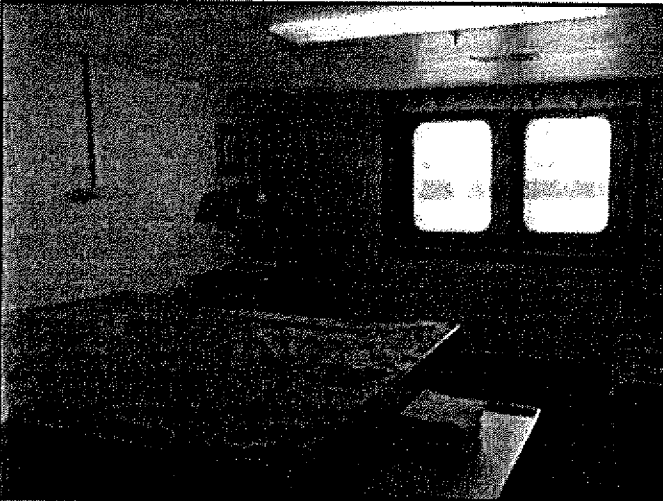
K4 - SUPERIOR CABINS



Double bed and couch which can be made up as a bed. Private bathroom with shower, toilet washbasin. Approx. 140 sq. feet/14 sq. metres. Side and aft facing windows, one opens. May be sold as a double, triple or single (with payment of single supplement).

Cabin Numbers: 343, 344, 433, 434.

K6 - MINI SUITES



Double bed (some in alcove) and couch which can be made up as a bed in some. Private bathroom with shower, toilet washbasin. Approx. 180 sq. feet/18 sq. metres. Large windows, some with one opening. May be sold as a double, triple or single (with payment of single supplement).

Cabin Numbers: 331, 332, 409, 410, 418, 507, 508.

K7-SUITES



Sleeping area in separate room (double bed in 501, 2 singles in 401 - can convert to double). Private bathroom with shower, toilet washbasin. Approx. 250 sq. feet/25 sq. metres. Forward and side facing windows, some open. May be sold as a double or triple.

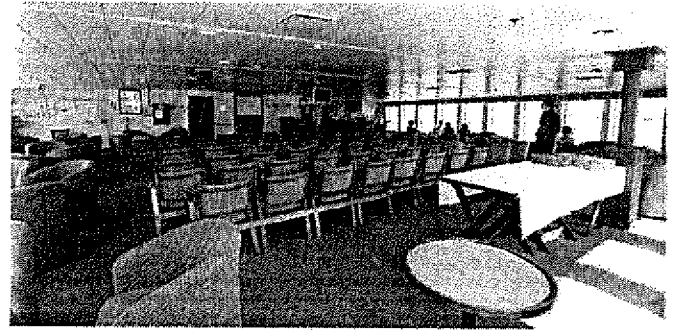
Cabin Numbers: 401, 501.

Polar Star

Amenities

DINING ROOM

Located on deck 3, our dining room is equipped to seat all our passengers at one time and has an informal setting.

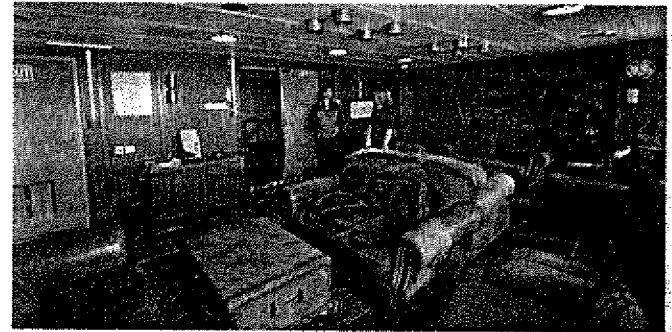


OBSERVATION LOUNGE

The observation lounge is the perfect place to unwind in between activities. Here the passengers can enjoy a pre-dinner drink, meet with new friends, play cards or simply enjoy the views from our large, panoramic windows. The observation lounge is also the epicenter of onboard activities, the location for daily recaps, lectures, briefings, film screenings and other events. There is a 24-hour self-serve refreshment station which includes coffee and tea.

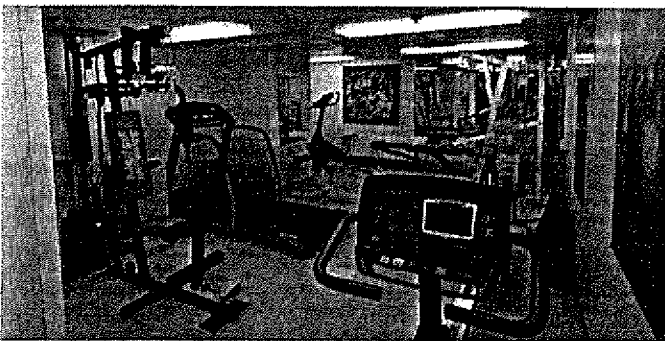
BAR

The cozy Polar Bar can be found on deck 4 forward.



GYM

For those extra energetic passengers, the ship has a gym on deck 4, equipped with a treadmill, bicycles, rowing machine, weight machine, mat, exercise ball and towels.



LIBRARY

Sometimes it is nice to have some quiet time to soak up the experiences of the day or curl up with a good book. The charming library provides just that opportunity. The library is located on deck 5 and is stocked with board games for leisure hours at sea, reference materials, novels and paperbacks.

TREATMENT ROOM

The treatment room is located on deck 3 and is equipped with basic medications and medical equipment.

WET ROOM

On deck 3, the wet room provides a place to dry and store lifejackets, boots and jackets when you return from your landing ashore. It is located next to the gangway where Zodiacs are loaded and unloaded.

ONBOARD SHOP

Located on deck 3 next to reception, the shop is stocked with a variety of souvenirs, including clothing, postcards and jewellery and a selection of basic personal items to help you through the trip.

Recent Works

2009

- New Radar Installation
- New Gyro Compass Installation
- Realignment of Main Engines

2010

- Completion of Class renewal survey
- Docking Spring 2010
- Hull thickness gauging

2011

- Tailshaft Surveys
- Renew shaft seals
- Blasting and coating of Aftpeak Waterballast Tank
- Blasting and coating of FW Tank #2
- Installation of Sonar
- Overhaul of Diesel Engine #4
- Bottom repair due to grounding

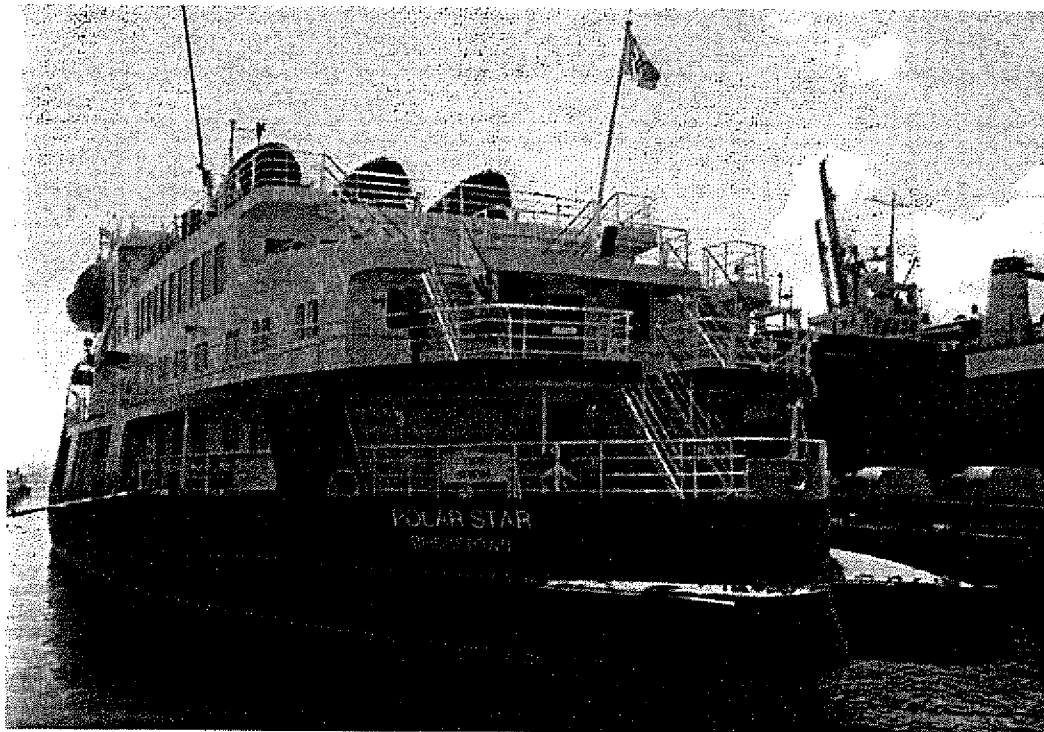


Exhibit C

KARLSEN SHIPPING COMPANY LIMITED
 CONSOLIDATED BALANCE SHEET (SCANADIAN)
 as at DECEMBER 31, 2010 (Draft Internal)

	Karlsen Shipping Company Limited	Karlsen Shipping Norway AS	Karlsen Eindom AS	Elimination Entries	Consolidated Balance
ASSETS:					
Current Assets:					
Cash	810,490	44	-	-	810,534
Receivables	2,100,246	3,585	-	-	2,103,830
Prepaid Insurance	220,781	2,578	-	-	223,359
Prepaid Expenses	98,401	-	-	-	98,401
Prepaid Taxes	5,624	-	-	-	5,624
CF Sharp Revolving Fund	10,841	-	-	-	10,841
HST Receivable	8,841	-	-	-	8,841
Corporate Taxes Receivable	-	-	-	-	-
Insurance Receivable	-	-	-	-	-
Inventory	394,548	-	-	-	394,548
Total Current Assets	3,649,870	6,208	-	-	3,656,078
Capital Assets:					
Office Equipment (Net)	32,319	1,865	-	-	33,984
Vehicles (Net)	24,835	-	-	-	24,835
Buildings (Net)	448,538	24,232	-	-	472,788
Land	-	22,554	-	-	22,554
Vessels (Net)	82,758	8,209,674	-	-	8,292,432
Total Capital Assets	588,448	8,258,126	-	-	8,846,573
Investments:					
Investment Other	3,373	1,485	-	-	4,858
Investment - KS Norway	(9,856,766)	-	-	9,856,766	-
Investment - Karlsen Eindom	-	-	-	-	-
Investment - Brandal Havbruk	-	-	-	-	-
Total Investments	(9,853,393)	1,485	-	9,856,766	4,858
Long-Term Receivables:					
Due from Limar Fishing	148,000	-	-	-	148,000
Due from KS Norway	8,166,459	-	-	(8,166,459)	-
Due From Brandal Havbruk	-	69,499	-	-	69,499
Total Long Term Receivables	6,312,459	69,499	-	(8,166,459)	215,499
Other Assets:					
Accrued Pension Benefit	296,100	-	-	-	296,100
Total Other Assets	296,100	-	-	-	296,100
TOTAL ASSETS	993,484	8,335,317	-	3,690,307	13,019,107
LIABILITIES:					
Current Liabilities:					
Accounts Payable - Trade	1,774,208	8,287	-	-	1,782,475
Accrued Liabilities	528,683	7,760	-	-	536,443
VAT Payable	-	(12,358)	-	-	(12,358)
Wages Payable	69,156	-	-	-	69,156
Commissions Payable	12,577	-	-	-	12,577
Due To/(From) Spitsbergen Travel	(156,130)	-	-	-	(156,130)
Accrued Interest	-	343,250	-	-	343,250
Gjilnir (NOK8.1M Loan)	-	947,239	-	-	947,239
Gjilnir 2008 Credit Facility (US\$550)	-	-	-	-	-
Gjilnir 2008 Credit Facility (US\$1,45M)	-	627,755	-	-	627,755
Gjilnir 2010 Credit Facility (US\$900K)	-	895,141	-	-	895,141
Total Current Liabilities	2,228,493	2,817,053	-	-	5,045,546
Long-Term Liabilities:					
GMAC Vehicle Loan	26,883	-	-	-	26,883
Gjilnir (US\$5.0M Loan)	-	3,318,654	-	-	3,318,654
Gjilnir (US\$322K Loan)	-	-	-	-	-
Total Long-Term Liabilities	26,883	3,318,654	-	-	3,345,537
Other Liabilities:					
Due to Ulf Prytz	-	-	-	-	-
Due To Martin Karlsen	1,306,421	(33,647)	-	-	1,272,774
Due to Shareholder	197,301	28,742	-	-	226,043
Due to KSCL	-	8,166,459	-	(8,166,431)	28
Due to Karlsen Eindom	-	-	-	-	-
Deferred Taxes	-	-	-	-	-
Unearned Revenue	4,798,401	-	-	-	4,798,401
Total Other Liabilities	6,392,123	8,161,554	-	(8,166,431)	6,297,246
TOTAL LIABILITIES	8,557,499	12,297,261	-	(8,166,431)	14,688,329
EQUITY					
Share Capital:					
Capital Stock	10	83,643	-	(83,653)	-
Total Share Capital	10	83,643	-	(83,653)	-
Retained Earnings:					
Retained Earnings - Prior Year	(8,187,497)	(2,145,268)	-	9,940,391	(392,375)
Current Earnings	823,472	(1,934,895)	-	-	(1,311,422)
Total Retained Earnings	(7,564,025)	(4,080,163)	-	9,940,391	(1,703,797)
Exchange Rate Adjustment	-	34,578	-	-	34,578
TOTAL LIABILITIES AND EQUITY	993,484	8,335,317	-	3,690,307	13,019,107

KARLSEN SHIPPING COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT (\$CANADIAN)
for the Month Ended DECEMBER 31, 2010 (Draft Internal)

	Karlsen Shipping Company Ltd	Karlsen Shipping Norway AS	Karlsen Eindom AS	Consolidated Total
REVENUE				
Sales:				
Polar Star Sales	2,172,125.59	-	-	2,172,125.59
Polar Star Charters	-	-	-	-
On-Board Sales	37,341.82	-	-	37,341.82
Land Arrangements	4,077.37	-	-	4,077.37
Total Sales	2,213,544.78	-	-	2,213,544.78
Other Income				
Rental Income	-	2,832.48	-	2,832.48
Interest Income	170.20	-	-	170.20
Agency Income	82,354.36	-	-	82,354.36
Sundry	-	-	-	-
Total Other Income	82,524.56	2,832.48	-	85,357.04
Polar Star Charter Hire	-	-	-	-
TOTAL REVENUE	2,296,069.34	2,832.48	-	2,298,901.82
EXPENSES				
Operating Expenses:				
Cost of goods Sold	849,109.21	-	-	849,109.21
Cabin Supplies	3,765.08	-	-	3,765.08
Crew & Staff Supplies	240.39	-	-	240.39
Freight & Shipping	24,193.32	-	-	24,193.32
Fuel	316,597.05	-	-	316,597.05
Galley Supplies	961.43	-	-	961.43
Operating Insurance	73,565.88	-	-	73,565.88
Landing Fees	-	-	-	-
Licenses & Fees	322.68	-	-	322.68
Lube Oil	19,804.85	-	-	19,804.85
Customer Relations	-	-	-	-
Port Charges	85,007.64	-	-	85,007.64
Promotional	3,737.13	-	-	3,737.13
Provisions	70,016.10	-	-	70,016.10
Repairs & Supplies	25,337.93	-	-	25,337.93
Ship Telecommunications	10,052.52	48.87	-	10,101.39
Training & Safety	944.64	-	-	944.64
Travel - Crew	37,322.44	-	-	37,322.44
Travel - Staff	16,402.27	-	-	16,402.27
Total Operating Expenses	1,537,380.54	48.87	-	1,537,429.41
Payroll Expenses:				
Office Salaries	50,079.75	-	-	50,079.75
Wages - Crew	94,013.19	-	-	94,013.19
Wages - Exp. Staff	50,225.87	-	-	50,225.87
Employee Benefits	24,673.41	-	-	24,673.41
Total Payroll Expenses	218,992.22	-	-	218,992.22
Administrative Expenses:				
Audit Fees	2,500.00	-	-	2,500.00
Bad Debt Expense	(400,000.00)	-	-	(400,000.00)
Donations	250.00	-	-	250.00
General Insurance	5,449.29	531.90	-	5,981.19
Bank Charges & Fees	15,651.99	-	-	15,651.99
Legal & Professional Fees	7,000.00	659.33	-	7,659.33
Occupancy Expenses	3,038.65	885.68	-	3,924.33
Marketing Expenses	30,269.28	-	-	30,269.28
Meals & Entertainment	311.99	-	-	311.99
Membership & Subscriptions	652.75	-	-	652.75
Office Supplies	12,817.46	997.30	-	13,814.76
Publications	(590.93)	-	-	(590.93)
Travel Expenses	12,312.91	-	-	12,312.91
Vehicle Expenses	7,277.92	-	-	7,277.92
Total General & Admin Expenses	(303,058.69)	3,074.21	-	(299,984.48)
E.B.I.T.D.A	842,755.27	(290.60)	-	842,464.67
Other Expenses				
Amortization	8,240.28	103,488.10	-	111,728.38
Interest on Debt	11,980.88	27,229.75	-	39,210.61
Gain on Debt Forgiveness	-	(36,399.84)	-	(36,399.84)
(Gain)/Loss on Asset Disposal	-	-	-	-
Currency Exchange (Gain)/Loss	66,075.18	(174,286.00)	-	(108,210.82)
Boston-Hfx Ferry	-	-	-	-
Polar Star Income/(Loss)	-	-	-	-
Total Other Expenses	86,296.32	(79,967.99)	-	6,328.33
NET INCOME	756,458.95	-79,677.58	-	836,136.33

KARLSEN SHIPPING COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT (\$CANADIAN)
for the TWELVE Months Ended DECEMBER 31, 2010 (Draft Internal)

	Karlsen Shipping Company Ltd	Karlsen Shipping Norway AS	Karlsen Eindom AS	Consolidated Total
REVENUE				
Sales:				
Polar Star Sales	8,362,282.22	-	-	8,362,282.22
Polar Star Charters	3,535,496.75	-	-	3,535,496.75
On-Board Sales	279,770.14	-	-	279,770.14
Land Arrangements	28,419.30	-	-	28,419.30
Total Sales	12,205,968.41	-	-	12,205,968.41
Other Income				
Rental Income	-	34,919.09	-	34,919.09
Interest Income	453.35	102.36	-	555.71
Agency Income	800,482.91	-	-	800,482.91
Sundry	-	-	-	-
Total Other Income	800,936.26	35,021.45	-	835,957.71
Polar Star Charter Hire	-	-	-	-
TOTAL REVENUE	13,006,904.67	35,021.45	-	13,041,926.12
EXPENSES				
Operating Expenses:				
Cost of goods Sold	2,773,825.31	-	-	2,773,825.31
Cabin Supplies	36,273.99	-	-	36,273.99
Crew & Staff Supplies	6,466.14	-	-	6,466.14
Freight & Shipping	124,341.48	-	-	124,341.48
Fuel	2,753,728.88	-	-	2,753,728.88
Galley Supplies	12,071.49	-	-	12,071.49
Operating Insurance	875,585.67	-	-	875,585.67
Landing Fees	-	-	-	-
Licenses & Fees	141,429.45	-	-	141,429.45
Lube Oil	144,771.27	-	-	144,771.27
Customer Relations	21,319.08	-	-	21,319.08
Port Charges	344,738.78	-	-	344,738.78
Promotional	21,583.17	-	-	21,583.17
Provisions	626,616.80	-	-	626,616.80
Repairs & Supplies	784,833.53	-	-	784,833.53
Ship Telecommunications	85,543.53	1,144.42	-	86,687.95
Training & Safety	28,175.71	-	-	28,175.71
Travel - Crew	238,471.47	-	-	238,471.47
Travel - Staff	111,538.36	-	-	111,538.36
Total Operating Expenses	9,131,314.11	1,144.42	-	9,132,458.53
Payroll Expenses:				
Office Salaries	648,989.92	-	-	648,989.92
Wages - Crew	1,716,323.72	-	-	1,716,323.72
Wages - Exp. Staff	225,137.98	-	-	225,137.98
Employee Benefits	234,132.05	-	-	234,132.05
Total Payroll Expenses	2,824,583.67	-	-	2,824,583.67
Administrative Expenses:				
Audit Fees	31,000.00	-	-	31,000.00
Bad Debt Expense	(400,000.00)	-	-	(400,000.00)
Donations	4,521.00	-	-	4,521.00
General Insurance	86,121.20	6,556.36	-	92,677.56
Bank Charges & Fees	111,971.23	-	-	111,971.23
Legal & Professional Fees	186,268.17	20,910.33	-	207,178.50
Occupancy Expenses	36,275.89	2,272.47	-	38,548.36
Marketing Expenses	89,793.89	-	-	89,793.89
Meals & Entertainment	5,399.05	-	-	5,399.05
Membership & Subscriptions	36,797.18	-	-	36,797.18
Office Supplies	65,095.79	1,170.17	-	66,265.96
Publications	18,599.40	-	-	18,599.40
Travel Expenses	91,664.99	-	-	91,664.99
Vehicle Expenses	84,805.23	-	-	84,805.23
Total General & Admin Expenses	448,311.02	30,909.34	-	479,220.36
E.B.I.T.D.A.	602,695.87	2,967.68	-	605,663.55
Other Expenses				
Amortization	50,673.68	1,256,588.66	-	1,307,262.32
Interest on Debt	47,252.45	320,813.71	-	368,066.16
Gain on Debt Forgiveness	-	(36,831.63)	-	-
(Gain)/Loss on Asset Disposal	-	-	-	-
Currency Exchange (Gain)/Loss	(152,602.71)	396,056.07	-	243,453.36
Boston-Hfx Ferry	33,900.00	-	-	33,900.00
Polar Star Income/(Loss)	-	-	-	-
Total Other Expenses	(20,776.60)	1,936,626.80	-	1,952,681.84
NET INCOME	623,472.47	(1,933,659.12)	-	(1,347,016.28)

Exhibit D

UNDER THE BANKRUPTCY AND INSOLVENCY ACT

**NOTICE OF APPOINTMENT OF RECEIVER
(Subsection 245(1) AND
INFORMATION STATEMENT
(Subsection 246(1))**

**IN THE MATTER OF THE RECEIVERSHIP
OF KARLSEN SHIPPING COMPANY LIMITED**

TAKE NOTICE THAT:

1. On the 17th day of May, 2011, the undersigned, PricewaterhouseCoopers Inc., became the Court Appointed Receiver ("the Receiver") in respect of the property and assets of Karlsen Shipping Company Limited, an insolvent person that is described below:

	Value \$
Cash in bank	\$600,000
Office Equipment	\$14,570
Vehicles (Secured)	\$104,500
Polar Star*	unknown
Polar Sun	\$100,000
Real Estate	\$1,343,200
Investment in Karlsen Norway SA	\$1.00

*Note appraisals will be mandated where appropriate.

2. The undersigned became the Court Appointed Receiver in respect of the property described above by virtue of a Court Order by the Supreme Court of Nova Scotia. For a copy of the Order please refer to the website below.
3. The undersigned took possession and control of certain of the property on the 17th day of May, 2011. That property was secured and the locks changed. The Receiver will arrange for adequate insurance for the property in its possession. The Receiver has not taken possession of the Polar Star as it is currently outside our jurisdiction. The Polar Star is in dry dock in Spain and the Receiver is dealing with repatriation of its crew.
4. The following information relates to the receivership:
 - i) Head office of the insolvent person:

55 Crane Lake Drive,
Halifax, Nova Scotia B3S 1B5

ii) Principal line of business:

Cruise ship operator specializing in Arctic and Antarctic Expedition Cruises

iii) Location of Business:

55 Crane Lake Drive
Halifax, Nova Scotia B3S 1B5

iv) Amounts owed by the insolvent person to each creditor who holds a security on the property described above as shown on the debtor's books:

Name	Security	Debt
TD Bank of Canada	General Security Agreement, Ship Mortgage and Deed of Covenants, Collateral Mortgages	\$4,606,332
Sparebank	Ship Mortgage and Deed of Covenants	\$750,000
Crew c/o FTI	Maritime Lien	\$275,000
Astican Shipyard	Possessory Lien	\$1,446,000
BMW Canada Inc.	2007 Mini Cooper	\$16,000
GMAC	2008 GMC Acadia	\$22,397
GMAC	2009 Pontiac Vibe	\$13,000
GMAC	2010 GMC Sierra	\$36,301
GMAC	2009 Pontiac Vibe	\$11,750
Honda Canada Finance Inc.	2009 Acura RDX	\$40,000

v) Name of and amount owed to each creditor of the insolvent person as determined by the review of the books and records of the Company that were present and the total amount owing to all creditors:

(See Schedule "A")

iv) Receiver's intended plan of action:

The Receiver has been appointed under a non-operating order and will seek to realize on the above noted assets through an appropriate method of sale, yet to be determined. At this time the Receiver is unable to ascertain whether there will be any funds available to the unsecured creditors.

Unlike bankruptcy proceedings, the Bankruptcy and Insolvency Act does not require that a meeting of creditors be held in a Receivership.

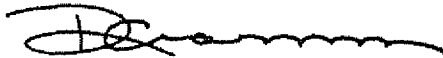
Interim reports regarding the status of the Receivership will be prepared in accordance with Section 246(2) of the Act approximately once every six months. Creditors who wish to receive a copy of the interim report or the final report may request a copy by writing to the Receiver at the address set out below.

PricewaterhouseCoopers Inc.
Court Appointed Receiver of
Karlsen Shipping Company Limited
1601 Lower Water Street, Suite 400
Halifax, Nova Scotia
B3J 3P6

Website: <http://www.pwc.com/car-karlsen>
Phone: (855) 849-2123
Fax: (902) 422-1166

DATED AT Halifax, Province of Nova Scotia, this 26th day of May, 2011.

PricewaterhouseCoopers Inc.



Per: _____
Derek Cramm, FCMA, FCIRP
Senior Vice President

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List "A"
 Unsecured Creditors

Karisen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A & DC Electric	Box 28117 Tacoma RPO Dartmouth NS B3T 1Y5	5,645.74	0.00	5,645.74
2	A & P Falmouth Ltd.	The Docks Falmouth, Cornwall UNITED KINGDOM	25,466.00	0.00	25,466.00
3	Able Engineering Services Inc	50 Queen Street, PO Box 959 Chester NS B0J 1J0	575.00	0.00	575.00
4	Adams & Knickle Ltd	PO Box 699 Lunenburg NS B0J 2C0	10,338.50	0.00	10,338.50
5	Adventure Associates PS101-15&17	Level 7, 12-14 O'Connell Street Sydney NSW 2000 AUSTRALIA	16,702.00	0.00	16,702.00
6	Adventure Life Journeys	1655 South 3rd West, Suite 1 Missoula MT 59806 USA	144,882.00	0.00	144,882.00
7	Adventure Smith Explorations	PO Box 1696 3090 North Lake Blvd., Suite 1 Tahoe City CA 96145 USA	14,840.00	0.00	14,840.00
8	Adventures Unlimited	20 Banawarra Road Hobart, Tasmania 7015 AUSTRALIA	1,000.00	0.00	1,000.00
9	AECO	PO Box 103, 9171 Longyearbyen Norway	5,918.00	0.00	5,918.00
10	AEL Security Ltd.	PO Box 20033 Halifax NS B3R 2K9	126.50	0.00	126.50
11	Agencia Nacional de Viagens	PO Box 142 St. Vincent Republic of Cape Verde	273.00	0.00	273.00
12	Alan & Lorraine Huxley PS101-16 & 18	151 Moggill Road, The Gap Brisbane AUSTRALIA	30,803.00	0.00	30,803.00
13	Alan Wright PS101-18	2 Ridgacre Lane Quinton, Birmingham UNITED KINGDOM	500.00	0.00	500.00
14	Alex & Beverley Crosbie PS102-15	PO Box 8338 St John's NL A1B 3N7	500.00	0.00	500.00
15	Allwater Marine Consultant	111 Bedford Highway Halifax NS B4A 1B9	1.00	0.00	1.00
16	AnderLicht	Groenestraat 294 6531 JC Nijmegen Netherlands	11,472.00	0.00	11,472.00
17	Antarctic Travel Company	Mill Mall, Suite 6, Wickhans Cay 1 PO Box 3085 Road Town, Tortola British Virgin Islands	1,096.00	0.00	1,096.00
18	Antarctic Expeditions	Guido 1852-4 B C1119 AAb Buenos Aires	31,440.00	0.00	31,440.00
19	AON Reed Stenhouse Inc.	1969 Upper Water Street Suite 1001 Halifax NS B3J 3R7	1,831.66	0.00	1,831.66
20	Applied Weather Technology Inc.	158 Commercial Street Sunnyvale Californ 94086 USA	2,005.00	0.00	2,005.00
21	Askja Reizen	Postbus 676 - 6800 AR Arnhem Netherlands	9,595.00	0.00	9,595.00
22	Atlantic Canada Fish Farmers Association	226 Limekiln Road Letang NB E5C 2A8	16,677.18	0.00	16,677.18
23	Atlantic Measuring Tech Ltd.	26 Pleasant St - Unit 2 Dartmouth NS B2Y 3P2	2,275.44	0.00	2,275.44
24	Atlantic Pilotage Authority	2000 Barrington Street, Suite 910 Halifax NS B3J 3K1	4,890.50	0.00	4,890.50

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karlson Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	Audley	New Mill, New Mill Lane Witney, OX29 9SX UNITED KINGDOM	74,653.00	0.00	74,653.00
26	Basin Basics	3667 Strawberry Hill Halifax NS B3K 5A8	2,445.24	0.00	2,445.24
27	Bell Aliant (Business Credit Services) Attn: Cathy Morrell 20206298	69 Belvedere Ave P.O. Box 829 Stn Cental Charlottetown PE C1A 7M1	124.60	0.00	124.60
28	Bell Aliant (Business Credit Services) Attn: Cathy Morrell 25491838	69 Belvedere Ave P.O. Box 829 Stn Cental Charlottetown PE C1A 7M1	343.98	0.00	343.98
29	Bell Aliant (Business Credit Services) Attn: Cathy Morrell 34525121	69 Belvedere Ave P.O. Box 829 Stn Cental Charlottetown PE C1A 7M1	1,989.59	0.00	1,989.59
30	Bell Mobility Attn: Insolvency Group 510743085	209 Boulevard Bouchard Dorval QC H9S 5X5	3,498.62	0.00	3,498.62
31	Belov Equipamentos Ltd	Rua do Tunel Salvador Brazil	6,550.00	0.00	6,550.00
32	Beluga Adventures	777 Owl Overlook Beluga AK 99685 USA	4,995.00	0.00	4,995.00
33	Bernard & Annie Leroy PS102-09	Labalotterie Sireuil France	1,000.00	0.00	1,000.00
34	Bette Gorman PS102-12	412 S Royal St Alexandria VA 22314 USA	500.00	0.00	500.00
35	Betty Jordan PS101-18	Villa 30, 60 Endeavour Blvd North Lakes Resort Queensland AUSTRALIA	500.00	0.00	500.00
36	BFirst Travel	74 Pitt Street, Suite 203 Sydney NSW 2000 AUSTRALIA	1,000.00	0.00	1,000.00
37	BJ Electric Motor & Control Ltd.	225 George Street, PO Box 56 Stewiacke NS B0N 2J0	15,426.00	0.00	15,426.00
38	Blue Water Agencies Ltd.	40 Toppie Drive Dartmouth NS B3B 1L6	112,757.00	0.00	112,757.00
39	Bob's Cruises	635 Fourth Line Oakville ON L6L 5W4	1,000.00	0.00	1,000.00
40	Boers Crew Services	PO Box 11218, 3004 EE Rotterdam Netherlands	587.00	0.00	587.00
41	Brian Little PS101-18	37 Stella Hall Drive Blaydon, Tyne & Wear UNITED KINGDOM	500.00	0.00	500.00
42	Brookes Bell	Martins Building, Water Street Liverpool L2 3SX England	1.00	0.00	1.00
43	Brooks Bell	Martins Building, Water St Liverpool, L2 3SX UNITED KINGDOM	26,465.00	0.00	26,465.00
44	Bruce Sheppard PS101-11	20, Grove Gardens Tring Hertfordshire UNITED KINGDOM	10,944.00	0.00	10,944.00
45	BT Computer Services	108 Capri Drive West Porters Lake NS B3E 1L6	1,926.00	0.00	1,926.00
46	Buker AAA TRavelPS102-02	20 Whitten Road Ste 11 Augusta ME 04330-6051 USA	1,000.00	0.00	1,000.00

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FORM 78 - Continued

List "A"
 Unsecured Creditors

Karsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
47	C&M Sanitation Enterprises Ltd.	17 Chani Drive Lower Sackville NS B4E 3H3	437.00	0.00	437.00
48	C. F. Sharpe Crew Management	PO Box 370 Manila Philippines	75,304.00	0.00	75,304.00
49	Canada Revenue Agency	St. John's Tax Centre Po Box 12076 Stn A St. John's NL A1B 4T4	1.00	0.00	1.00
50	Canadian Maritime Engineering	90 Thornhill Drive Dartmouth NS B3B 1S3	7,418.00	0.00	7,418.00
51	Canadian Springs Water Company	PO Box 4514 Stn A Toronto ON M5W 4L7	327.00	0.00	327.00
52	Cape Breton Overseas Shippin	PO Box 512 Sydney NS B1P 6H2	1,440.00	0.00	1,440.00
53	Carol & Stuart White PS101-18	6 Denelands, Allendale Hexham, Northumberland UNITED KINGDOM	1,000.00	0.00	1,000.00
54	Carol Phillips PS101-08	20739 Scofield Drive Cupertino CA 95014 USA	3,585.00	0.00	3,585.00
55	Carol Townsend PS101-15	6381 West Sweetwater Drive Tuscon AZ 85745 USA	13,060.00	0.00	13,060.00
56	Carole Hennicks & Antonio Ruiz PS101-19	905-6095 Coburg Road Halifax NS B3H 4K1	1,000.00	0.00	1,000.00
57	Carroll South Shore	PO Box 306 Bridgeater NS B4V 2W9	1,326.00	0.00	1,326.00
58	Casale Reguladores Y Controles SA	Gonzalez D'AS 747 Buenos Aires C1276AC1 Argentina	6,890.00	0.00	6,890.00
59	Catherine Minerly PS101-15	30 Cedar Hill Drive Warwick NY 10990 USA	10,654.00	0.00	10,654.00
60	CF Sharp Crew Management Inc.	PO Box 370 Manila Philippines	0.00	0.00	0.00
61	Charlotte Warren PS102-12	301-1575 Balsam St Vancouver BC V6K 3L7	500.00	0.00	500.00
62	Cheshire Cruise Club	133 Gravel Lane Wilmslow, Cheshire SK9 6EG England	24,232.00	0.00	24,232.00
63	Chimu Adventures	Av. Benavides 457 Miraflores Lima Peru	22,768.00	0.00	22,768.00
64	Chris Hall & Colin Street PS101-18	Plantation House, Eaves Lane Cheadle Stoke-on-tent UNITED KINGDOM	1,000.00	0.00	1,000.00
65	Christina & Helge Tangen PS101-15	Church View, Grovehurst Lane Kent UNITED KINGDOM	11,152.00	0.00	11,152.00
66	Christine Lord PS101-18	80 St. Paul's Gate Wokingham, Berkshire UNITED KINGDOM	500.00	0.00	500.00
67	CJ Hydraulics & Machining Inc.	55 Water Tower Road Saint John NB E2M 7K2	3,259.00	0.00	3,259.00
68	CMJ Rieff & Sons	Av Infante D'Henrique No 6-1st Ponta Delgada, Azores 9501902 PORTUGAL	14,526.00	0.00	14,526.00
69	Comite Regional du Tourisme	Saint Pierre & Miquelon, Place du General de Gaulle B.P. 4274 Saint-Pierre et Miquelon	5,353.00	0.00	5,353.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karisen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
70	Cruise Association of Newfoundland & Labrador	PO Box 21088 St Johns NF A1A 5B2	300.00	0.00	300.00
71	D. Boutilier ENI. Ltd	PO Box 220 Chester NS B0J 1J0	241.00	0.00	241.00
72	Dag Fosne PS102-02	7600 Levanger Bambergveien 18 Norway	500.00	0.00	500.00
73	David & Anne Morrison PS102-16	RR#2 Corkums Island Lunenburg NS B0J 2C0	1,000.00	0.00	1,000.00
74	David & Cathy Burrows PS101-13	3267 Nautical Court Green Bay WI 54311 USA	14,530.00	0.00	14,530.00
75	David & Sally Taylor PS101-15	Yew Tree Hall House, Yew Tree Green Road Kent UNITED KINGDOM	11,152.00	0.00	11,152.00
76	David Carpenter & Rebecca Howe PS101-16	3711 Bontura Drive GREENSBORO NC 27455 USA	1,000.00	0.00	1,000.00
77	Denholm Barwill Limited	Epoch House, Falkirk Road Grangemouth FK38WW UNITED KINGDOM	811.00	0.00	811.00
78	Dennis & Cheryl McDonald PS101-14	3289 Brigden Road Brigden ON N0N 1B0	26,220.00	0.00	26,220.00
79	Destination Holidays	Elizabeth House Elizabeth Street Wyke, Yorkshire BD12 8PN England	7,648.00	0.00	7,648.00
80	Det Norske Veritas	99 Wyse Road, Suite 900 Dartmouth NS B3A 4S5	58,732.00	0.00	58,732.00
81	Det Norske Veritas Espana	Almansa 105 Pl 1 of 2 Madrid Spain	66,389.00	0.00	66,389.00
82	Det Norske Veritas SA	Carlos Pellegrini 1023-4 Piso Buenos Aires Argentina	23,516.00	0.00	23,516.00
83	Discover The World	Aric House 8 Bollers Lane Banstead Surrey SM7 2AR UNITED KINGDOM	57,725.00	0.00	57,725.00
84	Dorado Latin Tours	Albisstrasse 33, 1st Floor Ch-8134 Adliswil, SE16 6AN Switzerland	7,000.00	0.00	7,000.00
85	Douglas AAA Travel	15810 B Shawnee Mission Parkway Shawnee KS 66217 USA	12,548.00	0.00	12,548.00
86	DSS Marine inc.	71 Wright Ave Dartmouth NS B3B 1H4	290.00	0.00	290.00
87	Earthcraft Landscape Ltd	PO Box 44149 Bedford NS B4A 3X5	2,578.00	0.00	2,578.00
88	Eckler Ltd.	1969 Upper Water Street, Suite 503 Halifax NS B3J 3R7	862.00	0.00	862.00
89	Ekran ehf	Klettagaróa 19 - 104 Reykjavík Iceland	47,767.00	0.00	47,767.00
90	Elizabeth Lonkhurst PS102-10	Kent 9 St Andrews The Durlocks, Folkestone UNITED KINGDOM	500.00	0.00	500.00
91	Eloise Smith PS101-17	16 Kane Court Willowbrook IL 60527-2263 USA	500.00	0.00	500.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Kartsan Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
92	Employees	c/o PricewaterhouseCoopers Inc. 1601 Lower Water Street, Suite 400 Halifax NS B3J 3P6	103,905.00	0.00	103,905.00
93	Ernst & Young	TD Centre 222 Bay Street PO Box 251 Toronto ON M5K 1J7	8,050.00	0.00	8,050.00
94	Everen Expeditions	376 S. West Temple Salt Lake City Utah 84101 USA	500.00	0.00	500.00
95	Exclusive Tours	111 Peter Street, Suite 200 Toronto ON M5V 2H1	111,706.84	0.00	111,706.84
96	Expedition Trips	6553 California Ave SW Seattle WA 98136-1863 USA	81,912.62	0.00	81,912.62
97	Explore Worldwide	1853 Embarcadero, Suite 2C Oakland CA 94606 USA	80,223.75	0.00	80,223.75
98	Federal Express Canada Ltd.	PO Box 4626 Station A Toronto ON M5W 5B4	80.00	0.00	80.00
99	Fjaagesund Flight Centre PS102-04	559 W Georgia Street Vancouver BC V6B 1Z6	1,000.00	0.00	1,000.00
100	Gador Viajes S.R.L.	Offices 201207 - 1054 Buenos Aires Av. Cordoba 836 - 2nd Floor Buenos Aires Argentina	3,998.00	0.00	3,998.00
101	George & Hilary Kistruck PS101-18	1 Broad Lane Hale, Altrincham UNITED KINGDOM	1,000.00	0.00	1,000.00
102	George Myra	RR#1 Bayswater Hubbards NS B0J 1T0	8,500.00	0.00	8,500.00
103	Giro Engineering Ltd.	Talisman Business Centre Duncan Road Park Gate Southampton, Hampshire UNITED KINGDOM	1,682.00	0.00	1,682.00
104	Global Cruise Services (UK) Ltd.	Windsor Suite the Chantry 52 Castle Street Thornbury, Bristol UNITED KINGDOM	13,309.00	0.00	13,309.00
105	Global Marine Networks	2668 Jericho Road Tennessee, Maryville USA	1,327.00	0.00	1,327.00
106	Glur Reisebüro	Spalenring 111 Ch-4009 Basel Switzerland	1,000.00	0.00	1,000.00
107	GMAC	PO Box 5100 Stn D Etobicoke ON M9A 5H2	8,973.00	0.00	8,973.00
108	Goltens New York Corp.	169 Van Brunt Street Brooklyn New York USA	1,974.00	0.00	1,974.00
109	Graham & Patricia Smith PS101-18	1 Caplaw Way Penicuik, Midlothian UNITED KINGDOM	1,000.00	0.00	1,000.00
110	Grant Thornton Corporate Finance Inc.	2000 Barrington Street, Suite 1100 Halifax NS B3J 3K1	46,230.00	0.00	46,230.00
111	Greg & Jan Porges PS101-16	2401 Riverview Blvd. W Bradenton FL 34205 USA	1,000.00	0.00	1,000.00
112	H. Cegielski Service Spolka z.o.o.	61-486 Poznan ul. 28 Czerwca 1956 POLAND	11,988.00	0.00	11,988.00
113	Halifax Heating & Air Conditioning	264 Heming Cove Road Halifax NS B3P 1M1	235.00	0.00	235.00

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FORM 78 – Continued

List "A"
 Unsecured Creditors

Karlsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
114	Halifax Regional Municipality	PO Box 1749 Halifax NS B3J 3A5	26,611.00	0.00	26,611.00
115	Halifax Regional Water Commission	PO Box 8388 Station "A" Halifax NS B3K 5M1	135.00	0.00	135.00
116	Halifax Shipping Association	PO Box 1146 STN M Halifax NS B3J 2X1	200.00	0.00	200.00
117	Hamilton Shipping (Port Services)Ltds.	Port Centre - Alexandra Road Dublin Port Ireland	27.00	0.00	27.00
118	Hamworthy Water Systems Ltd.	Fleets Corner Poole, Dorset UNITED KINGDOM	328.00	0.00	328.00
119	Hared Elektriske Teknikk AS	Hareidsmyrane 6060 Hareid Norway	7,739.00	0.00	7,739.00
120	Hauser Exhursionen	Hauser Exhursionen International - Spiegelstr 9 D-81241 Munchen GERMANY	15,180.00	0.00	15,180.00
121	Headland Communication Ltd.	Citrus House 40-46 Dae Street Liverpool UNITED KINGDOM	2,622.00	0.00	2,622.00
122	Herbert Rafuse	PO Box 703 Chester NS B0J 1J0	34.00	0.00	34.00
123	Herve Van Loo PS101-17	1 rue de Prieure Authon-du-Perche France	500.00	0.00	500.00
124	Houuo AS	8900 Randers Alsvej 1 Norway	4,986.00	0.00	4,986.00
125	Ian & audrey Smith PS101-18	Glenn House 15 The Green Hose, Leics UNITED KINGDOM	1,000.00	0.00	1,000.00
126	Ian & Lawrence Willey PS101-18	41 West Dene Drive North Shields, Tyne & Wear UNITED KINGDOM	1,000.00	0.00	1,000.00
127	Ian & Patricia Farnell PS102-09	34 Wavel Ave Colchester, Essex UNITED KINGDOM	1,000.00	0.00	1,000.00
128	Ian Curphey & Julie Ogston PS101-18	6 Gladstone Place Woodside, aberdeen Scotland	1,000.00	0.00	1,000.00
129	Ikarus	AM Kallenborn 49-51 Konigstein D-61462 GERMANY	46,535.00	0.00	46,535.00
130	Impact Travel Group PS102-08 Group	1/27 Brickwood Street Brighton, Vic 3186 AUSTRALIA	19,000.00	0.00	19,000.00
131	Industria de Prevencion Cnaria S.L.U.	Ctra La Cuesta - Taco La Laguna, Tenerife	8,388.00	0.00	8,388.00
132	Intact Insurance Company	Suite 300 5657 Spring Garden Road PO Box 36150 Halifax NS B3J 4A5	2,895.00	0.00	2,895.00
133	Inter Marine Sp zo.o	UlWolnosci 18 81-327 Gdynia Poland	0.00	0.00	0.00
134	Inter Marine Sp zo.o.	ul.wolnosci 18 81-327 Gdynia POLAND	7,039.00	0.00	7,039.00
135	International Association of Antarctic Tour Operators	11 S. Angell Street, Box 302 Providence, Rhode Island USA	13,764.00	0.00	13,764.00

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FORM 78 – Continued

List "A"
 Unsecured Creditors

Kartsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
136	Inrepid	PO Box 2781 Fitzroy DC, VIC 3065 AUSTRALIA	196,351.00	0.00	196,351.00
137	Island Vista	11 Wirlegerl Aith, Shetland UNITED KINGDOM	5,849.00	0.00	5,849.00
138	J&MUMurphy Limited	3514 Joesph Howe Drive Halifax NS B3L 4H7	4,368.00	0.00	4,368.00
139	Jean Lovasz Fettes Travel PS101-16	1300 Young Street, Suite 605 Toronto ON M4T 1X3	1,000.00	0.00	1,000.00
140	Jenny Cattermole PS101-18	3 Orchard Close Beverley, E.Yorks UNITED KINGDOM	500.00	0.00	500.00
141	Jeremy Simons PS101-16	10 Bray Crescent Rotherhithe, London England	5,386.50	0.00	5,386.50
142	Jessica Collins PS102-01	2213 E 8th Street Vancouver WA 98661 USA	500.00	0.00	500.00
143	John Connor PS101-19	37 Red Maple Crescent Gloucester ON K1B 4E2	500.00	0.00	500.00
144	John Edwards PS101-16	157 Welford Road Shirley, solihull UNITED KINGDOM	500.00	0.00	500.00
145	John Fry PS101-18	Highclere, 28 Houndean Rise Lewes, Sussex UNITED KINGDOM	500.00	0.00	500.00
146	John Paul Carroll	75 Water Street, PO Box 757 Chester NS B0J 1J0	250,000.00	0.00	250,000.00
147	Jon Phillips & Michael Deebie PS 101-16	The Old Farmhouse Drain Byrion, Old Hall	1,000.00	0.00	1,000.00
148	Journey Latin America	12 & 13 Heathfield Terrace London, W4 4JE England	19,968.00	0.00	19,968.00
149	Kano Makiko Grantour Japan PS101-08	Saisai Bldg 6F 1-5-2 Ginza, Chuo-ku Japon	3,360.00	0.00	3,360.00
150	Kate Hopkins PS101-18	Ashfield, Banbury Road Chipping Norton UNITED KINGDOM	500.00	0.00	500.00
151	Katherine & Peter Tawell PS101-15	2 Delvino Road London UNITED KINGDOM	11,152.00	0.00	11,152.00
152	Kjell Dagsgard PS102-02	2690 Skjak Norway	500.00	0.00	500.00
153	Koss Dimensions In Travel PS101-16	300 Ignacio Blvd. Novato CA 94949 USA	1,000.00	0.00	1,000.00
154	Kraemer Maritime More AS	Postboks 60 - 9251 Tromso Norway	23,820.00	0.00	23,820.00
155	Lee Harnish	RR#3 Chester Basin NS B0J 1K0	1.00	0.00	1.00
156	Legal Express Courier	34 Grimes Ave Dartmouth NS B2W 3L7	25.00	0.00	25.00
157	Leguan Reisen	Aachener Str 695 A 50226, Frechen GERMANY	26,548.00	0.00	26,548.00
158	Leonard & Jean Anne Lillie PS101-11	277 Parkway Drive West Milton ON L9T 1A7	22,976.00	0.00	22,976.00
159	Luc & Jeannine Deckx PS101-14	Zilverberkstraat 21 Turnhout Belgium	15,618.00	0.00	15,618.00

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FORM 78 – Continued

List "A"
 Unsecured Creditors

Karlsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
160	Margaret Wilson PS102-12	301-1575 Balsam St Vancouver BC V6K 3L7	500.00	0.00	500.00
161	Marine & offshore Canada	9 Keefer Road St.Catharines ON L2M 6K4	3,006.00	0.00	3,006.00
162	Marine Diesel Service GmbH	Mooswiesenweg 7-8404 Winterthur Switzerland	5,559.00	0.00	5,559.00
163	Maritime Consultant Services Attn: Capt.Asbjorn Endresen	N 6090 Fosnavag Norway	7,639.00	0.00	7,639.00
164	Maritime Training Services Inc.	1080 W Ewing Place, Suite 301 Seattle WA 98119 USA	304.00	0.00	304.00
165	Martin & Carol Brodie PS102-10	The Pines, 48 Southburn Road Blanefield Scotland	500.00	0.00	500.00
166	Martin & Kerry Colton PS101-18	PO Box 429 Goulburn, NSW AUSTRALIA	1,000.00	0.00	1,000.00
167	Martin Karlsen	1648 Edward Street Halifax NS B3H 3J1	1,961,676.00	0.00	1,961,676.00
168	Mary Filbee	PO Box 854 - 3 Pleasant Street Chester NS B0J 1J0	1.00	0.00	1.00
169	Mary Haas PS102-07	12311 Firtree Lane Bowie MD 20715 USA	2,500.00	0.00	2,500.00
170	Mattina	G.A. Lamadrid 434 Buenos Aires Argentina	62,739.00	0.00	62,739.00
171	Michael & Carola Leonard PS101-15	AD 400 Andorra 48 Credit Andorra La Massana	11,152.00	0.00	11,152.00
172	Michael & Deidre Garrett PS102-02	52 Windmere Road, West Wickham Kent UNITED KINGDOM	1,000.00	0.00	1,000.00
173	Michael Fleet PS101-18	60 Kingfisher Drive Woodley Reading UNITED KINGDOM	500.00	0.00	500.00
174	Municipality of the District of Chester	P.O. Box 369 Chester NS B0J 1J0	31,462.00	0.00	31,462.00
175	Natural Focus	Floor 1, 333 Clarendon St South Melbourne VIC 3205 AUSTRALIA	7,996.00	0.00	7,996.00
176	Natural Habitat	PO Box 3065 Boulder CO 80307 USA	63,784.64	0.00	63,784.64
177	Navalia s.r.l.	25 de mayo 250, Office 3 Ushuaia, Tierra Del Fuego Argentina	1,113.00	0.00	1,113.00
178	Nesskip hf	Austurstrond 1 PO Box 175 Iceland	11,062.00	0.00	11,062.00
179	Nicola Randall PS102-09	Berks 17 Brook Street Twyford Reading UNITED KINGDOM	1,000.00	0.00	1,000.00
180	Nielsen Cardoza Bungay Travel PS101-15	550 Hamilton Ave #125 Palo Alto CA 94301 USA	15,810.00	0.00	15,810.00
181	Nigel & Pam Gooding PS101-18	Woodspring House, Woodlands Drive Ruishton, Taunton UNITED KINGDOM	1,000.00	0.00	1,000.00
182	Noble Caledonia	2 Chester Close, Belgravia Belgravia, London SW1X 7BE England	176,760.00	0.00	176,760.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karlsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
183	Noddings Sales & Service Ltd.	433 York Street Bridgewater NS B4V 3K1	1,658.00	0.00	1,658.00
184	Norman & Christine Ashely PS102-16	PO Box 8081 Gundaroo NSW AUSTRALIA	1,000.00	0.00	1,000.00
185	Norwegian Maritime Unions	Oslo NO0125 Postboks 2000 Vik Norway	12,000.00	0.00	12,000.00
186	Nova Scotia Power Attn: Credit Services 15th Floor 1075388-7	P.O. Box 910 Halifax NS B3J 2W5	1,743.00	0.00	1,743.00
187	Office Interiors	656 Windmill Road Dartmouth NS B3B 1B8	216.00	0.00	216.00
188	Peter & Holly Melanson PS101-19	1563 Ross Road, RR#3 Windsor NS B0N 2T0	1,000.00	0.00	1,000.00
189	Peter Groundwater & Linda Mote PS102-06	247 Easthill Dr Robina, QLD AUSTRALIA	1,000.00	0.00	1,000.00
190	Petra Searle PS101-18	Southways Cottage Blofield Norwich UNITED KINGDOM	500.00	0.00	500.00
191	Petro-Canada Superpass 9937701432	Box 8500 Don Mills ON M3C 3B2	860.00	0.00	860.00
192	Phillip & Brigit Wainwright PS101-18	10 Perches Close Membland Newton Ferrers, Devon UNITED KINGDOM	1,000.00	0.00	1,000.00
193	PitneyWorks	Po Box 280 Orangeville ON L9W 2Z7	7,138.00	0.00	7,138.00
194	Polar Adventures	18 Neville Road Kingston Surrey KT1 3QX UNITED KINGDOM	10,148.00	0.00	10,148.00
195	Polar Kreuzfahrten	Neuer Sandberg 11 31535 Neustadt GERMANY	7,220.00	0.00	7,220.00
196	Pole Position Splitsbergen AS	Port of Longyear, PO Box 514 Norway	56,822.00	0.00	56,822.00
197	Poseidon Adventures	1/4, 2nd Smolensky pereulok Moscow 121099 RUSSIA	1,000.00	0.00	1,000.00
198	Purolator Courier	PO Box 1100 Etobicoke Postal Stn Etobicoke ON M9C 5K2	25.00	0.00	25.00
199	Radio Holland	32 McQuade Lake Crescent Halifax NS B3S 1B6	3,347.00	0.00	3,347.00
200	Ralph Pencleton PS101-19	9736 Sundial Drive Las Vegas NV 89134-7843 USA	500.00	0.00	500.00
201	Receiver General - Atlantic Region Attn: Finance AR	1969 Upper Water Street, 19th Floor Halifax NS B3J 3R7	5,331.00	0.00	5,331.00
202	Receiver General - Ottawa Division Attn: Corporate Accounting Section	219 Laurier Av. West 10th Floor Ottawa ON K1A 0L8	20,826.00	0.00	20,826.00
203	Receiver General - Parks Canada Halifax Attn: Halifax Defence Complex	PO Box 9080, Stn A Halifax NS B3K 5M7	1,135.00	0.00	1,135.00
204	Receiver General - Transport Canada .	Tower C, 22nd Floor Place de Ville AFFAH, 330 Sparks Street Ottawa ON K1A 0N5	345.00	0.00	345.00
205	Richard Harris PS101-18	1 Sarah White Court, Broad Oak Odiham Hants UNITED KINGDOM	500.00	0.00	500.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karlsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
206	Road Scholar	11 Ave de Lafayette Boston MA 02111 USA	534,903.00	0.00	534,903.00
207	Robert & Rose Hancock PS102-02	3, St Culburt's Court Lincoln UNITED KINGDOM	1,000.00	0.00	1,000.00
208	Robert & Susan Savage PS102-09	2949 Kenwood Blvd. Toledo OH 43606 USA	1,000.00	0.00	1,000.00
209	Roger & Gwynneth Robson PS101-18	7 The Close, Lydden Nr Dover, Kent UNITED KINGDOM	1,000.00	0.00	1,000.00
210	Rolls-Royce Canada Ltd.	196 Joseph Zaizman Dr, Unit 9 Dartmouth NS B3B 1N4	972.00	0.00	972.00
211	Roma Dingwell	1648 Edward Street Halifax NS B3H 3J1	100,000.00	0.00	100,000.00
212	Rosemary Tuhey PS101-18	8 Rowbarton Close Taunton Somerset UNITED KINGDOM	500.00	0.00	500.00
213	Ross Gladhill PS101-14	3450 Drummond St. Apt 825 Montreal PQ H3G 1Y3	11,321.00	0.00	11,321.00
214	Royal Environmental Inc.	209 Kearney Lake Road Halifax NS B3M 2T2	215.00	0.00	215.00
215	RS Platou ASA	Haakon VII's Gate 10 PO Box 1604 Vika N-0119 Oslo Norway	2,000.00	0.00	2,000.00
216	Ruth Jagodzinski PS101-14	4573 Royal Ridge Way Las Vegas NV 89103-5034 USA	13,378.50	0.00	13,378.50
217	Scaninavian Bunkering AS	Ovre Langate 50 Norway	750,609.00	0.00	750,609.00
218	Schneider Electric Canada Inc	PO Box 15046 Stn A Toronto ON M5W 1C1	2,304.00	0.00	2,304.00
219	Separator Spares International LLC	144 Intercoastal Drive Houma, Louisiana USA	532.00	0.00	532.00
220	Shanghai Yantze International	9F 1295 Lujiazang Road Shanghai 200010 CHINA	15,719.80	0.00	15,719.80
221	Sharon & Robert Seibel PS101-15	Flat 4, 8 Melbury Road London UNITED KINGDOM	12,824.00	0.00	12,824.00
222	Shelburne Diesel	40 Hero Road PO Box 879 Shelburne NS B0T 1W0	1,456.00	0.00	1,456.00
223	Shelburne Stevedores Limited	PO Box 22 88 Water Street Shelburne NS B0T 1W0	1,112.00	0.00	1,112.00
224	Ship to Shore Disposal Services Inc.	93 Gloria McCluskey Dr Dartmouth NS B3B 2Z3	38,628.00	0.00	38,628.00
225	Ship to Shore Inc.	3456 37th Ave West Seattle Washington USA	26,160.00	0.00	26,160.00
226	Sincerity	Rm 533 Star House Tsim Sha Tsui Hong Kong	500.00	0.00	500.00
227	Soleada	Rumunška 655/9 460 01 LIBEREC 1	500.00	0.00	500.00
228	South Shore Marine Ltd.	PO Box 316 Chester NS B0J 1J0	2,881.00	0.00	2,881.00
229	Spar Marine Ltd.	48 Fielding Ave Dartmouth NS B3B 1E4 Norway	1,299.00	0.00	1,299.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
230	Statens Kartverk	Postboks 60 N-4001 Stavanger Norway	103.00	0.00	103.00
231	Stellar Industrial Sales Ltd.	94 Simmonds Drive Dartmouth NS B3B 1P6	449.00	0.00	449.00
232	Stevens Home & Port Electric Ltd.	153 Spruce Street Oakhill NS B4V 0C2	143.00	0.00	143.00
233	Stewart McKelvey Siring Scales	PO Box 997 Halifax NS B3J 2X2	142,067.00	0.00	142,067.00
234	Stratos	Po Box 5754 St. John's NL A1C 5X3	34.00	0.00	34.00
235	Suisca S.L.	Avda de los Consignatarios Nave 7-8 35008 Las Palmas de Gran Canaria Spain	40,539.00	0.00	40,539.00
236	Sullivan Shipping Services Ltd.	PO Box 159 Stanley Falkland Islands	36,430.00	0.00	36,430.00
237	Sven Aebersold c/o GLOBETROTTER TRAVEL SERVICE AG	Aarmuhlstrasse 1 3800 Interlaken Switzerland	0.00	0.00	0.00
238	Team Maritime AS	Haakon VIIs gt 23c- 7041 Trondheim Norway	11,930.00	0.00	11,930.00
239	Teknor AS	Kilbotn - Harstad 9415 Norway	1,985.00	0.00	1,985.00
240	Terry Jelley PS101-17	950 Buckeye Drive Sunnyvale CA 94086 USA	500.00	0.00	500.00
241	The Binnacle	15 Purcell's Cove Road Halifax NS B3N 1R2	5,971.00	0.00	5,971.00
242	The Explorers Club	46 East 70th Street New York NY 10021 USA	250.00	0.00	250.00
243	Total Travel Marine	2332 Galiano Street, Suite 124 Coral Gables FL 33134 USA	16,885.00	0.00	16,885.00
244	Trevor Cattermole PS101-18	Flat 5, 6 Gillsland Road Edinburgh Scotland Scotland	1,000.00	0.00	1,000.00
245	Unified Management Inc.	PO Box 33122 Halifax NS B3L 4T6	38,625.00	0.00	38,625.00
246	United Kingdom Antarctic Heritage Trust	Kingcoed Farm Monmouthshire UNITED KINGDOM	1,040.00	0.00	1,040.00
247	Van Houtte Coffee Services	100 Wright Ave, Suite 4 Dartmouth NS B3B 1L2	101.00	0.00	101.00
248	Victory Adventures Ainsley Slattery	Box 70, Teniente Munoz 118 Puerto Williams Cape Horn Commune Chile	1,008.00	0.00	1,008.00
249	VMG Strategic Consulting	1600 Bedford Highway, Suite 100-412 Bedford NS B4A 1E8	13,638.00	0.00	13,638.00
250	Wai Bun Kok PS102-04	Block 3, Queen's Road #12-141 Singapore	500.00	0.00	500.00
251	Walter Hillebrand Marine Services Ltd.	RR#2 2235 Hwy 20E, unit 27-28 Welland ON L3B 5N5	29,400.00	0.00	29,400.00
252	Wartsila Norway AS	N-5420 Rubbestadneset Norway	853.00	0.00	853.00
253	Wei Kat Ong PS102-02	Bk 330, Serangoon Ave 3 #08-361 Singapore	500.00	0.00	500.00

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FORM 78 -- Continued

List "A"
 Unsecured Creditors

Karlsen Shipping Company Limited

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
254	Wendy Coolen	Po Box 19 Port Mouton NS B0T 1T0	525.00	0.00	525.00
255	Wendy Dryden PS101-11	40 Braeside Rd Toronto ON M4N 1X7	11,488.00	0.00	11,488.00
256	Wild Earth	538 Montreal Street PO Box 7218 Christchurch New Zealand	84,081.00	0.00	84,081.00
257	Wildlife Worldwide	Long Barn South - Sutton Manor Farm Aldersford, Hampshire SO24 0AA England	11,100.00	0.00	11,100.00
258	Wilhelmsen Ships Service Inc. Canada	8978 Fraserton Court Burnaby BC V5J 5H8	32,450.00	0.00	32,450.00
259	William & Leonora Boer	PO Box 552 Modderfontein SA SOUTH AFRICA	16,820.00	0.00	16,820.00
260	Windrose	Fasanenstraße 33 10719 Berlin GERMANY	744.00	0.00	744.00
261	World Expeditions	Level 5, 71 York Street Sydney NSW 2000 AUSTRALIA	38,955.00	0.00	38,955.00
262	World Expeditions UK	81 Craven Gardens Wimbledon SW19 8LU UNITED KINGDOM	19,190.00	0.00	19,190.00
263	Xaxero Marine Software Engineering Ltd.	PO Box 1 Westpark Village, Waitakere New Zealand	385.00	0.00	385.00
264	Yuan-Yu Hsu & Li-Lan Chen PS101-08	No.76 Lane 85 Chingshan Rd Xindien Taipei 231 Taiwan	7,648.00	0.00	7,648.00
265	Zaseyida/Bonga K Banks Travel PS101-08	206 Main St Penticton BC V2A 5B2	7,648.00	0.00	7,648.00
Total:			6,995,277.20	0.00	6,995,277.20

17-May-2011

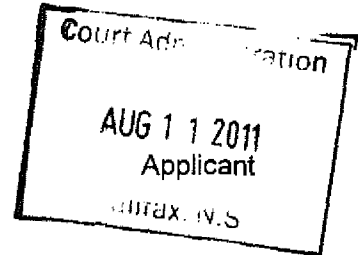
Date

Exhibit E

2011

Hfx No. 348504

SUPREME COURT OF NOVA SCOTIA



BETWEEN:



THE TORONTO-DOMINION BANK

and

KARLSEN SHIPPING COMPANY LIMITED

Respondent

ORDER APPROVING SALE (August 11, 2011)



BEFORE THE HONOURABLE ~~JUSTICE~~ Justice Peter P. Rosinski IN CHAMBERS:

UPON HEARING Stephen Kingston on behalf PricewaterhouseCoopers Inc. (the "Receiver") in its capacity as Receiver for Karlsen Shipping Company Limited (the "Company");

SGD.
P.P.R.
J.

AND UPON it appearing that notice of this Motion has been provided to all interested parties;



AND UPON having read the First Report of the Receiver dated August 4, 2011 (the "First Report") and all other materials filed in connection with this Motion;

AND UPON the Receiver having proposed to sell a certain yacht belonging to the Company (the "Polar Sun") to Monty Mosher ("Mr. Mosher"), as more particularly described in the First Report;

AND UPON the Receiver having applied pursuant to paragraph 3.(j)(ii) of the Order issued herein on May 17, 2011 (the "Receivership Order") for the approval of this Honourable Court of the proposed sale;

NOW UPON MOTION:

IT IS HEREBY ORDERED THAT the notice requirements for the hearing of this Motion be and are hereby abridged pursuant to *Civil Procedure Rule 2.03(1)(c)*.

IT IS FURTHER ORDERED THAT this Honourable Court does hereby grant its approval to the Receiver to complete the proposed sale of the Polar Sun to Mr. Mosher on the same terms or substantially the same terms as described in the First Report.

DATED at Halifax this 11 day of August, 2011.

COURT OF NOVA SCOTIA

I hereby certify that the foregoing document,
identified by the Seal of the Court, is a true
copy of the original document on file herein.

Dated the 11 day of August A.D., 2011

Tanya Allan
Deputy Prothonotary

Tanya Allan
PROTHONOTARY

Tanya Allan
Deputy Prothonotary

Tanya Allan
Deputy Prothonotary

Exhibit F

1

APPRAISAL
of the
MARKET VALUE
of a
COMMERCIAL OFFICE & WAREHOUSE BUILDING
located at
**55 CRANE LAKE DRIVE
BAYERS LAKE
HALIFAX, HALIFAX REGIONAL MUNICIPALITY, NS
Our File No.: 11-0852**

for

Pricewaterhouse Coopers LLP

Attention: Ms. Ericka A. Clarke Scott, CIRP

ericka.a.clarke@ca.pwc.com

Effective Date

July 13, 2011

by

PAUL M. FENNELL, FRI, AACI

FENNELL & ASSOCIATES APPRAISERS LTD.
3600 Kempt Road, Suite 209
Halifax, Nova Scotia
B3K 4X8

FENNELL

APPRAISERS

FENNELL & ASSOCIATES APPRAISERS LTD.

3000 KEMPT ROAD
HALIFAX, NS, B3K 4X8
TEL (902) 453-5051
FAX (902) 453-6366

RESIDENTIAL
COMMERCIAL
INDUSTRIAL
INSTITUTIONAL
CONSULTANCY

SALE & PURCHASE
INSURANCE
ASSESSMENT APPEAL
LITIGATION
ESTATES

PAUL M. FENNELL *B.COMM., FRI, AACI*
N. WAYNE SAIRD *B.COMM., CRA*
R.I. JOHNSON
GORDON WELDM

July 15, 2011

Pricewaterhouse Coopers LLP

Attention: Ms. Ericka A. Clarke Scott, CIRP

RE: 55 Crane Lake Drive, Halifax, Nova Scotia
Our File No.: 11-0852

Dear Ms. Clarke Scott:

Further to your request, please be advised that we have inspected the above captioned property and enclose this appraisal report which expresses our opinion of its current Market Value, as described herein.

“Market Value”, as used in this report, is defined on Page 4.

It should be noted by the reader of this report that we have prepared this valuation at the request of Pricewaterhouse Coopers LLP for asset valuation purposes.

It is understood that this is a confidential document between Fennell & Associates Appraisers Ltd., and our client for the above name purpose only. Further, this report is not to be quoted from, distributed to or relied on by any person other than the above referenced client and we expressly exclude use by any other party except Pricewaterhouse Coopers LLP and their assigns. We will not represent this report to any other party and our written permission is required for anyone other than our client to be in possession of this report.

We have completed our analysis, and report to you as a **summary appraisal report**. Certain limitations apply which are more detailed in our report and in the Contingent and Limiting Conditions at the end of the report. **This summary appraisal report is prepared in accordance with an conforms to Canadian Uniform Standards of Professional Appraisal Practice.**

Definition of a Summary Appraisal Report: A written report prepared under Standards Rule 2-2(b) of a Complete or Limited Appraisal performed under Standard 1.(USPAP, 1994 edition, Definitions section, effective 7/1/94). This may report either a complete appraisal (no departure) or a limited appraisal (with departure). It contains summary discussions of the data, reasoning, and analyses that were used to develop the opinion of value. It also includes summary descriptions of the subject property, the property's locale, the market for the property type, and the appraiser's opinion of Highest and Best Use. Any data, reasoning, and analyses not discussed in the Summary Appraisal Report are retained in the appraiser's work file.

NOTE: In the case at hand, no departures have been made.

The following pages and addenda detail certain salient facts and our conclusions, all of which must be read as a whole, as sections taken out of context may be misleading.

Based on this investigation, analysis and the reasoning and conclusions developed in the course of this appraisal, it is our considered opinion that the most probable July 13, 2011, **Market Value**, (see definition Section 3.6), of the within described property, subject to the Contingent and Limiting Conditions forming part of this report, was;

FIVE HUNDRED AND TEN THOUSAND DOLLARS

(\$510,000)

Based on this investigation, analysis and the reasoning and conclusions developed in the course of this appraisal, it is our considered opinion that the most probable July 13, 2011, **Quick Sale Value**, (see definition Section 14.2.1), of the within described property, subject to the Contingent and Limiting Conditions forming part of this report, was;

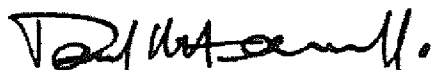
FOUR HUNDRED AND TWENTY FIVE THOUSAND DOLLARS

(\$425,000)

We thank you for this opportunity and your trust in giving us this assignment, and if we can be of assistance on any other matter, please do not hesitate to call.

Yours sincerely,

FENNELL & ASSOCIATES APPRAISERS LTD.



Paul M. Fennell, B. Comm., FRI, AACI
NSREAA #017490

PMF/mh

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1.0 EXECUTIVE SUMMARY

1.1 Purpose and Function of Appraisal

The purpose of this appraisal is to estimate the market value of the subject property as at the effective date, July 13, 2011, for asset valuation purposes.

1.2 Property Right Appraised

“Fee Simple” interest, free and clear of all encumbrances or charges except as noted in the report.

1.3 Type of Property

Two storey semi-detached, steel frame on poured concrete slab, light industrial building used for general offices and some storage use.

1.4 Lot Size

10,637±square feet

1.5 Building Size

80' x 31' (Footprint)

Main Floor Area - 2,480±sq.ft.

Second Floor Area - 1,747±sq.ft.

Gross Building Area - 4,227±sq.ft.

1.6 Cost Approach Estimate

Not Undertaken

1.7	<u>Direct Comparison Approach</u>	<u>Market Value</u>	<u>Quick Sale Value</u>
		\$510.00	-
1.8	<u>Income Approach Estimate</u>	<u>Market Value</u>	<u>Quick Sale Value</u>
		\$568,000	-
1.9	<u>Final Estimate</u>	<u>Market Value</u>	<u>Quick Sale Value</u>
		\$510,000	\$425,000

2.0 IDENTIFICATION AND LOCATION

2.1 Type of Property Under Appraisalment

Steel frame construction built on poured concrete slab, containing 4,227±square feet of finished office and warehouse storage space (Interior layout is detailed in Building Sketch found in Addenda).

2.2 Location of Property

The subject is located on the eastern side of Crane Lake Drive just north of its intersection with Chain Lake Drive in the Bayers Lake Industrial Park, Halifax, Nova Scotia.

2.3 Municipal Address

55 Crane Lake Drive, Halifax, Nova Scotia

2.4 Property Owner

Karlsen Shipping Company Limited

2.5 Legal Description

Lot 64-9A, Bayers Lake Industrial Park, Deed Recorded as Document No. 84821819. NSPRD PID #40513483.

3.0 DEFINITION OF APPRAISAL PROBLEM

3.1 Subject Property

55 Crane Lake Drive, Bayers Lake, Halifax

3.2 Property Owner (s)

Karlsen Shipping Company Limited

3.3 Effective Date of Appraisal/Date of Inspection

The effective date of the valuation is the date of inspection: July 13, 2011.

3.4 Purpose and Intended Use of Appraisal

The purpose of this appraisal is to estimate the Market Value of the subject property as at the effective date July 13, 2011. The intended use of this appraisal is for asset valuation – disposal purposes.

3.5 Property Rights Appraised

The property rights appraised are those of fee simple interest, free and clear of all encumbrances or charges except as noted in this report.

3.6 Definition of Market Value

Market Value may be defined as: “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by any undue stimulus. Implicit in this definition in the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, with each acting in what he considers his own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

3.7 Inspection Undertaken

We have undertaken a visual inspection of the exterior and interior of the subject building, as well as the subject site and improvements. We have not inspected the roof component of the building, or tested the mechanical systems.

3.8 Scope of Appraisal

We have contacted various municipal and provincial government departments to ascertain certain information about the subject property, i.e. assessment, taxes, zoning and permitted uses, municipal services, etc. In addition, we have relied upon land sales listing information provided by the Halifax-Dartmouth Real Estate Board's Multiple Listing Service (MLS), area real estate brokers, etc. Income and expense information for the subject is not available and has been estimated based on our discussions with brokers, etc., and compared to information provided by real estate listings. We have not obtained sworn affidavits to guarantee the accuracy of the listing/sale and income expense information; however, we do believe that the data collect is reliable and assume it is accurate.

3.9 Sales History

The subject property is believed to have been purchased by the present owners in January 2006 for \$350,000 according to local MLS information. The subject has not been exposed to any other recent activity on the open market. Since acquisition, the owners have renovated the subject at a cost in the area of \$100,000.

4.0 MUNICIPAL DATA

4.1 2011 Assessment

\$386,500 (Commercial)

4.2 2011 Taxes

\$14,860 (Estimated)

4.3 Services and Utilities

Both municipal sewer and water services are available to the site, as are the usual services such as electricity, telephone, police and fire protection, street lighting, curbs, and paved streets.

4.4 Zoning

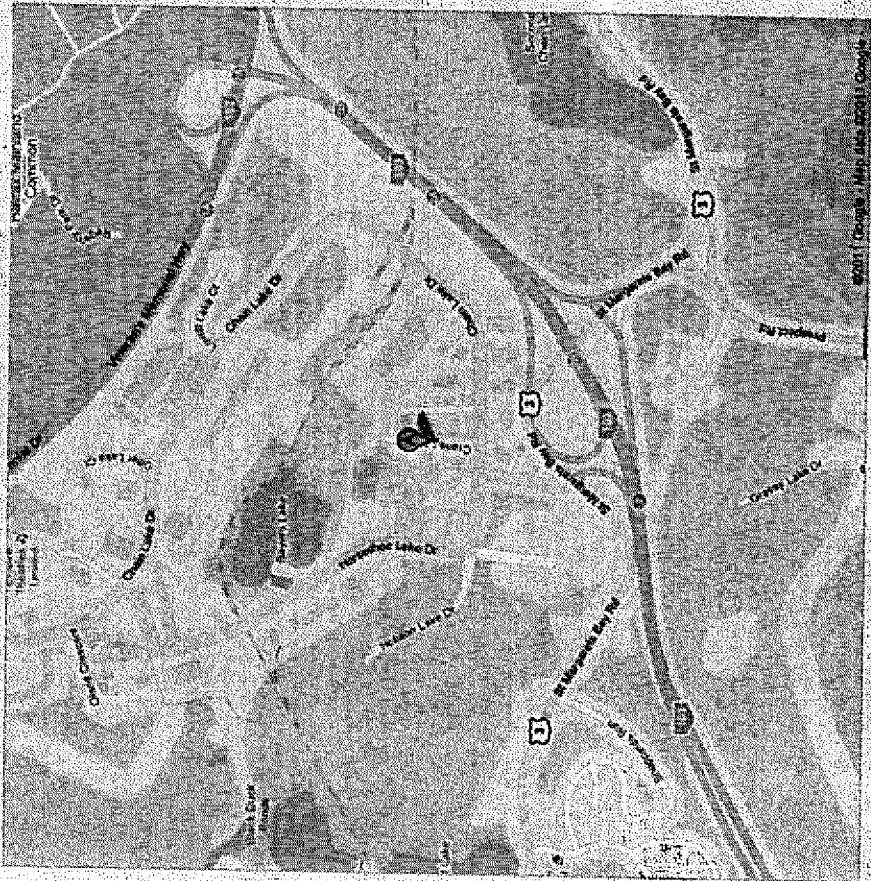
I-3, General Industrial Zone

4.4.1 Permitted Uses and Conformity

The present use as a light industrial office and warehouse is assumed to be a legal use and is consistent with adjacent light industrial structures (See Addenda for permitted uses and requirements).

We have not viewed any occupancy permit.

Google maps
Canada
Address: 55 Crane Lake Dr
Halifax, NS B3S 1B4



©2011 Google. Map data ©2011 Google

5.0 REGIONAL AND MUNICIPAL DATA

5.1 Location

The subject property is located in the Bayers Lake Industrial Park in the City of Halifax. The City of Halifax is a portion of what is known as the Halifax Metropolitan Region, an area comprised of the cities of Halifax and Dartmouth, the Town of Bedford and the Municipality of the County of Halifax incorporating the region of Cole Harbour and Lower Sackville, largely residential bedroom communities of the Metro region. This Metro area is the largest population density and business center in Atlantic Canada with a population in excess of 350,000 persons or 35% of the total population of the Province of Nova Scotia. The area has grown over 15% in the past 10 years.

The area exhibits a large white collar work force, Halifax being the provincial capital as well as the location of many federal government departments. The area is a center for manufacturing, distribution, international trade via air and sea, due to its location and all weather port, health service center and education. The main east coast defense facilities are located here. The Metro region exhibits a dynamic and large diversified economy, with an adequate skilled labour force.

The level of economic activity and growth throughout the Atlantic Provinces has improved during the past 4-5 years. With the main growth in the major industrial parks such as the subject, who have attracted numerous new tenants. This is due, in part, to the development of the Sable Island and Deep Panuke gas projects, and the general turnaround of the economy.

5.2 Summary – Bayers Lake Industrial Park

The Bayers Lake Business Park is a development of Halifax Regional Municipality (HRM) and is managed by the HRM Business Parks Office. The Park has been in operation for 15±years.

Bayers Lake is home to over 200± businesses and companies, and is a developing business park which consists of a concentration of retail / light industrial and commercial businesses.

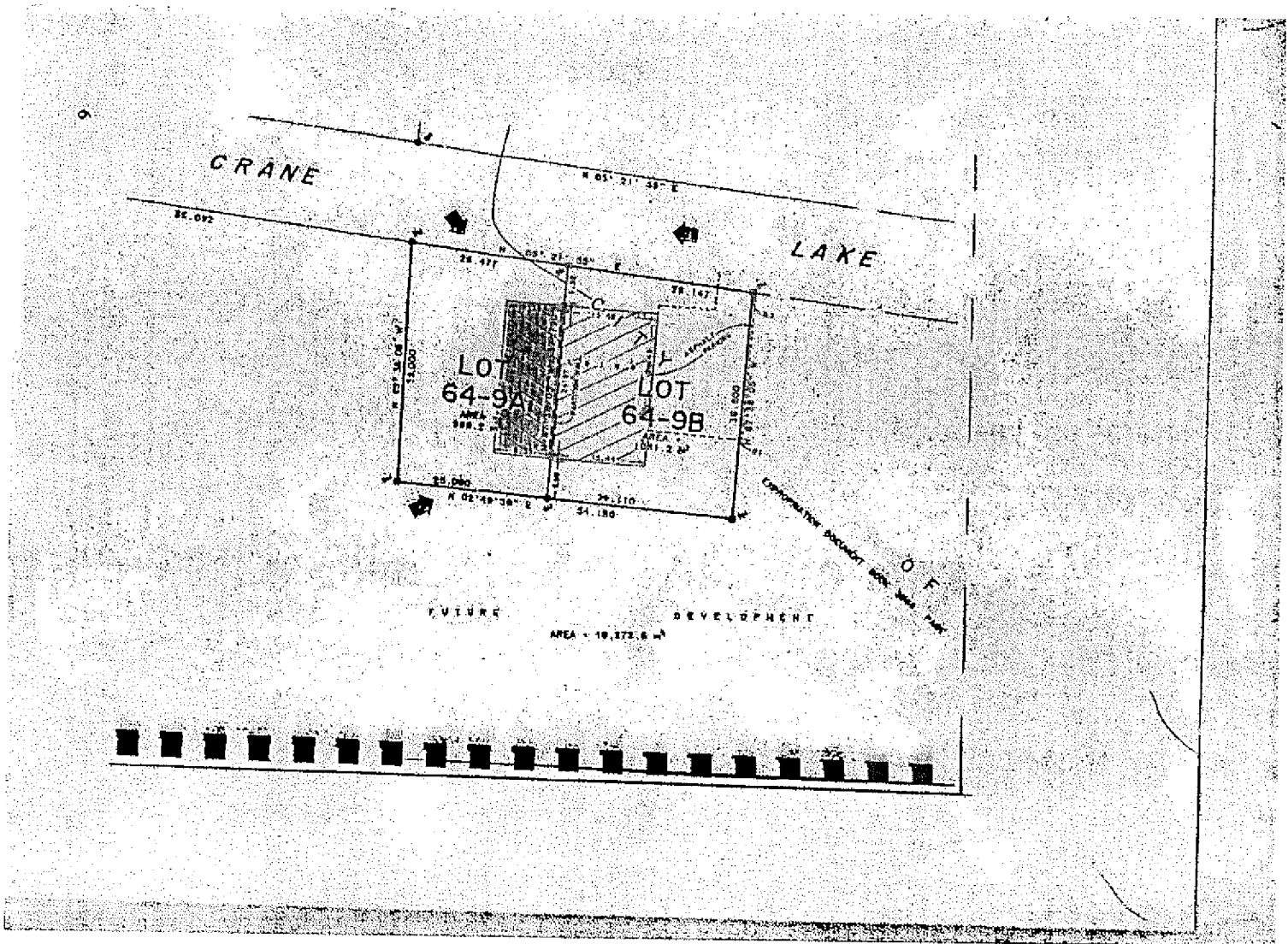
The Park is one of the most convenient and easily accessible locations to service the Greater Halifax population of 350,000 – no more than 10 minutes from all major residential and commercial centers, and is directly accessible by major provincial highways and only 20 minutes from the Halifax International Airport.

Bayers Lake offers companies, their employees and customers, a self-sustaining business community, offering a wide variety of services to residents, companies, including day car services, Metro Transit, banks, restaurants, department stores, travel services, dry cleaning, shops, drugstores, post office, building supplies, etc. It also offers several thousand square feet of commercial and light industrial warehouse space, and has a high concentration of manufacturing and technology companies.

Bayers Lake is the Atlantic Canada headquarters for several national and international companies. Within the past 5 years, numerous new premises and some major tenants have located here. There has also been some large scale residential developments having taking place nearby.

5.3 Conclusion

The Bayers Lake Business Park is a thriving entity, with good growth potential. The potential is enhanced due to the existence of some very strong warehouse and manufacturing tenants. There appears to be a trend towards development of many retail and wholesale facilities in this Park. This trend should continue into the medium term and provide a strong economic base for future development within the Park. The Park is considered very convenient via vehicular access and should continue to attract neighborhood and regional business traffic.



6.0 SITE DESCRIPTION AND DETAIL

6.1 Lot Size

- 86.87' Frontage
- 123.98' Depth
- 82.28' Rear
- 127.95' Depth

6.2 Total Site Area

10,637±square feet (Generally Regular Shape)

6.3 Topography

Generally level throughout and slightly above the grade of Crane Lake Drive. Slopes down to rear and side steeply.

6.4 Access

Vehicle entry to parking area is from Crane Lake Drive, which is accessed from Chain Lake Drive.

6.5 Easements

None Known

6.6 Miscellaneous Site Improvements

Asphalt parking lot to overhead vehicle door near rear. Asphalt located along side and rear of subject structure. There is a leveled grassed area to the front of the subject.

7.0 BUILDING DESCRIPTION AND DETAIL

7.1 General

The subject is a two storey semi-detached commercial property of steel frame construction, built on a reinforced concrete slab. The structure appears to have been originally constructed in the early 1990±'s and appears to have received regular maintenance. The roof is flat, metal covered, with a 17' height in the garage to the sprinkler heads (7.5' on each floor to the dropped ceiling). Exterior construction is of aluminum panel and brick, with 3 access points to the interior. Office space of 3,740±square feet consists of gyproc walls, t-bar suspended ceiling, and laminate and ceramic tile flooring. The interior has been well maintained and conforms with neighboring office structures and is in good overall condition. The building has received good maintenance over its life, exhibits no significant deferred maintenance and is considered to be in good condition for its age. The remaining economic life of this building is estimated to be 50±years.

Building Classification	-	Two storey semi-detached, steel frame, office / storage.
Use and Occupancy	-	Commercial / light industrial.
Type of Construction	-	Steel frame, aluminum metal siding, brick at front.
Age	-	21±years (estimated).
Building Size	-	80' x 31' = 2,480 sq.ft. (Footprint Area).
	-	4,227±sq.ft. (Total Floor Area Including Garage)

7.2 Exterior

Foundation	-	Reinforced concrete slab.
------------	---	---------------------------

Typical Exterior Walls	-	Aluminum corrugated siding some brick at front, on metal frame and split face concrete block.
	-	Concrete block party wall separating units.
Roof Assembly	-	Metal
Windows	-	Aluminum frame fixed and awning type and some vinyl vertical sliders.
Doors	-	Aluminum frame main entry door, metal man doors.
	-	1 overhead metal garage door (10' W x 12' H)

7.3 Interior

The interior consists of several offices, a boardroom, a full kitchen and a 2 piece and a 3 piece bath. Finishes are good quality and in good condition. The overall, layout is functional as commercial offices. Ceiling heights are roughly 8±'. The remainder is open garage and storage area which contains open ceilings and concrete floors. The area is heated with a heat pump. The entrance foyer includes a gas fireplace with large stone hearth and mantle.

7.4 Typical Building Service Features

- heat pump heating and air conditioning (propane fired)
- 1 meter to 2-200 amp breaker panels
- alarm system
- fluorescent and incandescent pot lighting
- 184L electric domestic hot water tank
- sprinklered building
- Mircom series 200 fire alarm
- Central vacuum

8.0 HIGHEST AND BEST USE

8.1 Definition

Highest and Best Use may be defined as “that use, from among reasonably probable and legal alternative uses, thought to be physically possible, appropriately supported, financially feasible and which results in the highest land values.”

8.2 Alternative Uses

In most instances, the existing improvements will constitute or represent the Highest and Best Use of land. It is to be recognized, however, that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, until such time as the value of the land vacant for its Highest and Best Use exceeds the total value of the property in use or as improved.

8.3 Analysis and Conclusion

The building was originally constructed for office space with some minor warehouse/storage area, and as such is adaptable to a wide range of similar uses where a significant amount of office space is desirable. The building is easily accessible, well finished for its type and use. We consider this use to be a legal use and we consider a continuation of this use to be the Highest and Best Use of the subject.

9.0 APPROACHES TO VALUE

9.1 Preamble

There are three approaches to value used in estimating market value of real estate. These approaches are referred to as:

1. The Cost Approach
2. The Income Approach
3. The Direct Comparison Approach

9.2 Cost Approach

The Cost Approach provides for an estimate of land value, to which is added the depreciated “reproduction” or “replacement” cost new of existing improvements. This approach relies upon the “principle of substitution”, which affirms that a prudent person would not pay more to acquire an existing property than it would cost him to construct an equally desirable and substitute property, assuming of course there would be no undue delays.

9.3 Direct Comparison Approach

The Direct Comparison Approach is a process of comparing the subject property with prices paid for other similar or representative properties, prices asked by owners, and offers made by prospective purchasers and tenants to buy or lease. Because sufficient sales of ideal comparison are seldom available, it is often necessary to make allowance for features of variance existing between the property under appraisal and the sales data, etc., gathered. Provided proper consideration is given to any features of variance, this approach can provide a very meaningful indication of value and should, in the final analysis, reflect the attitudes and behaviors of people buying such properties in the open market.

9.4 **Income Approach**

The Income Approach aspect of the appraisal process is a method employed to convert net income expectations into an indication of value. The property under consideration must, of course, possess the characteristics of an investment, i.e. it must be of the type that is traditionally, or at least suitable or capable of being, let for rent. This approach recognizes the principle of anticipation in that the value of the subject property should reflect the present worth of its anticipated net income and/or benefits during the remainder of its productive or economic life.

10.0 METHODS OF VALUATION ADOPTED

In the case at hand we have employed two of the three of the foregoing approaches to value in the valuation of this property, as documented on the following pages.

11.0 COST APPROACH TO VALUE

11.1 General

We do not considered this valuation approach in this case as the subject property does not fall into one of the two categories of property where this approach to value is considered relevant:

1. A new or nearly new improvement.
2. A purpose built of special purpose property.

Depreciation is best determined from the market forces which indicate physical, functional, and economic depreciation form actions of buyers and sellers, and for most income type properties these factors are best indicated in the Direct Comparison Approach and the Income Approach to value.

11.2 Site Value

We have not valued the site in this appraisal as it is an integral part of the Cost Approach to Value, a valuation approach which we did not consider relevant in this appraisal.

SCHEDULE OF MARKET COMPARABLES

<u>Sale No.</u> <u>Sale Date</u>	<u>Address</u>	<u>Sale Price</u>	<u>Site Size</u>	<u>Gross Building Area</u>	<u>\$ / Sq. Ft.</u>	<u>Comments</u>
<u>1</u> Jan. 2010	57 Crane Lake Drive Halifax	\$505,000	11,637±sq.ft.	3,928±sq.ft.	\$128.56	2 storey semi-detached steel frame building containing offices and small warehouse/garage in good condition in good class business park. Attached to subject.
<u>2</u> Dec. 2010	36 Frazee Drive Dartmouth	\$485,000 (Private)	12,914±sq.ft.	7,486±sq.ft.	\$64.79	1 storey and partial 2 storey semi-detached industrial building in good condition located in Burnside Business Park. 40% finished retail and office space.
<u>3</u> Sept. 2008	7A Ralston Avenue Dartmouth	\$750,000	33,768±sq.ft.	5,568±sq.ft.	\$134.70	Two storey warehouse/office building with two storey front office section. Steel frame building in good condition. 15% office. Located in Burnside.
Subject	55 Crane Lake Drive	N/A	10,637±sq.ft.	4,227±sq.ft.	N/A	2 storey semi-detached steel frame building containing good class offices with a small warehouse/garage in good overall condition. 85% finished office space.

Our File No.: 11-0852

12.0 DIRECT COMPARISON APPROACH

12.1 Schedule of Market Comparables

Refer to opposite page.

12.2 Preamble

The Direct Sales Comparison Approach has as its premise the comparison of the subject property with others of similar design, utility and use that have sold within the recent past. To indicate the value of the property, adjustments are made to the comparables for differences from the subject.

Various units of comparison can be used in the Direct Sales Comparison Approach when valuing commercial buildings of this type. The most significant unit of comparison is: Price per Square Foot of Gross Building Area.

12.3 Price per Square Foot of Building

This unit of comparison is a mathematical calculation obtained by dividing the sale price by the leasable square foot area of the building.

We have analyzed 3 comparable sales, that are located in the same or similar areas as the subject, and which offers similar utility and appeal. All of the sales include older buildings which have been renovated/converted to varying degrees. Sales indicate a sale price per square foot range of \$64.79 to \$134.70.

Our analysis indicates the following indicator.

Sale Price Per Square Foot

Sale Price Range	\$485,000 to \$750,000
Sale Price/Sq. Ft. Range	\$64.79 to \$134.70
Mid Point of Range/Sq. Ft.	\$99.75
Average of Range/Sq. Ft.	\$109.35

We have made adjustments to the sales to reflect time and differences in physical characteristics to the subject property resulting in the following.

Adjusted Sale Price Per Square Foot

Sale Price/Sq. Ft. Range	\$80.00 to \$135.00
Mid Point of Range/Sq. Ft.	\$110.00
Average of Range/Sq. Ft.	\$115.00

Conclusion

Comparable No. 1 is the best comparable in this analysis indicating a Sale Price per square foot of \$128.00/sq.ft.. It is a timely sale, very similar to the subject and attached to the subject. It does fall within the range of adjusted sale prices.

Considering the mid point of the range at \$110.00 (adjusted), and giving appropriate weightings to the comparables, we consider a **market value per square foot** of \$120.00 to be appropriate giving a valuation result as follows:

$$4,227\pm \text{ square feet @ } \$120.00/\text{square foot} = \$507,240$$

Say \$510,000

13.0 INCOME APPROACH

13.1 Principle

This approach recognizes the principle of anticipation in that the value of a property should reflect the present worth of its anticipated net income or earnings potential for the remainder of its useful or economic life. In appraisal practice, it involves the conversion of the “net” or “potential net” rental income from the property into an indication of value through capitalization.

13.2 Estimate of Gross Rental Income

Relevant historical information is not available for the subject property as it was formerly owner occupied. We have considered market estimates and investigated a number of comparable properties to estimate market rentals.

Our analysis, which reflects recently obtained or available rental rates, indicates a range of rent for warehouse/office/showroom facilities in local business parks from a low of \$6.00 per square foot to a high of \$20.00 per square foot. These rents are on a triple net basis with tenants responsible for heat, utilities, taxes, property maintenance and building insurance. We consider the subject to be located in a highly desirable area and is in reasonably good condition and formerly occupied as good class offices with a small storage component. We would anticipate a rental rate in the mid point of the range, say \$15.00 per square foot to be applicable to the subject, which gives us the following calculation:

4,227±sq.ft. (usable floor space) x \$15.00 sq. ft.

Gross Potential Income (rounded) = \$63,400

13.3 Vacancy and Bad Debt Allowances

Our investigation has also considered an allowance for vacancy, and in our opinion a rate of 5% is appropriate.

Potential Gross Income	\$63,400
Less: Vacancy and Bad Debt @ 5%	<u>(\$ 3,170)</u>
Effective Gross Income	\$60,230

13.4 Expenses

A net absolute leasing structure is assumed and is implied in the rental rate, and as such all expenses related to the operation of the subject property would be recaptured from the tenant, in addition to the monthly rental payment.

The typical expense for the subject type of property would generally range from 10% to 35% of Effective Gross Income. Using 35% of the Effective Gross Income and the 5% vacancy allowance, which would not be recaptured, provides the following expense allowance, which would be (because of vacancy):

Effective Gross Income	\$60,230
Expenses @ 35% of Effective Gross Income	\$21,081
Unrecoverable Expenses	\$21,081
	<u> x 5% (vacancy rate)</u>
	\$ 1,054
Say	\$ 1,050

13.5 Built-Up Capitalization Rate

We have considered a built-up capitalization rate comprising the following:

Mortgage Requirement:	65% assumed
Debt Service Factor:	Based on a current commercial rate survey in Halifax, we have assumed a rate of 6.5%. We have assumed a 25 year amortization.
Equity Requirement:	35% based on the mortgage requirement of 65%.
Equity Dividend Rate:	An equity dividend rate is that rate of return expected by an investor on his equity in a given investment project. Generally, the lower the investment risk, the lower the dividend rate. Given the wide range of use for commercial light industrial properties and the potential for future land use development and expansion, we have utilized a dividend rate of 10%.

Application

$$\begin{aligned}
 R &= (m \times f) + (e \times y) \\
 &= (.65 \times .080376) + (.35 \times .10) \\
 &= .05224 + .035 \\
 &= .08724 \quad \text{Say } \mathbf{9.0\%}
 \end{aligned}$$

13.5 Valuation

Potential Gross Income		\$ 63,400
Less Vacancy/Bad Debt @ 5%		<u>(\$ 3,170)</u>
Effective Gross Income		\$ 60,230
Less Unrecoverable Expenses:		<u>(\$ 1,050)</u>
Net Operating Income		\$ 59,180
Less Expenses:		
Structural Maintenance @ say 7%	\$4,000	
Management @ say 7%	\$4,000	<u>(\$ 8,000)</u>
Net Income		\$ 51,180
Capitalized @ 9.0%	$\$51,180 \div 9.0\%$	\$568,667
Rounded		\$568,000

NOTE: This valuation does not consider any premium which may be paid by a party having a special interest in this particular property. Should such a purchaser exist, it is quite possible that this person may be willing to pay slightly more than that indicated by our value range.

14.0 EXPOSURE TIME AND MARKETING TIME

14.1 Exposure Time

Exposure Time is defined as follows:

“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.”

Exposure Time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable effort.”

Our valuation is based in an exposure time of 60 to 120 days.

14.2 Reasonable Marketing Time

Reasonable Marketing Time is defined as follows:

“An estimate of the amount of time it might take to sell a property interest in real estate at the estimate market value level during the period immediately after the effective date of an appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

It is our opinion that a reasonable marketing time for the subject property is 60 to 120 days. However, it should be noted that a longer marketing time can be expected in a forced sale situated.

It should be noted that commercial real estate sales in the subject Halifax-Dartmouth market place have improved significantly over the past several years. Commercial properties sold under any type of forced sale situation, or where vendors are anxious for a sale, are taking place at heavily discounted prices/values compared to normal activity. **Our valuation here does, however, assumed normal market forces and conditions apply, where a vendor is under no undue influence to sell. Should the subject property have to be sold under forced sale circumstances, a longer listing period and reduced market value can be expected.**

14.2.1 Quick Sale Value

Quick Sale Value is defined as follows:

“The lowest price in terms of money, which a Vendor would accept for a property, if it was offered for sale on the open market under forced sale circumstances such as foreclosure, bankruptcy, etc., for a reasonably short length of time, and when the Vendor has full knowledge of all the uses to which the property is adapted, and for which it is capable of being used. It has been suggested that this basis of valuation recognizes that the property usually realizes less than fair market value if the Vendor or his representative is compelled to sell within a limited time under adverse circumstances.”

15.0 RECONCILIATION AND FINAL VALUE ESTIMATE

15.1 Summary

The three approaches used in the course of this report resulted in the following value indications:

Cost Approach	Not Undertaken
Direct Comparison Approach	\$510,000
Income Approach	\$568,000

15.2 Conclusion

Two of the three approaches to value have been used in this appraisal. The Cost Approach to value is generally given significant weight when dealing with special purpose properties that do not often trade in the market place and where the cost to acquire a purpose built property could be the cost of reproducing it new. The approach is relied upon where there is little market evidence available. This is not true in this instance, as the subject property can readily be replaced by current market offerings of buildings with some similarity in utility to the subject. We have therefore given no weight to this approach in our analysis.

The Direct Comparison Approach and Income Approaches to value are typically relied upon when dealing with investment properties, although the Income Approach is generally most heavily relied upon when dealing with multi-tenanted buildings, a situation which does not exist with the subject. The Direct Comparison Approach is considered relevant in this analysis as it is an appropriate approach when dealing with owner occupied commercial properties and adequately reflects the actions of buyers and sellers in dealing with the cost of acquiring similar space in this market place. The Direct Comparison Approach is most heavily relied upon in the case of availability of reasonably good data. The data analyzed in this report is considered to be reasonably good. This approach is heavily influenced by the cost to acquire in the market place similar utility industrial office/warehouse space to the subject in the most similar location.

The Income Approach to value has been developed in this case, and reflects the investment characteristics of the subject property, as more of an investment property than an owner occupied situation. We consider the Income Approach to value to exhibit fair reliability when dealing with smaller industrial properties such as the subject, and we have given it some weight in arriving at our value indication.

Based on this investigation, analysis and the reasoning and conclusions developed in the course of this appraisal, it is our considered opinion that the most probable July 13, 2011, **Market Value**, (see definition Section 3.6), of the within described property, subject to the Contingent and Limiting Conditions forming part of this report, was;

FIVE HUNDRED AND TEN THOUSAND DOLLARS

(\$510,000)

Based on this investigation, analysis and the reasoning and conclusions developed in the course of this appraisal, it is our considered opinion that the most probable July 13, 2011, **Quick Sale Value**, (see definition Section 14.2.1), of the within described property, subject to the Contingent and Limiting Conditions forming part of this report, was;

FOUR HUNDRED AND TWENTY FIVE THOUSAND DOLLARS

(\$425,000)

Respectfully submitted,

FENNELL & ASSOCIATES APPRAISERS LTD.



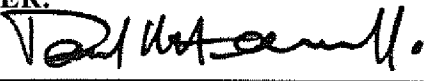
Paul M. Fennell, B. Comm., FRI, AACI
NSREAA #017490

PMF/mh

16.0 APPRAISER'S CERTIFICATION – Paul M. Fennell**The Appraiser certifies and agrees that:**

- 16.1** The subject market area has been researched and a minimum for three recent sales of properties have been selected that are the most similar and proximate to the subject property for consideration in sales comparison analysis and a dollar adjustment have been made where appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favourable than, the subject property, a negative adjustment is made to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favourable than the subject property, a positive adjustment is made to increase the adjusted sales price of the comparable.
- 16.2** All factors known to the appraiser (and to the extent that the data permits) that have an impact on value have been taken into consideration to the extent felt necessary in rendering a considered opinion of value. No significant information has been knowingly withheld from the appraisal report and it is believed to the best of my knowledge that all statements and information in the appraisal report are true and correct.
- 16.3** Only my personal, unbiased, and professional analysis, opinions, and conclusions are stated in the appraisal report. Included on this form are all contingent and limiting conditions affecting the analysis, opinions, and conclusions, whether they were imposed by the terms of the assignment or by the appraiser.
- 16.4** I have no past, present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest in the property or bias with respect to the parties involved.
- 16.5** The opinion of value stated within this report does not result from a requirement to report a predetermined value or direction in value that favours the cause of the client or any related party, the attainment of a specific result, or the occurrence of a subsequent event in order to receive the compensation and/or employment for performing the appraisal. The reported value is not based on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
- 16.6** This appraisal has been performed in conformity with the Standards of Appraisal Institute of Canada with the exception of the departure provision of those Standards, which does not apply. It is acknowledged that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate developed is consistent with the marketing time noted in the appropriate section of this report, unless otherwise stated in the reconciliation section.

- 16.7 The interior and exterior of the subject property was personally inspected on the date shown in the attached report. It is hereby certified that any apparent or known adverse conditions have been noted herein, in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property which were apparent as of the date of inspection and that adjustments have been made for these adverse conditions in the analysis of the property value to the extent that market evidence was available to support them.
- 16.8 All conclusions and opinions about the real estate were personally prepared as same are set forth in the appraisal report. If there was reliance on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, such individual(s) have been named herein including the disclosure of specific tasks performed by them. No authorization has been given to anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, no responsibility for such change is assumed.
- 16.9 Our estimate of Market Value for the subject property as of July 13, 2011 (subject to the Contingent and Limiting Conditions forming part of this appraisal), is **Market Value: \$510,000; Quick Sale Value: \$425,000**

APPRAISER:Signature: Name: Paul M. Fennell, NSREAA #017490Inspected Property: Yes: x No: Date Signed: July 15, 2011Designation: FRI AACIRe-certified: Yes

STATEMENT OF CONTINGENT AND LIMITING CONDITIONS

Our File No: 11-0852

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by any undue stimulus. Implicit in this definition in the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, with each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in Canadian dollars or in terms of financing arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.

CONTINGENT AND LIMITING CONDITIONS: The certification that appears in the appraisal report is subject to the following conditions:

Because market conditions including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraisal confirmed in writing.

No responsibility is assumed for matters of a legal nature that affect either the property being appraised or the title to it. It has been assumed that the title is good and marketable and, therefore, no opinion is rendered about the title. The subject property must comply with government regulations, including zoning, building code and health regulations, and if it doesn't comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary. The property is appraised on the basis of it being under responsible ownership.

Unless otherwise stated in the appraisal report, there are no known unapparent or hidden conditions of the property (including but not limited to its soils, physical structure, mechanical and other operating system, its foundation, etc.) or adverse environmental conditions (on it or a neighboring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. The attached report should not be construed as an environmental audit or a detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. Responsibility is not accepted for any such unapparent or hidden conditions that do exist, or for any research, testing or engineering that might be required to discover whether such conditions exist. It is assumed that no commercially viable mineral deposits are contained on the site unless otherwise stated, but no investigations in this regard have been undertaken.

Information used in this report including, but not limited to, sale prices and other facts and details regarding comparable properties used in our analysis that may have been obtained from offices of the Registry of Deeds, Land Registration and Information Services Offices, Assessment Offices and local Real Estate Board statistics, etc., is assumed to be reliable. In accordance with our standard practice, this appraisal is based upon our inspection of the property together with information which has been made available to us. We have verified this information as much as possible and assume it to be reliable and correct; however, we cannot accept responsibility for the accuracy of information provided by others.

The author of this appraisal is not a qualified surveyor. Sketches, plans or photographs, are presented in this appraisal for the limited purpose of illustration to assist the reader in visualizing the property, and are not to be relied upon in themselves.

We have assumed that required occupancy permits have been issued by the appropriate authority and that, unless otherwise stated in our report, the present occupancies represent legal uses of the property. The reader is cautioned that, because of time constraints and the policies of the appropriate municipal authorities, no investigations have been made in this regard and we make no warranty therewith.

Where the building falls under the jurisdiction of the Rent Review Act, we have assumed that the rents included in this report are "registered" rents or are rents that could otherwise be legally charged under the Act. The reader is cautioned that, because of time constraints and the confidentiality of the Rent Review Commission's records, we have made no independent investigations in this regard and make no warranty therewith.

No survey has been carried out on the properties referred to in the within report, all dimensions being taken to be correct and not subject to encroachment. Similarly sketches and plans which may be incorporated in the report or addenda to it, are intended to assist in visualizing the properties, with the location and dimensions not necessarily being exact.

The report and appraisal are based on the premise that the subject property is free and clear of all encumbrances, indebtedness or special assessments. Separate valuations for land and buildings may not be valued, if used separately.

Unexposed or inaccessible parts of the structure have not been inspected and we are unable to report that such parts of the property are free of rot, deterioration, or other defects.

If applicable, the well and septic systems are assumed to be in good and safe condition and an adequate potable water supply exists unless otherwise noted. We have not undertaken any tests ourselves and make no warranty therewith.

Where this report has been prepared at the request of the attached named client for the purpose of an evaluation of Market Value for the stated purpose. It is not reasonable for any persons other than the client to rely upon this appraisal without first obtaining written authorization from the appraiser. It has been assumed that no other person will rely on it for any other purpose, and all liability to such persons is denied. The appraiser assumes no responsibility as a result of the preparation of this report to any present or future owner of the property.

The author of this report is not required to give testimony nor appear before a court or other tribunal in connection with this appraisal as this report has not been made in a form normally associated with an appraisal intended for court, unless prior arrangements have been made. Further, it is understood that the compensation for services rendered in this report does not include a fee for court preparation or court appearance, which fees must be negotiated separately. Arrangements will include, but not limited to, adequate time to review the appraisal report and data.

Neither possession of this report nor a copy of it carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to, in full or in part, or published in any matter without the written consent of the appraiser.

This report has been prepared solely for the purpose of providing to the attached named client value for the purpose as stated by way of an estimate of the market value thereof. It does not constitute as a report of technical inspection of the subject property to ensure compliance with N.H.A. or other building standards and is not to be interpreted as such unless expressly indicated otherwise in the report.

Condominium Ownership: Purchase of a condominium carries with it the responsibilities of ownership of the entire structure in which the unit is housed. In normal circumstances a contingency fund is established which is used to take care of capital expenditures on the property. We have not viewed the contingency fund of the subject condominium and as such cannot make any comment on its adequacy. The reader is cautioned to inspect same to ensure an adequate contingency fund typical in the market is in place in the subject property. We make no warranties as to structural condition or unforeseen deferred maintenance, and where possible have appraised the subject using comparables which have similar market perception as to physical and financing condition as the subject.

ADDENDUM "A"
PHOTOS

Borrower:

File No.: 11-0852

Property Address: 55 Crane Lake Drive

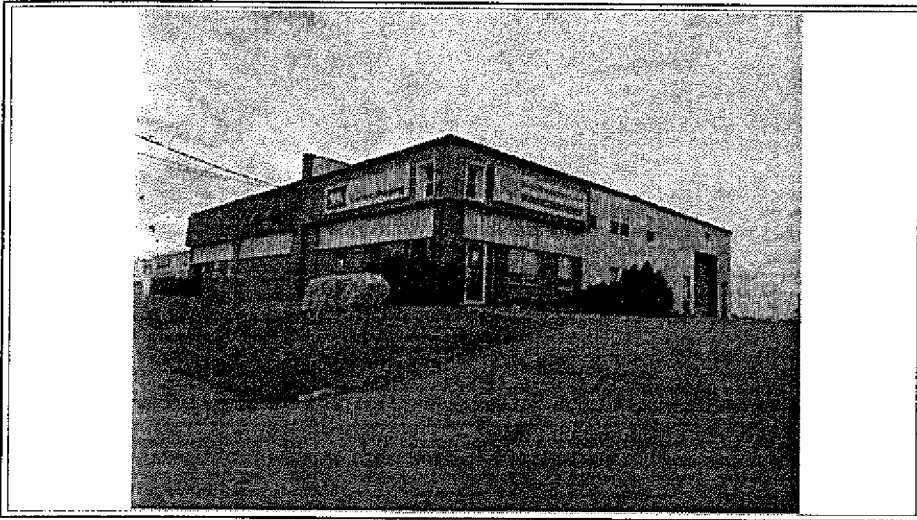
Case No.:

City: Halifax

Prov.: NS

P.C.:

Lender:



Front Elevation



Front Elevation

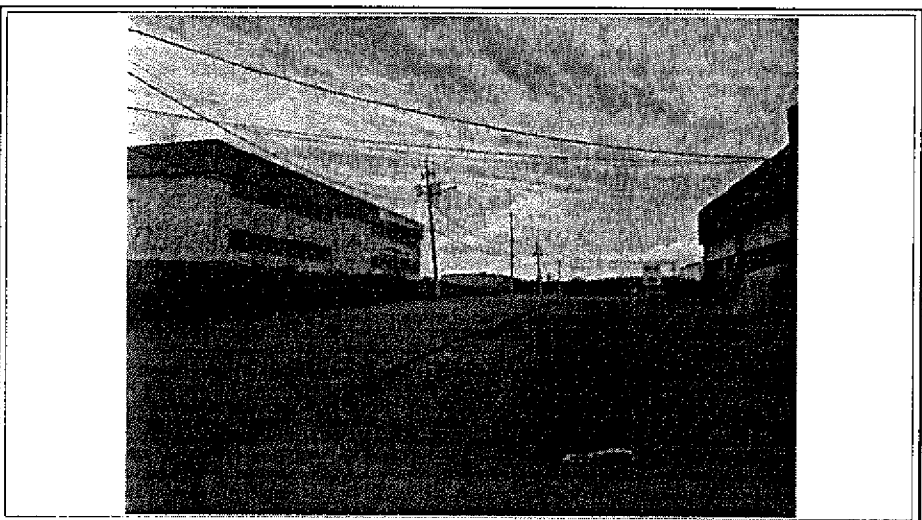


Frontpiece

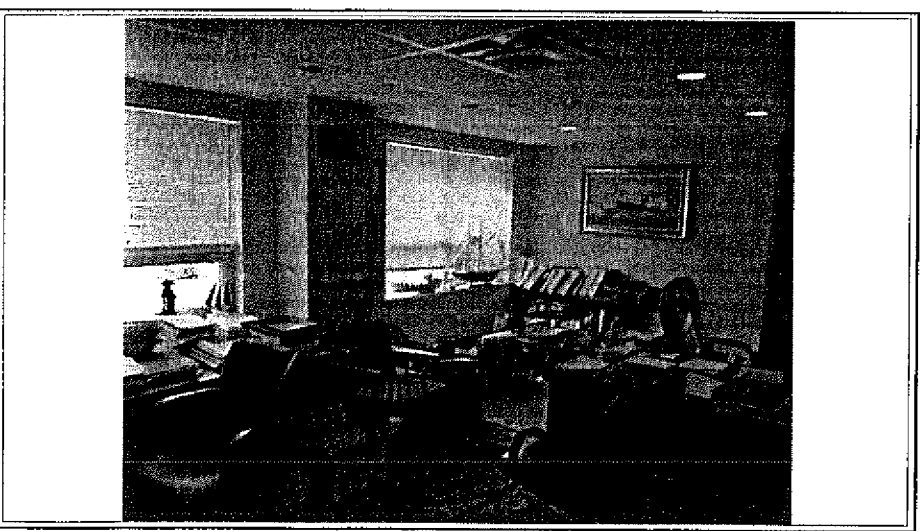
Borrower:	File No.: 11-0852
Property Address: 55 Crane Lake Drive	Case No.:
City: Halifax	Prov.: NS P.C.:
Lender:	



Parking Area

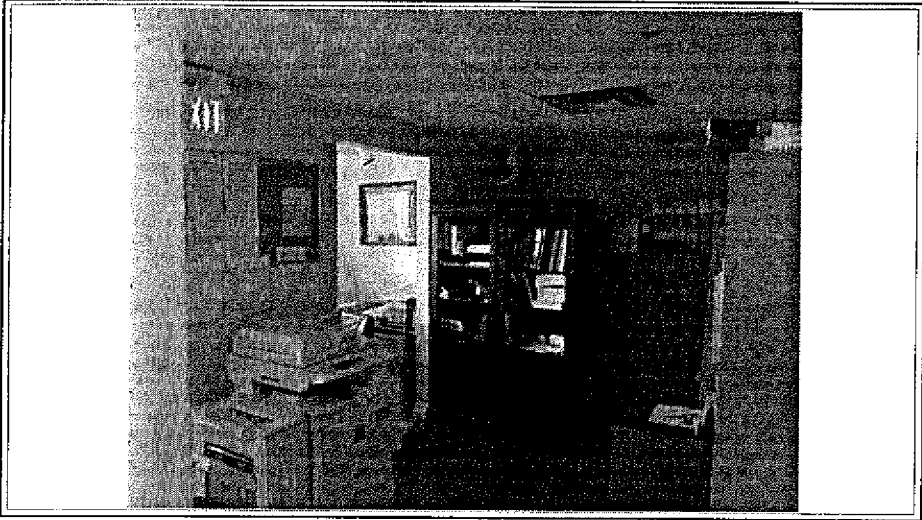


Street

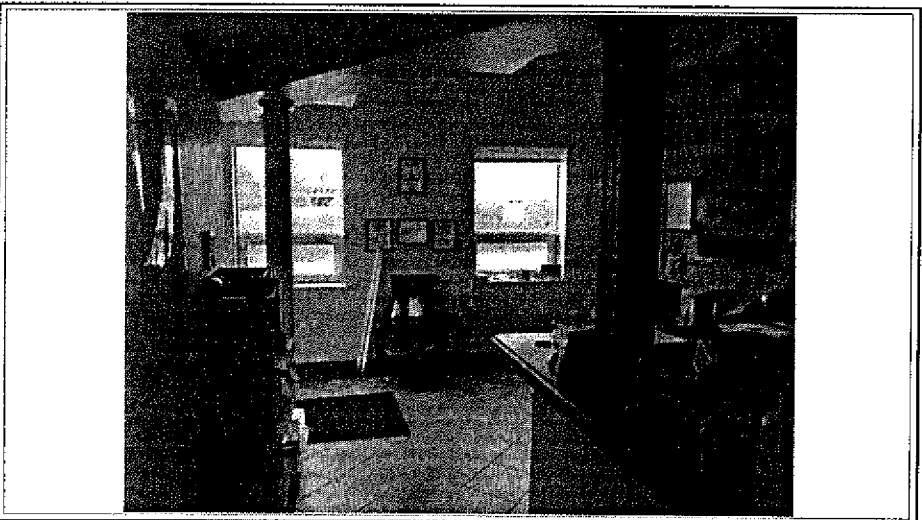


Interior

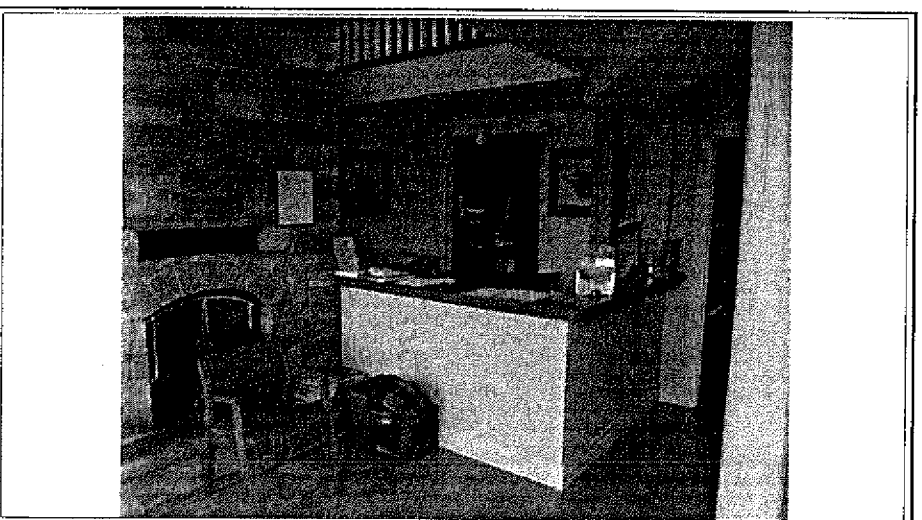
Borrower:	File No.: 11-0852
Property Address: 55 Crane Lake Drive	Case No.:
City: Halifax	Prov.: NS P.C.:
Lender:	



Interior



Interior

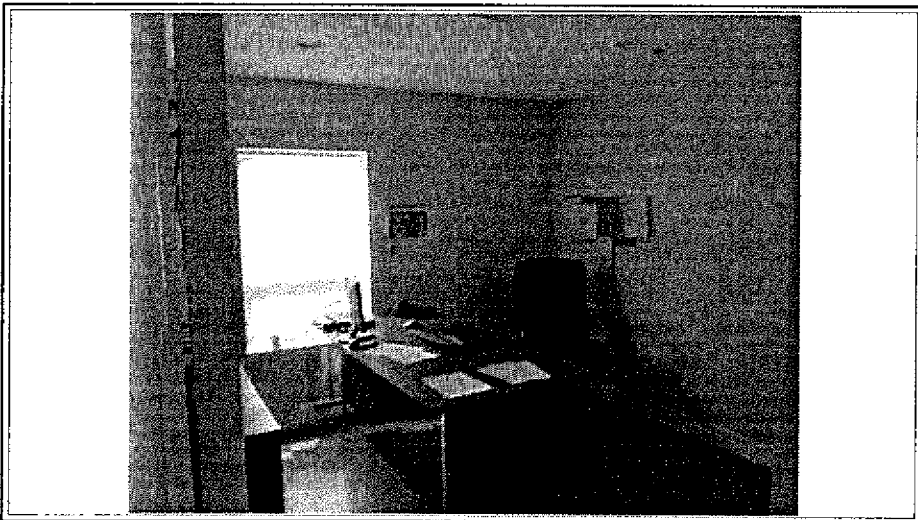


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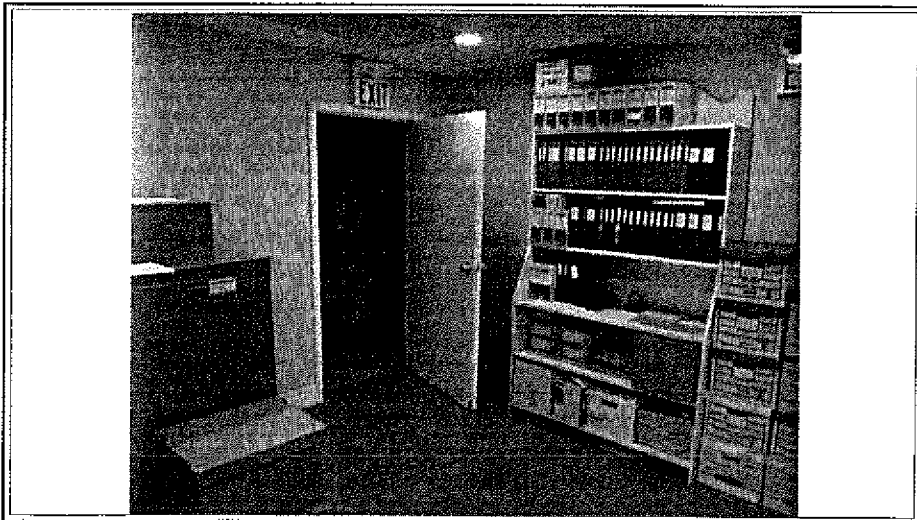
Borrower:	File No.: 11-0852	
Property Address: 55 Crane Lake Drive	Case No.:	
City: Halifax	Prov.: NS	P.C.:
Lender:		



Interior

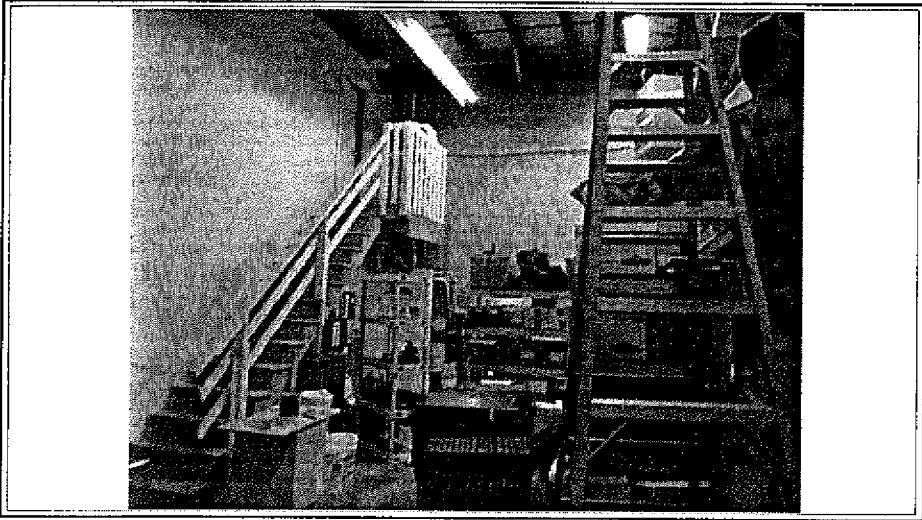


Interior

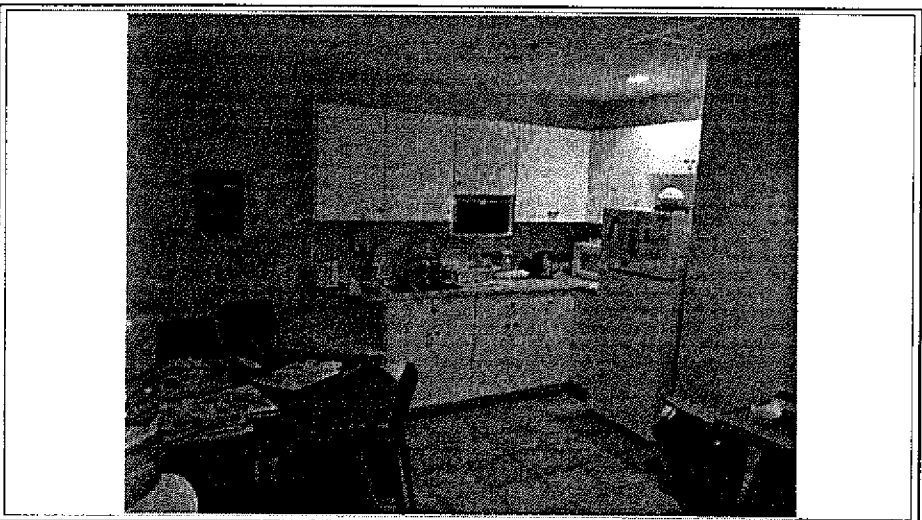


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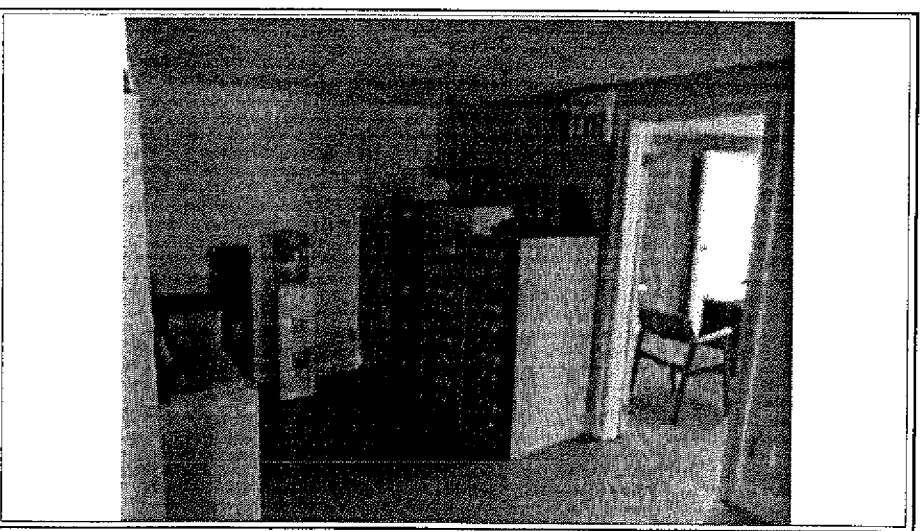
Borrower:	File No.: 11-0852
Property Address: 55 Crane Lake Drive	Case No.:
City: Halifax	Prov.: NS P.C.:
Lender:	



Interior



Interior



Interior

Borrower:

File No.: 11-0852

Property Address: 55 Crane Lake Drive

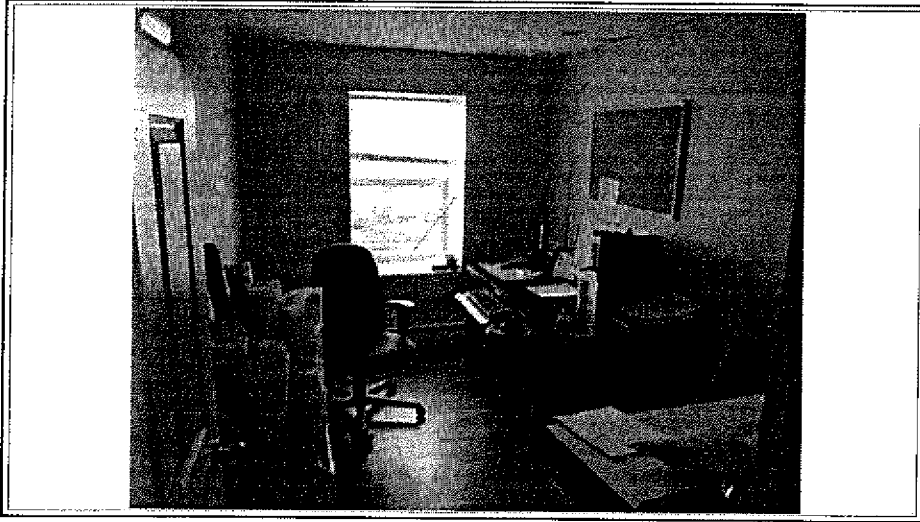
Case No.:

City: Halifax

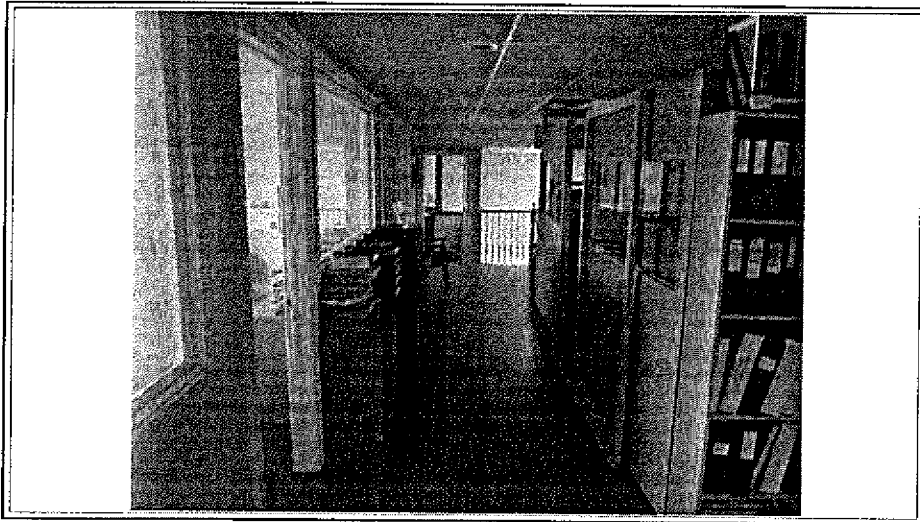
Prov.: NS

P.C.:

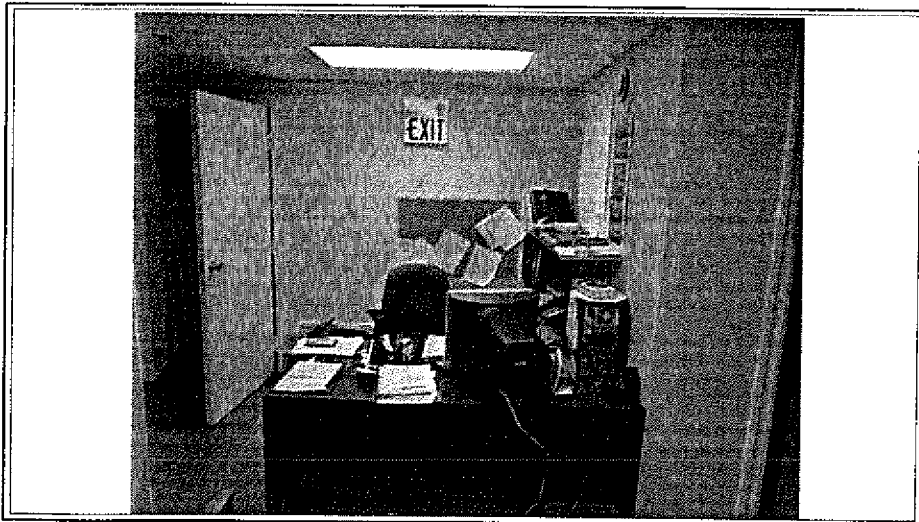
Lender:



Interior



Interior



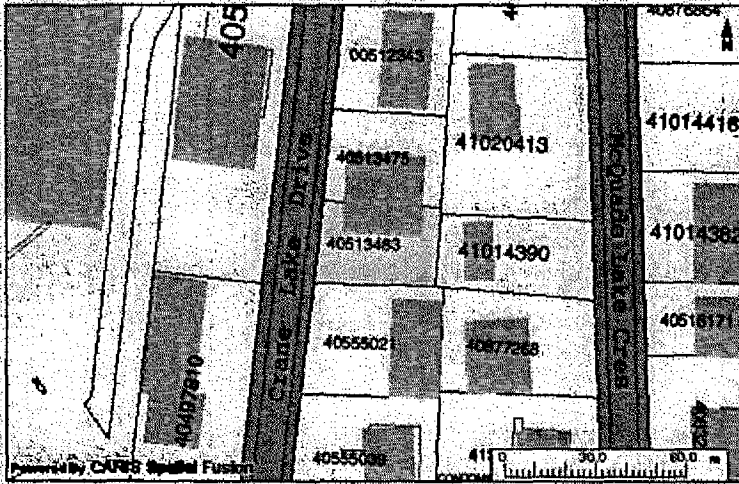
Interior

ADDENDUM “B”
OTHER



Search Provincial Map Bulletin Board Help

-
- 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



Lat: 44-38-21N Long: 63-40-06W Scale: 1500 Zoom: 2

Location:

1 Property found

FID: 40513483 Details

AAN: 07742177

Value: \$386,500 (2011)
COMMERCIAL TAXABLE

Address: 55 CRANE LAKE DRIV
HALIFAX
LOT 64-9A

County: HALIFAX COUNTY

Owner: KARLSEN SHIPPING
COMPANY LIMITED

LR: LAND REGISTRATION

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.



Search Provincial Map Bulletin Board Help

Land Registration View

* Indicates interests inherited on subdivision or re-configuration of parcel

PID	40513483	Parcel Type	STANDARD PARCEL	Status	ACTIVE
Area	988.2 SQUARE METERS	Parcel Access	PUBLIC	Manag. Unit	MU0807
Lot	LOT 64-9A	Updated	May 24, 2011 01:39:59PM	Created	Feb 15, 1989 12:00:01
PDCA Status	APPROVED	Municipal Unit	HALIFAX REGIONAL MUNICIPALITY	Manner of Tenure	NOT APPLICABLE
LR Status	LAND REGISTRATION	LR Date	Jan 20, 2006 09:46:59AM		

Location	County	Primary Location	Source
55 CRANE LAKE DRIVE HALIFAX	HALIFAX COUNTY	Yes	Assigned by Municipality

Comments
LOC:(V)
MAP:05N1164SW

Assessment Account	Value	Tax District	Tax Ward	Tax
07742177	\$386,500 (2011 COMMERCIAL TAXABLE)	100	000	

Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date	N	N
KARLSEN SHIPPING COMPANY LIMITED	FEE SIMPLE	POST OFFICE BOX 9510 STATION A HALIFAX NS CA B3K 3E3	DEED	2006	84821819		Apr 13, 2006	N	N
					<input type="checkbox"/> View Doc				

Farm Loan Board - Occupants & Mailing Addresses

Name	Interest Holder Type	Mailing Address
------	----------------------	-----------------

No Records Found

Benefits to the Registered Interests

Benefit Details Interest Holder Type Type Year Doc # Book/Page/Plan Registration Date

No Records Found

Burdens on the Registered Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
SUBJECT TO RESTRICTIVE COVENANTS	COVENANT HOLDER (BURDEN)	UNKNOWN NS-CA	DEED	1989	26071	Book 4741 Page 232	May 26, 1989

Textual Qualifications on Title

Qualifications Text:

Tenants in Common not registered pursuant to the Land Registration Act

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
-----------------------------	----------------------	-----------------	------	------	-------	----------------	-------------------

No Records Found

Recorded Interests

Interest Holder (Qualifier)	Interest Holder Type	Mailing Address	Type	Year	Doc #	Book/Page/Plan	Registration Date
THE TORONTO-DOMINION BANK	MORTGAGEE	1788 BARRINGTON ST FLOOR 2ND HALIFAX NS CA B3J 2P8	MORTGAGE	2011	97567278		Jan 12, 2011
PRICEWATERHOUSECOOPERS INC. (TRUSTEES)	TRUSTEE	SUMMIT PLACE 1601 LOWER WATER ST SUITE 400 HALIFAX NS CA B3J 3P8	ORDER (NON-TRANSFERRING /ROT JUDGMENT)	2011	98347447		May 19, 2011

Parcel Description

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Eastern side of Crane Lake Drive, Lake Industrial Park, City of Halifax, Province of Nova Scotia, being Lot 64-9A as shown on a plan entitled: Plan Survey of Lots 64-9A and 64-9B, Subdivision of Land Acquired by City of Halifax, dated November 30, 1988, certified by Terrance R. Doogue, N.S.L.S., approved by the City of Halifax on December 23, 1988, and filed at Registry of Deeds office in Halifax, Nova Scotia, as Plan No: 25914, Drawer No: 280.

SUBJECT TO restrictive covenants In a deed recorded on May 26, 1989 in Book 4741 at Page 232 under Num: 26071.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or register under the Land Registration Act at the Land Registration Office for the registration district of Halifax as plan of document number 25914, drawer number 280.

Non-Enabling Documents

Inst Type	Inst No	Year	Type	Book/Page	Registration System	Registration Date
-----------	---------	------	------	-----------	---------------------	-------------------

No Non Enabling Documents Found

Non-Enabling Plans

Inst Type	Inst No	Year	Type	Plan Name	Drawer Number	Registration Date
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No Non Enabling Plans Found

AFR Bundles

Inst Type	Inst No	Year	Type	Filing Reference	Instrument Date
Non-Registered	183245	2006	AFR BUNDLE	HC483-08-362360009	Jan 31, 2006

Parcel Relationships

Related PID
00569653

Type of Relationship
PARENT PARCEL NUMBER

This parcel IS REGISTERED PURSUANT TO THE *Land Registration Act*. The registered owner of the registered interest owns the interest defined in this register in respect of the parcel described in the register, subject to discrepancy in the location, boundaries or extent of the parcel and subject to the overriding interests [*Land Registration Act* subsection 20(1)].

No representations whatsoever are made as to the validity or effect of recorded documents listed in this part register. The description of the parcel is not conclusive as to the location, boundaries or extent of the parcel. [*Registration Act* subsection 21(1)].

Property Online version 2.0

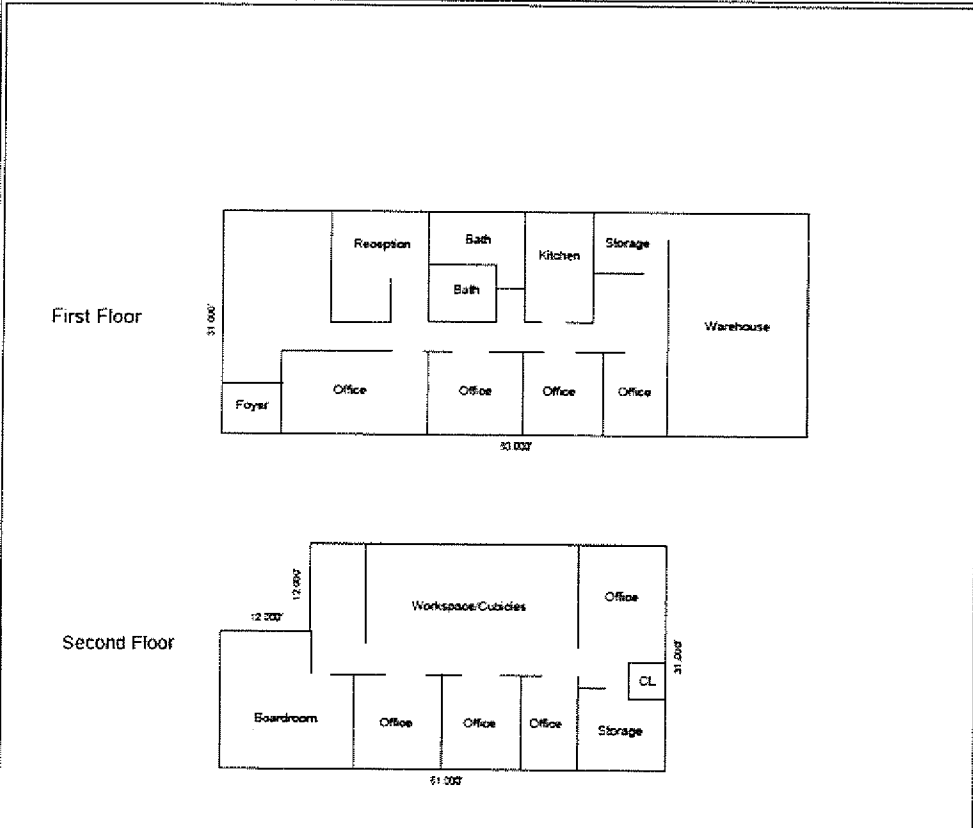
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If you have comments regarding our site please direct them to: propertyonline@gov.ns.ca
Please feel free to [Submit Problems](#) you find with the Property Online web site.

Compression: Off

FLOORPLAN

Borrower:	File No.: 11-0852
Property Address: 55 Crane Lake Drive	Case No.:
City: Halifax	Prov.: NS P.C.:
Lender:	



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	2480.0000	2480.0000
GLA2	Second Floor	1747.0000	1747.0000
TOTAL LIVABLE (rounded)			4227

LIVING AREA BREAKDOWN		
	Breakdown	Subtotals
First Floor		
	31.000 x 80.000	2480.0000
Second Floor		
	31.000 x 49.000	1519.0000
	12.000 x 19.000	228.0000
3 Areas Total (rounded)		4227

Exhibit G

THIS AGREEMENT made this 13 day of September, 2011

BETWEEN:

PRICEWATERHOUSECOOPERS INC., in its capacity as Court Appointed Receiver for Karlsen Shipping Company Limited, a body corporate (the "Vendor")

OF THE FIRST PART

- and -

3244351 NOVA SCOTIA LIMITED, a body corporate (the "Purchaser")

OF THE SECOND PART

WHEREAS the Vendor has agreed to sell, transfer, assign, set over and convey the Purchase Assets to the Purchaser and the Purchaser has agreed to purchase, acquire and assume the Purchase Assets from the Vendor on the terms and conditions set forth in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

Article 1 - Interpretation

1.1 Definitions

The terms defined herein shall have, for all purposes of this Agreement, the following meanings, unless the context expressly or by necessary implication otherwise requires:

"Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.3.

"Agreement" means this Agreement of Purchase and Sale and the Schedules attached hereto as amended from time to time in writing by the parties hereto.

"Buildings" means the buildings and all other structures and fixed improvements located on, in or under the Lands.

"Business Day" means any day other than Saturday, Sunday or statutory holiday in the Halifax Regional Municipality, Nova Scotia.

"Chattels" means all of the equipment, furniture and other personal property located on the Lands including, without limiting the generality of the foregoing, that listed in Schedule "C" attached hereto.

"Closing" means the closing on the Closing Date of the transactions contemplated by this Agreement, including without limitation the payment of the balance of the Purchase Price and

the delivery of the Closing Documents, at the offices of the Vendor's Solicitors at 10:00 o'clock in the morning.

"Closing Date" means the 29th day of September, 2011, if that day is a Business Day and, if not, then the next following Business Day, or such other day to which the parties mutually agree.

"Closing Documents" means the agreements, instruments and other documents to be delivered by the Vendor to the Purchaser or the Purchaser's Solicitors pursuant to Section 6.1 and the agreements, instruments and other documents to be delivered by the Purchaser to the Vendor or the Vendor's Solicitors pursuant to Section 6.2.

"Deposit" has the meaning ascribed thereto in Section 3.1.

"Lands" means the land and premises described in Schedule "A" attached hereto.

"Permitted Encumbrances" means the easements, encroachments and other matters affecting title to or use of the Property, if any, as set out in Schedule "B".

"Property" means the Lands and Buildings.

"Purchase Price" is as set out in Section 3.1.

"Purchase Assets" means:

- (a) the Lands;
- (b) the Buildings; and
- (c) the Chattels.

"Purchaser's Solicitors" means Andrew Wolfson of Wolfson Schelew Zatzman, or such other law firm as the Purchaser may designate from time to time by notice in writing to the Vendor.

"Vendor's Solicitors" means McInnes Cooper, 1300-1969 Upper Water Street, Halifax , Nova Scotia, B3J 2V1.

"Warranties" means the existing warranties and guarantees, if any, remaining in existence, for the Buildings and Chattels to the extent the same are assignable.

1.2 Schedules

The following Schedules are attached to the Agreement:

- Schedule "A" Lands
- Schedule "B" Permitted Encumbrances
- Schedule "C" List of Chattels

Article 2 - Agreement of Purchase and Sale

2.1 Agreement of Purchase and Sale

The Vendor hereby agrees to sell, transfer, assign, set over and convey the Purchase Assets to the Purchaser and the Purchaser hereby agrees to purchase, acquire and assume the Purchase Assets from the Vendor for the Purchase Price on and subject to the terms and conditions of this Agreement.

2.2 Authorization

The Vendor shall deliver to the Purchaser within 6 Business Days after being requested by the Purchaser authorizations to governmental authorities in the form as provided by the Purchaser necessary to permit the Purchaser to obtain information from governmental authorities' files but neither authorizing nor requesting governmental inspections with respect to the Property. The Purchaser shall not request governmental inspections with respect to the Property.

2.3 Documentation for Inspection

The Vendor has delivered or made available for inspection to the Purchaser, at the Vendor's office or at the Buildings, as designated by the Vendor, the following in the possession or control of the Vendor (collectively referred to as "Documents for Inspection"):

- (a) a copy of the latest survey of the Property (if available);
- (b) all agreements respecting the Property, if any; and
- (c) a copy of all plans and specifications of the Property, if any.

2.4 Access to Property

- (a) From and after the date of this Agreement to Closing, the Purchaser and its agents and employees shall have free access to the Property at any time and from time to time during normal working hours upon reasonable prior notice to the Vendor at the Purchaser's sole risk and expense for the purpose of making any of the Purchaser's inspections, including without limitation physical and structural inspections, tests and environmental audits. Such access may, at the Vendor's option, be monitored by a representative of the Vendor; and
- (b) The Purchaser hereby indemnifies the Vendor against any and all claims arising out of such access by the Purchaser or its agents or employees.

The Purchaser agrees to repair forthwith any damage to the Property arising from such access at the Purchaser's expense.

2.5 Confidentiality

The Purchaser shall keep in strict confidence all information obtained with respect to the Property, including any documentation and reports provided to the Purchaser prior to the execution of this Agreement, until such time as the Closing is completed and the Purchaser agrees to instruct its agents, advisers and consultants to comply with the provisions of this Section. If the purchase and sale of the Property is not completed for any reason, the Purchaser shall promptly deliver to the Vendor all documents, information and materials relating to the Property delivered to the Purchaser by or on behalf of the Vendor and all reports and information prepared by or for the Purchaser in regard to the Property and all copies thereof and shall keep in confidence all such information and all discussions between the Vendor and the Purchaser with respect to the Purchase Assets in connection with the review by the Purchaser of the Purchase Assets.

Article 3 - Purchase Price

3.1 Payment of Purchase Price

The Purchaser agrees to pay and the Vendor agrees to accept for the Purchased Assets a purchase price of \$485,000.00 (the "Purchase Price"), plus Harmonized Sales Tax, if applicable.

The Purchase Price shall be paid by the Purchaser to the Vendor as follows:

- (a) a deposit of \$20,000.00 (the "Deposit") has been paid by the Purchaser to the Vendor's solicitor, McInnes Cooper, by certified cheque to be held in Trust pending completion or other termination of this Agreement and to be paid to the Vendor and credited on account of the Purchase Price on closing;
- (b) a credit on closing to the Purchaser in the amount of \$7,500.00 in recognition of certain repairs required to the roof of the Building; and
- (c) the balance of the Purchase Price, subject to the Adjustments, by delivery of a certified cheque on Closing.

3.2 Deposit

The Deposit, shall be fully refundable to the Purchaser in the event of a termination of this Agreement pursuant to Sections 5.1, 8.1, 9.1 and 10.14 hereof. The Deposit shall otherwise be non-refundable to the Purchaser and shall be payable to the Vendor, unless the transaction is not completed as a result of default by the Vendor.

3.3 Adjustments

The Adjustments shall include realty taxes, if applicable, prepaid rents or security deposits or other necessary and usual adjustments under the Leases, local improvement rates and charges, if any, fuel supplied to the Property, and prepaid Contracts, if any.

3.4 Undertaking to Re-adjust

If any amounts to be adjusted are uncertain and cannot be determined on the Closing Date, the Parties agree to execute an agreement to re-adjust any such items within ninety (90) day of the Closing Date.

Article 4 - Harmonized Sales Tax

4.1 Harmonized Sales Tax

With respect to the harmonized sales tax ("HST") payable pursuant to the *Excise Tax Act* Canada (the "Act"), the parties covenant and agree as follows:

- (a) subject to clause (b) below, the Purchaser shall pay to the Vendor on Closing by certified cheque all HST payable as a result of this transaction in accordance with the Act, and the Vendor shall remit such HST to the Receiver General for Canada when and to the extent required by the Act;
- (b) notwithstanding clause (a), the Vendor shall not collect the HST from the Purchaser in this transaction if the Purchaser is registered under the Act, and in that event the Purchaser shall file returns and remit such HST to the government when and to the extent required by the Act;
- (c) the Vendor and Purchaser shall each indemnify the other and hold the other harmless from any liability of the other under the Act arising because of breach of the obligations of the Vendor or Purchaser as the case may be, set out in this section or arising under the Act, together with all loss, costs and expenses resulting from such breach;
- (d) the Purchaser shall provide a statutory declaration on Closing confirming its HST registration number under the Act; and
- (e) the provisions aforesaid shall survive Closing.

Article 5 - Condition Precedent

5.1 Condition

This Agreement is conditional upon the Vendor receiving Court approval for the proposed sale contemplated herein on or before the Closing Date.

Article 6 - Transfer of Title and Closing Documents

6.1 Vendor's Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Vendor shall execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser's Solicitors the following:

- (a) a receiver's deed conveying the Lands, in registerable form, subject only to the Permitted Encumbrances;
- (b) a direction as to the payee or payees of the balance of the Purchase Price;
- (c) registerable discharges of all encumbrances not being assumed by the Purchaser on Closing and not included within the Permitted Encumbrances;

- (d) all keys to the Buildings and all pass codes, access cards, lock combinations, security codes and all similar items, required for access to the Buildings and their contents;
- (e) a certificate of the Vendor confirming that the Vendor's representations in Section 7.1 of this Agreement are true and correct on the Closing Date.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith.

6.2 Purchaser's Closing Documents

By the Closing Date, subject to the terms and conditions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the Vendor's Solicitors the following:

- (a) the balance of the Purchase Price; and
- (b) all other documents which are required and which the Vendor has reasonably requested on or before the Closing Date to give effect to this transaction.

All documentation shall be in form and substance acceptable to the Purchaser and the Vendor each acting reasonably and in good faith.

6.3 Registration and Other Costs

The Vendor and the Purchaser shall be responsible for the costs of the Vendor's Solicitors and the Purchaser's Solicitors, respectively, in respect of this transaction.

The Purchaser shall be responsible for the cost of registering the transfer including all applicable deed transfer taxes.

Article 7 - Representations, Warranties and Covenants

7.1 Vendor's Representations

The Vendor hereby represents and warrants to and in favour of the Purchaser that;

- (a) the Vendor is a body corporate duly existing under the laws of the Province of Nova Scotia, and has the necessary corporate authority, power and capacity to own the Property and to enter into this Agreement and to carry out this Agreement and the documents and transactions contemplated herein;
- (b) the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the obligations of the Vendor hereunder and the documents and transactions contemplated herein have been duly and validly authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of the Vendor;
- (c) the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

7.2 Purchaser's Representations

The Purchaser hereby represents and warrants to and in favour of the Vendor that, as of the date of this Agreement and as of the Closing Date:

- (a) the Purchaser is a corporation existing and governed by the laws of Nova Scotia and will have on Closing the necessary corporate authority, power and capacity to own the Purchase Assets and to enter into this Agreement and to carry out this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained;
- (b) this Agreement and the obligations of the Purchaser hereunder and the documents and transactions contemplated herein have been duly and validly authorized by all requisite corporate proceedings and constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with its terms; and
- (c) the Purchaser is not a non-Canadian with the meaning of the *Investment Canada Act* (Canada).

7.3 Survival of Representations

The representations and warranties contained in this Agreement shall merge on Closing save as otherwise herein set out.

7.4 Condition of Purchase Assets and Purchaser's Covenant

Provided the Closing hereunder takes place, the Purchaser does hereby acknowledge, represent and warrant to the Vendor that:

- (a) the Purchaser has fully examined and inspected the Purchase Assets and conducted its own independent investigation of current and past uses of the Purchase Assets and searches, inspections, investigations and testing for environmental integrity and in respect of all other matters pertaining to the Purchase Assets;
- (b) the Purchaser has accepted and/or is fully satisfied in all respects with the foregoing and with the physical condition value, financing status, use and expenses of the Purchase Assets and compliance of the Purchase Assets with all applicable laws, by-laws and regulations of all municipal and other governmental authorities;
- (c) the Purchase Assets will be purchased and assumed by the Purchaser "As Is" and on Closing the Purchaser shall assume responsibility for the physical condition of the Purchase Assets and the Vendor shall have no obligations or responsibility to the Purchaser after Closing with respect to the Purchase Assets or the condition thereof, including any environmental liability to the Purchaser relating thereto; and
- (d) the Purchaser has decided to purchase the Purchase Assets solely on the basis of its own independent judgement, searches, inspections, investigations and testing.

The aforesaid shall survive Closing.

Article 8 - Operation Until Closing

8.1 Damage Before Closing

The interest of the Vendor in and to the Property and the Chattels shall be at the risk of the Vendor until Closing. In the event of damage to or destruction of the Property and Chattels, the Purchaser may, either terminate this Agreement by notice in writing to the Vendor's Solicitors, in which case this Agreement shall be terminated, be null and void and of no further force or effect whatsoever and the Deposit returned to the Purchaser, or elect to complete this Agreement.

Article 9 - Title

9.1 Title

Within seven (7) business days of execution of this Agreement by both parties, the Vendor shall provide to the Purchaser a Statement of Registered and Recorded Interests ("SRRI") for the Property after receipt whereof, the Purchaser is allowed until Closing to investigate title to the Property which the Purchaser shall do at the Purchaser's expense. If within that frame any valid objection to title is made, in writing, to the Vendor, and which the Vendor is unable to unwilling to remove and which the Purchaser may not waive, this Agreement shall be null and void and the deposit herein shall be returned to the Purchaser, without interest or penalty

Article 10 - General

10.1 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

10.2 Captions and Table of Contents

The captions and headings contained herein are for reference only and in no way affect this Agreement or its interpretation.

10.3 Obligations as Covenants

Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

10.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Nova Scotia applicable thereto and shall be treated in all respects as a Nova Scotia contract.

10.5 Currency and Cheques

All references to currency in the Agreement shall be deemed to be references to Canadian dollars. All cheques to be tendered shall be drawn on one of the major Canadian Chartered Banks unless otherwise specifically agreed in writing.

10.6 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any person or circumstance should to any extent be invalid or unenforceable, the remainder of this Agreement (or the application of such covenant, obligation or agreement or part thereof) to any person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

10.7 Amendment of Agreement

No supplement or amendment of the Agreement shall be binding unless executed in writing by the parties hereto in the same manner as the execution of this Agreement.

10.8 Time of the Essence

Time shall be of the essence of this Agreement.

10.9 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other party, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

10.10 Entire Agreement

This Agreement is in addition to, and does not supersede the Letter of Intent between the parties dated July 29, 2011 and the Amendment to the Letter of Intent to Purchase dated August 17, 2011. However, in the event of any conflict between this Agreement and the Letter of Intent or Amendment this Agreement shall prevail.

10.11 Waiver

No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

10.12 Effect of Termination of Agreement

If this Agreement is terminated pursuant to Sections 5.1, 8.1, 9.1 or 10.14 no party to this Agreement shall have a claim against any other party hereto with respect to this Agreement except as hereinafter in this section provided. Notwithstanding the termination of this Agreement for any reason, the Purchaser shall remain obligated to comply with its obligations to return documents, and repair and restore the Purchase Assets and shall remain obligated to the confidentiality provisions contained in Section 2.5 hereof.

10.13 Solicitors as Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in the Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of Closing Documents and the balance may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

10.14 Expropriation

If the Property or any material part thereof is condemned or appropriated by public or other lawful authority before the Closing the Purchaser shall have the right to (i) elect by notice in writing to take the damages awarded or compensation, as the case may be, and complete or (ii) cancel this Agreement by notice in writing, in which latter case the Purchaser shall be entitled to the return, with interest and without deduction, of the Deposit. In the event of a lesser condemnation or appropriation the Purchaser shall complete the Closing and shall be entitled to take the damages awarded or compensation, as the case may be.

10.15 Assignment by Purchaser

The Purchaser shall not assign its rights and/or obligations thereunder without the prior written consent of the Vendor which consent may be unreasonably withheld.

10.16 Successors and Assigns

All of the covenants and agreements in this Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns and shall enure to the benefit of and be enforceable by the parties hereto and their respective successors and their permitted assigns pursuant to the terms and conditions of this Agreement.

10.17 No Registration of Agreement

The Purchaser shall not register this Agreement or any notice of this Agreement on title to the Lands. If the Purchaser shall register this Agreement or any notice of this Agreement on title to Lands, the Purchaser agrees that the Vendor shall be entitled to injunctive relief to cause the removal of same.

10.18 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (hereinafter referred to as a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery or by telecopier or other electronic communication which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(a) Vendor:

PricewaterhouseCoopers Inc.
1601 Lower Water Street, Suite 400
HALIFAX NS B3J 3P6

Attention: Derek Cramm
Telephone: 902-491-7431

with a copy to:

McInnes Cooper
1300-1969 Upper Water Street
HALIFAX NS B3J 2V1

Attention: George Monroe
Phone: 902-444-8449
Fax: 902-425-6350

(b) Purchaser:

3244351 Nova Scotia Limited
2045 Harvard Street
HALIFAX NS B3L 2S6

Attention: Jessica Weidenfeld

with a copy to:

Wolfson Schelew Zatzman
500-73 Tacoma Drive
DARTMOUTH NS B2W 3Y6

Attention: Andrew Wolfson
Telecopier: 902-435-4085

Any Notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery and if sent by telecopier or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the day next following the day it was received.

10.19 Execution

This Agreement may be executed in counterparts and may be executed and delivered via facsimile transmission, including signatures, which counterparts and facsimile copies shall together constitute one and the same Agreement with the same effect as if originally executed and delivered.

IN WITNESS WHEREOF the Purchaser has executed this Agreement this 13 day of SEPTEMBER 2011

Kelly Allen
Witness

3244351 NOVA SCOTIA LIMITED

Per: *[Signature]*

Per: *[Signature]*

IN WITNESS WHEREOF the Vendor has executed this Agreement this 13th day of SEPTEMBER 2011

[Signature]
Witness

PRICEWATERHOUSECOOPERS INC.

Per: *[Signature]*

Per: _____

Schedule "A"

PARCEL DESCRIPTION REPORT

2011-09-09 13:56:40

PID: 40513483
CURRENT STATUS: ACTIVE
EFFECTIVE DATE/TIME: 2006-01-16 10:40:51

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Eastern side of Crane Lake Drive, Bayers Lake Industrial Park, City of Halifax, Province of Nova Scotia, being Lot 64-9A as shown on a plan entitled: Plan of Survey of Lots 64-9A and 64-9B, Subdivision of Land Acquired by City of Halifax; dated November 30, 1988, certified by Terrance R. Doogue, N.S.L.S., approved by the City of Halifax on December 23, 1988, and filed at the Registry of Deeds office in Halifax, Nova Scotia, as Plan No. 25914, Drawer No. 280.

SUBJECT TO restrictive covenants in a deed recorded on May 26, 1989 in Book 4741 at Page 232 under Number 26071.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Halifax as plan or document number 25914, drawer number 280.

External Comments:

Description Change Details:

Reason:

Author of New or

Changed Description:

Name:

Registered Instruments:

Comments:

Schedule "B"

Certified Statement of Registered and Recorded Interests

Parcel Identification Number (PID): 40513483

* Indicates interests inherited on subdivision or re-configuration of parcel

Land Registration Date\Time: 2006-01-20 09:46:59

Date\Time of Issuance of Certified SRI: 2011-09-09 13:57:20

Date\Time of Last Parcel Register Update: 2011-05-24 13:39:59

Registration District: HALIFAX COUNTY

The Registrar certifies that this Statement of Registered and Recorded Interests contains a listing of all interests that have been registered or recorded in the register for the above noted parcel (PID #) pursuant to the *Land Registration Act*, S.N.S. 2001, c.6 as of the date and time noted.

This is to further certify that the parcel description contained in this Statement of Registered and Recorded Interests is a true copy of the description contained in the parcel register for the above-noted PID. The description has been certified to match the Property Identification Number for the parcel, pursuant to clause 37(4)(g) of the *Land Registration Act*, S.N.S. 2001, c.6. Neither the description of the parcel, nor the Provincial mapping is conclusive as to the location, boundaries or extent of the parcel [*Land Registration Act*, s.21].

PARCEL INFORMATION:

Civic Address and Lot Number: 55 CRANE LAKE DRIVE HALIFAX LOT 64-9A
Condominium Corp. Number:
General Location of the Parcel: HALIFAX
Parcel Access Type: PUBLIC

REGISTERED OWNER'S INFORMATION:

Owner Name: KARLSEN SHIPPING COMPANY LIMITED
Qualifier:
Interest Type: FEE SIMPLE
Document Reference: 84821819 2006-04-13 11:17:51
Instrument Type: DEED
Address of Owner: POST OFFICE BOX 9510 STATION A.
HALIFAX NS CA.
B3K 5S3
Non-resident of Nova Scotia? NO

MANNER OF TENURE: NOT APPLICABLE

Description of Tenure:

BURDENS ON THE REGISTERED INTERESTS:

Interest Holder Name: SUBJECT TO RESTRICTIVE COVENANTS
Qualifier:

*Indicates Parcel Register changes in process

Interest Type: COVENANT HOLDER (BURDEN)
Document Reference: 26071 1989-05-26 00:00:00
4741 -232.
Instrument Type: DEED
Address of Interest Holder: UNKNOWN NS CA.

RECORDED INTERESTS AND INSTRUMENTS:

Interest Holder Name: THE TORONTO-DOMINION BANK
Qualifier:
Interest Type: MORTGAGEE
Document Reference: 97567276 2011-01-12 11:01:23
Instrument Type: MORTGAGE
Expiry Date:
Address of Interest Holder: 1789 BARRINGTON ST FLOOR 2ND
HALIFAX NS CA
B3J 2P8

Interest Holder Name: PRICEWATERHOUSECOOPERS INC.
Qualifier: TRUSTEES
Interest Type: TRUSTEE
Document Reference: 98347447 2011-05-19 14:24:05
Instrument Type: ORDER (NON-TRANSFERRING /NOT JUDGMENT)
Expiry Date:
Address of Interest Holder: SUMMIT PLACE
1601 LOWER WATER ST SUITE 400
HALIFAX NS CA
B3J 3P6

NON-ENABLING INSTRUMENTS:

PARCEL DESCRIPTION:

ALL THAT certain lot, piece or parcel of land situate, lying and being on the Eastern side of Crane Lake Drive, Bayers Lake Industrial Park, City of Halifax, Province of Nova Scotia, being Lot 64-9A as shown on a plan entitled: Plan of Survey of Lots 64-9A and 64-9B, Subdivision of Land Acquired by City of Halifax; dated November 30, 1988, certified by Terrance R. Doogue, N.S.L.S., approved by the City of Halifax on December 23, 1988, and filed at the Registry of Deeds office in Halifax, Nova Scotia, as Plan No. 25914, Drawer No. 280.

SUBJECT TO restrictive covenants in a deed recorded on May 26, 1989 in Book 4741 at Page 232 under Number 26071.

The parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration

*Indicates Parcel Register changes in process.

district of Halifax as plan or document number 25914, drawer number 280.

QUALIFICATION:

The names lists for Tenant in Common interest holders that are not registered pursuant to the *Land Registration Act* have been obtained from Property Online and have not been searched for completeness or accuracy. No representations or opinions are made with respect to these Tenants in Common. The list of Tenants in Common not registered pursuant to the *Land Registration Act* cannot be relied upon as advice on the current state of title of those interests in the subject parcel. A search of the records at the appropriate Registry of Deeds office is required to determine the current owner(s) of the Tenants in Common not registered pursuant to the *Land Registration Act*.

*Indicates Parcel Register changes in process

SCHEDULE "C"

LIST OF CHATELS

Master Craft Tool Box With Tools	1
5 Drawer Metal & Veneer Desk	1
Leather Managers Chair	1
Lap Top PC With Docking Charger	1
Wood Veneer Credenza	4
Leather Office Chair On Casters	3
Floor Carpet 10ft x 7ft	1
L Shaped Wood Desk	1
4ft x 3ft Rear Wood Storage Cabinet	1
Mahogany Wood Table With Folding Sides	1
Board Room Vinyl Chair	10
Board Room 8ft Mahogany Table	1
Dark Walnut Veneer Circular End Table	2
Dark Walnut Veneer table With 4 ft Marble Top	1
Leather & Wood Couch & Chair	1
Wood & Metal Credenza	1
3ft x 4ft Pamphlet Storage Shelf	1
Globe With Stand	1
30in x 15in Storage Shelf	2
4 Drawer Wood Desk (old)	1
Computer Stand On Casters	1
Veneer Book Shelf 5ft x 2 ft	1
Epsom Perfection V500 Scanner	1
GBC Docu Seal 125	1
HP Color Laser Jet CP2025 Printer	1
2 Room Work Area Complete with 2 Separate Work Stations	1
L Shaped Glass Desk With Glass Computer Stand	1
Hp Desk Jet 5150 Printer	1
Toshiba Laptop Computer	1
Dark Oak Veneer Coffee Table	1
4ft Wood Veneer Storage Shelf	1
Small Wood Veneer Cabinet	1
Corner Computer Desk oak Veneer	1
4ft Oak Plywood Desk	1
Credenza /Hutch teak Storage Area	1
Hp Laser Jet 1200 Printer	1
Boston 2655 Paper Cutter	1
GBC P100 Docu Bind	1
Light Oak Veneer Table	1
Trade Show Display Booth	1
Drafting Table	1
Melamine Plan Holder Cabinet	1
PC With CTR Monitor	1
HP Photo Smart 8050 Printer	1

Schedule A - Office Equipment

Description	Quantity
Wood End Table	1
Melamine Bookshelf 4ft x 2ft	1
5 Drawer Metal Lateral File Cabinet	3
2 Drawer Metal Lateral File Cabinet	4
2 Drawer Metal Legal File Cabinet	4
Brother Intellifax 2820	1
6ft x 4ft Book Shelf	1
Mahogany Veneer Storage Cabinet With Door	2
Ricoh Aficio 2045E Photo Copier (Leased)	1
3 Drawer Pedestal Cabinet	1
PC With 17in LCD Monitor	9
Office Chair On Casters	7
Laser Jet 6 Hp Printer	1
Desk Lamp	2
40in Round Veneer Table	1
Lunch Chairs	4
Water Cooler	2
Samsung Microwave Oven	1
Panasonic Microwave Oven	1
12 Cu Ft Frost Free Refrigerator	1
Nortel Phone System With 12 Handsets	1
Coffee Thermos	1
Bunn Single Pour Coffee Machine	1
Steno Chair	3
Dishes, Mugs, Cutlery, Etc. In Lots	1
4 Drawer Metal Legal File Cabinet	11
5 Drawer Metal Legal File Cabinet	3
6 ft Melamine Bookshelf	1
Reception Chair	11
Wood Coat Tree	3
4 Drawer Metal Lateral File Cabinet	1
Metal Cart On Casters	1
Dark Wood Veneer 5ft 4 Drawer Desk	3
Brother HL 1230 Laser Printer	1
3ft x 2ft Cork Board	3
Fire Proof Safe	1
8ft Folding Table	1
12ft Reynolds Fiberglass Step Ladder	1
Frost Free Fridge 16 cu. ft.	2
Cart Dollie	1
Heavy Duty Warehouse Shelving In Lots	1
Plastic Shelf Unit	4
Aluminum 20 ft Extension Ladder	1
Bench Vise	1

Plywood Stained Book Shelf 4ft x 6ft	1
Wood Veneer 4ft x 3ft Storage Cabinet	1
Desk Fans	2
Wall Coverings in Lots	1

Shiloh H

INVITATION FOR OFFERS Karlsen Shipping Company Limited Halifax, NS

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 of Karlsen Shipping Company Limited.

- * Land - 6 lots ranging in size from 3,880 sq. ft. up to 16.4 acres Located in New Harbour, Lunenburg County, Nova Scotia
- * Storage Building and Land located in Chester, NS

Offers will be entertained until 3pm AST on Friday, October 21, 2011. Offers must include a certified cheque or bank draft payable to PricewaterhouseCoopers Inc., in trust, in an amount of 15% of the offered purchase price.

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

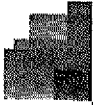
Offers will only be accepted in sealed envelopes, clearly marked "Do Not Open - Offer to Purchase- Karlsen Shipping Company Limited."

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

Prospective purchasers may obtain a more detailed description and statement of the terms and conditions of sale, on our website at <http://www.pwc.com/ca/en/car/karlsen>. They can also be obtained and arrangements for viewing 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.l.lotherington@ca.pwc.com or by writing to the address below.

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

PRICEWATERHOUSECOOPERS



pwc

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**



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

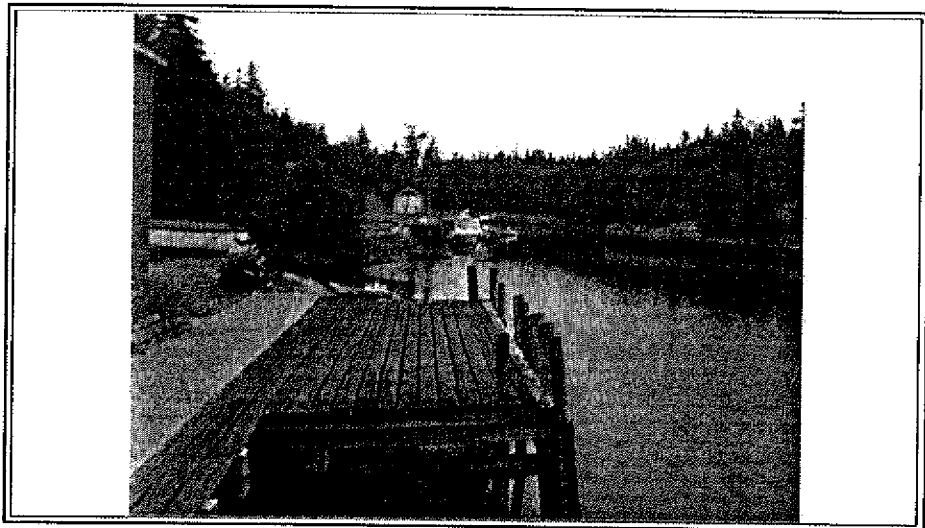
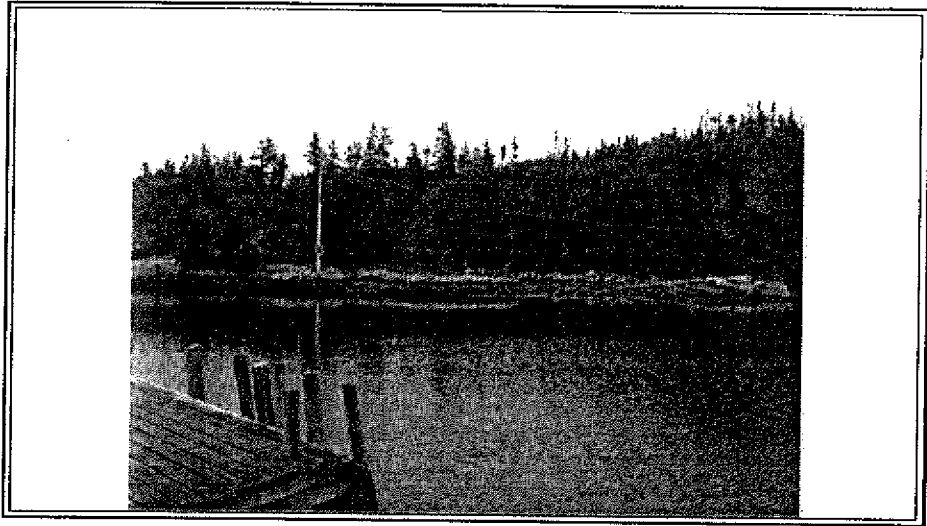
Land

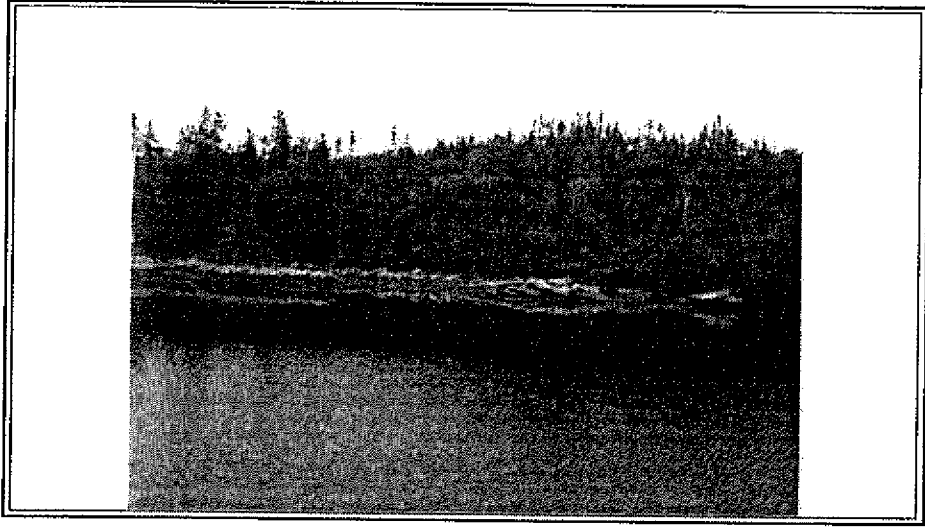
Parcel is identified on the Nova Scotia Property Records Database as occupying PID No. 60093572 and is +/- 6,215 sq. ft.

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.





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

Kphellul I

Interim Statement of Receipts and Disbursements
For the Period May 17, 2011 to September 20, 2011

A. Receipts	
Cash in Bank	388,640.00
Sale of Yacht	140,000.00
HST Collected	21,000.00
Dividend	116.20
Motor Vehicle Refund	65.64
Total Receipts	549,821.84
B. Disbursements	
Insurance	123,828.00
Receiver Fees	90,256.50
Legal Fees	84,844.00
HST Paid - ITC	38,287.81
Casual Labour	35,102.68
PwC Las Palmas	33,576.60
Ship Inspection	15,779.04
Commission on Sale of Yacht	14,000.00
Administrative Fee	6,565.89
Repairs and Maintenance	5,921.07
Appraisal Fees	3,400.00
Telephone	1,233.13
Utilities	753.40
Property Management	293.00
Change Locks	270.35
Travel	245.55
Bank Charges	166.69
Mail Redirection	135.00
Water Taxes	107.79
Registration of Receivership	70.00
Payroll Services	68.85
Total Disbursements	454,905.35
C. Excess of Receipts over Disbursements	94,916.49

PricewaterhouseCoopers Inc.
Court Appointed Receiver of
Karlsen Shipping Company Limited



Interim Statement of Receipts and Disbursements - US Account

For the Period May 17, 2011 to September 20, 2011

A. Receipts	USD
Cash in Bank	667,000.00
Insurance Settlement	234,721.71
Wire	1,408.51
Total Receipts	903,130.22
B. Disbursements	
Transfer to Receiver Canadian Account	406,164.31
Advertising	9,344.00
Insurance	2,966.00
Bank Charges	66.10
Total Disbursements	418,540.41
C. Excess of Receipts over Disbursements	484,589.81

PricewaterhouseCoopers Inc.
Court Appointed Receiver of
Karlsen Shipping Company Limited

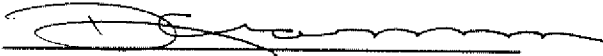


Exhibit 5

Polar Star

Estimate of Startup Costs After Layup Las Palmas

Doc #	11056-110-R-003
Date:	21/07/2011
Rev #:	0
By:	RC

Item	# off	Unit Costs	Total (euros)
Initial Dry Start-up - Prior to Undocking			
Provisions	7	300	2,100.00 €
Shipyards Services (In Dock)	7	3200	22,400.00 €
Fresh Water	1	300	300.00 €
Crew (14)	7	2100	14,700.00 €
Management (2) - Fee and Exp	7	2500	17,500.00 €
Unforeseen Repairs/services and Supplies (35%)			19,950.00 €
Sub Total			76,950.00 €
Alongside for Alignment check and Start-up			
Provisions	10	300	3,000.00 €
Shipyards Services (In Dock)	10	2200	22,000.00 €
Crew (14)	10	2100	21,000.00 €
Management (2) - Fee and Exp	10	2500	25,000.00 €
Fuel	10	500	5,000.00 €
Unforeseen Repairs/services and Supplies (20%)			14,200.00 €
Sub Total			90,200.00 €
Sea-trials/ Dock trails / Class Cert / Flag / Surveys			
Provisions	8	300	2,400.00 €
Shipyards Services	8	2200	17,600.00 €
Crew (14)	8	2100	16,800.00 €
Management (2) - Fee and Exp	8	2500	20,000.00 €
Fuel	8	500	4,000.00 €
Flag Survey	1	5000	5,000.00 €
DNV Surveys	1	20000	20,000.00 €
VDR Repair / Sperry payment	1	20000	20,000.00 €
Unforeseen Repairs/services and Supplies (10%)			10,580.00 €
Sub Total			116,380.00 €
Delivery to Gibraltar (10 knts)			
Provisions	3	300	900.00 €
Fuel	3	10000	30,000.00 €
Crew (14)	3	2100	6,300.00 €
Management (2) - Fee and Exp	3	2500	7,500.00 €
Port Fees	1	10000	10,000.00 €
Sub Total			54,700.00 €