

**PAINT EARTH ENERGY SERVICES LTD.
NOTICE AND STATEMENT OF RECEIVER**
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Court Appointed Interim Receivership of the Property of
Paintearth Energy Services Ltd. (the “Company”)

1. Please be advised that on Monday September 27, 2010 Ernst & Young Inc. was named Court Appointed Interim Receiver (the “Receiver”) in respect of the property of the Company, an insolvent person, that is described below:

Net Book Value (see notes 1, 2)
as at August 31, 2010

Cash	\$ 93,586
Accounts receivable	1,578,996
Inter-company receivable	26,580
Inventory	2,651,475
Prepaid expenses	162,255
Fixed Assets	647,761
Intangible Assets	96,504
Goodwill	<u>258,164</u>
Total	<u>\$ 5,515,321</u>

Notes:

1 – Net book value is based on USD denominated unaudited books and records of the Company and has been translated into CAD amounts using an exchange rate of \$1.03 (based on the approximate exchange rate as of September 27, 2010 per the Bank of Canada).

2 – Cash is as at September 27, 2010.

2. Ernst & Young Inc. became Receiver in respect of the property described above pursuant to an Order of the Court of Queen’s Bench of Alberta dated September 27, 2010 (the “Canadian Court Order”).
3. To the extent allowed under the Canadian Court Order, the Receiver took possession and control of the property described above on September 30, 2010.
4. The following information relates to the receivership:

Principal line of business:

a) Principal address of the insolvent person:

2908 Coffey Street
Victoria, TX, USA

b) Principal line of business:

Oil Field Services

c) Location of the business :

- Houston, TX, USA
- Odessa, TX, USA
- Victoria, TX, USA
- Oklahoma City, OK, USA

d) Amounts owed by the Company are as follows:

<u>Name</u>	<u>Claim Amount</u>
Secured creditors – see attached Appendix A	\$10,838,446
Statutory/Preferred creditors	Unknown
Unsecured creditors – see attached Appendix A	<u>512,628</u>
Total	<u>\$11,351,075</u>

e) The intended action plan of the Receiver is to realize on the remaining property of the Company through a sale of the property.

f) The Receiver contact is:

Ernst & Young Inc.
1000 Ernst & Young Tower
440 - 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Ms. Betty Trinh
Telephone: (403) 206-5116
Facsimile: (403) 206-5075

Dated at Calgary, Alberta this 6th day of October, 2010.

ERNST & YOUNG INC.
Court Appointed Interim Receiver of
Paintearth Energy Services Ltd.

A handwritten signature in black ink, appearing to be 'Neil Narfason', written over a horizontal line.

Neil Narfason, CA•CIRP, CBV
Senior Vice President

Paintearth Energy Services Ltd.
Creditors Listing
As at September 27, 2010

Secured Creditors	Amount (\$ CDN)
HSBC Bank Canada	4,773,636
Intergrated Production Services	2,000,000
Vengrowth (see note 1)	4,064,810
Total Secured Creditors	\$ 10,838,446
Unsecured Creditors	Amount (\$ CDN)
AAA SCREW MACHINE PRODUCTS	760
ACETYLENE OXYGEN COMPANY	100
ADVANCED INTERNATIONAL SVCS.	6,836
AMERICAN COMPLETION TOOLS	51,212
AMERICAN PACKING & GASKET COMP	65
ANGLO PRECISION MACHINING	22,891
ARAMARK UNIFORM SERVICES	177
AT&T	111
AT&T 361-575-7900	587
AT&T MOBILITY	1,889
ATT ODESSA	131
B & T OILFIELD PRODUCTS INC	41,326
BEAVER EXPRESS	21
BJ SERVICES CO. INC.	269
BLUE CROSS/BLUE SHIELD OF TEXA	3,813
BRAZE-TECH CORP	6,050
CALVO'S JANITORIAL INC.	669
Castle Metals Oil & Gas	10,390
CHAMBERS AIR COMPRESSOR SERVIC	155
CHET WALCOTT PLUMBING, INC.	157
CINTAS	466
Clean-It Company Inc.	255
COBRA COATING	472
COILING TECHNOLOGIES, INC.	2,862
COMPRESSED GAS & SUPPLY, INC.	658
CONTINENTAL ALLOYS & SERVICES	27,563
CON-WAY FREIGHT INC.	196
CROSSOVER INC	599
D & L OIL TOOLS	87,579
D&G MACHINE	538
DE LAGE LANDEN CUST #457824	608
DE LAGE LANDEN CUST #507308	292
ENERGY ALLOYS LLC	28,310
ENGINEERED SPRING PRODUCTS, IN	29,159
Express Services Inc.	1,059
FASTENAL COMPANY	1,366
GOLDMAN, HUNT & NOTZ, L.L.P.	2,678

APPENDIX A

GRAND MACHINE, INC.	1,504
GREENBURG GRANT & RICHARDS	736
HIGHLAND LAKES QUALITY CASTING	25,455
HOLT & WILHOIT SALES CO., INC.	6,481
HOTSY OF OKLAHOMA, INC.	558
HUNTING ENERGY SERVICES, INC	29,561
JAMES TELECO	74
KELLOGG PROPANE, INC.	23
KLINE TOOL COMPANY	7,129
LABOR READY CENTRAL, INC.	144
LONE STAR OVERNIGHT	444
MAGIC INDUSTRIES, INC.	38
MAGNUM OIL TOOLS INTERNATIONAL	30,079
MECHURA MACHINE WORKS	11,563
MOTION INDUSTRIES INC	40
MSC INDUSTRIAL SUPPLY CO.	6,268
NATIONAL OILWELL VARCO	1,908
NATIONAL REGISTERED AGENTS INC	309
NIPCO, INC.	6,265
ODESSA NUT & BOLT, INC.	30
OEM COMPONENTS, INC.	1,773
PAINTEARTH ENERGY SERVICES	8,708
PERMIAN MACHINERY MOVERS, INC.	882
PETRO RUBBER PRODUCTS, INC.	2,546
PMI OIL TOOLS	1,512
PONDEROSA PRECISION PLASTICS I	260
R G & ASSOCIATES, INC--CULLIGA	87
R.K. BLACK, INC.	57
SAIA MOTOR FREIGHT LINE, INC.	194
SEAL COMPANY ENTERPRISES INC.	3
SOUTH TEXAS ADMINISTRATORS, IN	355
SOUTHEASTERN FREIGHT LINES	2,009
SOUTHERN FIELD MAINTENANCE, IN	641
SOUTH-TECH SUPPLY	810
TECHWEST LLC	11,934
THE BACK OFFICE	23
THRU TUBING SOLUTIONS	11,732
TITAN SPECIALTIES LTD.	1,708
ULINE	731
UPS #7853F1 (OKC)	37
WARRIOR SUPPLY INC	146
WIRELIN SOLUTIONS, L.L.C.	5,222
ZARSKY LUMBER COMPANY	334
ZEE MEDICAL, INC.	51
Total Unsecured Creditors	\$ 512,628
Total Creditors	\$ 11,351,075

APPENDIX A

Note 1 - Amounts owing to Vengrowth relate to a syndicated loan from Vengrowth III Investment Fund Inc., VG Mezzanine I Limited Partnership, and The Vengrowth Traditional Industries Fund Inc.

Note 2 - Amounts owing to unsecured creditors are based on USD amounts translated into CAD using a rate of \$1.03.