Action No. 0901-01613

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

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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
R.S.A 2000, C. B 9, AS AMENDED;

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF
OILEXCO INCORPORATED
AND OILEXCO TECHNICAL SERVICES INC.

EIGHTH REPORT OF THE MONITOR

ERNST & YOUNG INC.

AUGUST 25, 2009

EIGHTH REPORT OF THE MONITOR

TABLE OF CONTENTS

INTRODUCTION

1. On February 5, 2009, Oilexco Incorporated ("Oilexco") and Oilexco Technical Services Inc. ("OTSI") (each an "Applicant" or collectively, "the Applicants") filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court dated February 5, 2009 (the "Initial Order").

2. Pursuant to an Order of this Honourable Court dated July 16, 2009, the Applicants were authorized and directed to finalize the liquidation of their respective remaining property, assets and undertaking with a view to presenting a Plan of Compromise and Arrangement to their creditors. The Stay Period was extended to September 30, 2009 in order to allow for sufficient time to allow the Applicants to disseminate the Liquidation Plan under the CCAA (such plan to be approved by the Monitor) and to call and hold a meeting of creditors for the purpose of considering and passing resolution to approve the Liquidation Plan.

PURPOSE

3. The purpose of this eighth report of the Monitor (the "Eighth Report") is to report to this Honourable Court with respect to the following:

   (a) An update on the Claims Process;

   (b) Efforts undertaken to dispose of the London apartment; and

   (c) Recommendation with respect to the sale of the London apartment.

TERMS OF REFERENCE

4. In preparing this Eighth Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Applicants. The Monitor has not performed an audit, review or other verification of such information.

5. Capitalized terms not defined in this Eighth Report are as defined in the Initial Order. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

6. Information regarding the CCAA proceeding, including the Initial Order and subsequent Orders, supporting affidavits and the Reports of the Monitor have been posted by the Monitor on its website at http://www.ey.com/ca/oilexco .

UPDATE ON THE CLAIMS PROCESS

7. The Claims Process is proceeding in accordance with the Order of this Honourable Court dated May 21, 2009, with a Claims Bar Date of July 31, 2009.

8. The Monitor is in the process of reconciling the claims to the accounting records.

APPROVAL FOR SALE OF LONDON APARTMENT – 15 EATON SQUARE

9. The Applicants are recommending the acceptance of the following offer with respect to the London apartment located at 15 Eaton Square.

   (a) Offeror – Newmarket Advisory Limited, a BVI registered company;

   (b) Offer – GBP 2,029,999;

   (c) Finance – The offeror provided a letter from their Swiss private banker advising of availability of funds;

   (d) Conditions – Unconditional cash offer; and

   (e) Timescale – Able, ready and willing to exchange contracts within 48 hours of receipt of necessary documentation.

10. The Applicants have been advised by the UK listing agent, Chesterton Humberts, of the following with respect to the listing and proposed sale of the London flat.

(a) "Regarding the marketing of the apartment, we have had 32 viewings (including the 3 taking place today) which does not include 3 second viewings which we have had" (June 26, 2009);

(b) Chesterton received four offers, terms and conditions, including the purchase price, which have been disclosed to the Monitor, but which we have not disclosed in this Report in order so as to maintain the integrity of the sale process;

(c) The agreed commission rate is 2.5% of eventual sale price (including contents), plus VAT; and

(d) In Chesterton's view, the indicated purchase price is reasonable when compared to properties in similar condition and location to the subject property.

11. In the Monitor's view, the terms and conditions, including the purchase price, of the proposed sale of the London flat are reasonable in the circumstances.

RECOMMENDATIONS

12. The Monitor supports the Applicants' motion for approval of the sale of the London apartment and the related relief necessary to facilitate such sale.

All of which is respectfully submitted this 25th day of August, 2009.

ERNST & YOUNG INC.
In its capacity as Court Appointed
Monitor of the Applicants

Greg Pollard, CA, CIRP
Senior Vice-President

Action No.: 0901-01613

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A 2000, C. B 9, AS AMENDED;

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OILEXCO INCORPORATED and OILEXCO TECHNICAL SERVICES INC.

EIGHTH REPORT OF THE MONITOR
ERNST & YOUNG INC.
August 25, 2009

FRASER MILNER CASGRAIN LLP
Barristers & Solicitors

30th Floor, Fifth Avenue Place
237 – 4th Avenue S.W.
Calgary, Alberta
T2P 4X7

Solicitor: David W. Mann
Telephone: (403) 268-7097
Facsimile: (403) 268-3100
File: 131079-85/DWM

4134391_1