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VIA EMAIL (MIREILLE.YOGA@ALBERTACOURTS.CA.)

Calgary Courts Centre
601, 5 Street S.W.
Calgary, AB T2P 5P7

Attention: Madam Justice C.A. Kent

Re: Shire International et al: Action No. 0901-11866

Romspen Investment Corporation (“**Romspen**”) writes to report in respect of the above noted matter pursuant to the Order of this Honourable Court entered June 30, 2010.

Romspen confirms that:

1. An application for the approval of a sale of the Fort McMoney II property for \$6,000,000 is set to be heard on October 21, 2011.
2. Pursuant to the June 30, 2010 Order of this Honourable Court, Romspen brought a petition in the B.C. Supreme Court for the cancellation of a statutory right of way registered against title to the Chemainus property. The petition was heard December 8 and 9, 2010 and January 17, 2011. In reasons released on June 14, 2011, Madam Justice Fitzpatrick ordered that the statutory right of way be cancelled. The holder of the statutory right of way has filed an appeal. If Madam Justice Fitzpatrick’s decision is upheld, it is expected that a significantly broader spectrum of purchasers will be interested in the property.

The holder of the statutory right of way, Chemainus Quay and Marina Complex Ltd., applied for a stay of Madam Justice Fitzpatrick’s order. Romspen made a cross-application, in summary, requesting that the stay be on terms (the terms requested included security for the costs of the appeal, security for the costs in the Supreme Court and security for the accrual of interest on the anticipated sale proceeds due to the delay in the marketing/sale process caused by the stay). Those applications were heard on August 17, 2011. Madam Justice Rowles reserved. We await a decision.

3. \$608,738.51 of the net proceeds from the sale of the Sorrento properties continues to be held by the Receiver, Ernst & Young, pending the court’s determination of the amount secured by the Olympia mortgage.

4. Romspen is advised that the mortgagees of the Fort McMoney I property are considering applying for a final order of foreclosure.
5. Romspen has no knowledge regarding the status of the marketing and sale process in relation to the Orillia property.

Romspen would be pleased to provide any further information desired by this Honourable Court.

Yours truly,

OWEN BIRD LAW CORPORATION

"Alan A. Frydenlund"

Alan A. Frydenlund

cc Shire Service List