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February 17, 2010

RE: Shire International Real Estate Investments Ltd. et al ("Shire") - UPDATE TO INVESTORS AND CREDITORS

Background

As you are aware, on August 10, 2009 Shire and certain other companies (collectively, "the Applicants" or "Shire Group") sought 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 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of the Applicants during these CCAA proceedings (the "Monitor").

On October 8, 2009, the Applicants sought and obtained an Order (the "Receivership Order") appointing Ernst & Young Inc. as Receiver and Manager (the "Receiver") of all of the Applicants' current and future assets, undertaking and property of every nature and kind whatsoever, and wherever situate.

The purpose of this letter is to provide a brief update as to the recent court proceedings that occurred in late December 2009 and early January 2010.

December 21, 2009 and January 8, 2010 Applications

A series of motions were heard by the Court of Queen's Bench Alberta in December 2009 and January 2010 that primarily dealt with whether the CCAA proceedings should continue or whether the mortgage lenders should be entitled to pursue their foreclosure remedies. Ultimately, the Court terminated the CCAA proceedings and ordered that the mortgage lenders were entitled to continue and proceed with the forced judicial sale of the land held as security by such mortgage lenders.

In particular, the Court ordered the following:

1. The stay of proceedings contained in the Initial Order was terminated and the Monitor discharged;

2. The Receivership Order granted on October 8, 2009 was terminated and the Receiver discharged;

3. Rompsen Investment Corporation ("Romspen"), a secured lender of the Shire Group, was permitted to pay the amount owing to the DIP Lender (as defined in the Court material) and therefore became the DIP Lender;

4. Romspen was granted exclusive conduct of the sale of certain properties of the Shire Group (the "Lands") until a further order of the Court is received or until the DIP loan is repaid ("Realization Process"); and

5. Ernst & Young Inc. was appointed receiver of the Lands on the express proviso that it shall not enter into possession, management or control of the Lands but is empowered and authorized to:

    a. Receive notice of and defend in any realization proceeding taken by any creditor entitled to take realization proceedings against any of the lands; and

    b. Receive excess funds arising from the sale of the Lands.

Future Updates

The Receiver understands that Romspen has commenced the process to list the Lands for sale, subject to further Order from the Court. Romspen is to report to the Court on or before April 12, 2010 and every 90 days thereafter of its progress in respect of marketing and sale of the Lands and to furnish particulars of its marketing process.

The Receiver has commenced the process of providing information to Romspen to assist in the Realization Process and will monitor the Realization Process in accordance with its duties as Receiver.

The Receiver will provide further reports to Court as more details become available with respect the Realization Process and will post further updates at its website at www.ey.com/ca/Shire.

ERNST & YOUNG INC.

in its capacity as Receiver
of Shire International Real Estate Investments Ltd. et. al

Deryck Helkaa, CA·CIRP
Senior Vice-President