

Name of Deponent: Dennis Besler  
Sworn: November 3, 2006

Court/Estate No. 25-093465

Court/Estate No. 25-093464

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

IN THE MATTER OF THE PROPOSAL OF  
844712 ALBERTA LTD.

AND IN THE MATTER OF THE PROPOSAL OF  
INVERIDGE DEVELOPMENT CORP.

**AFFIDAVIT OF DENNIS BESLER**

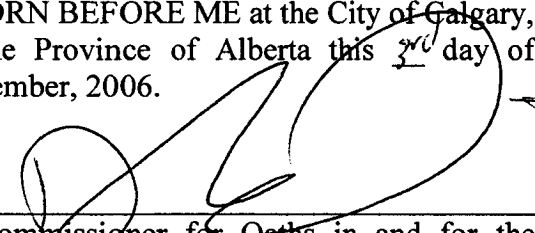
I, **DENNIS BESLER**, of the City of Calgary, Alberta, businessman, MAKE OATH AND SAY THAT:

1. Inveridge Development Corp and 844712 Alberta Ltd. (the "Applicants") filed notices of intention to make a proposal on October 11, 2006, 2006.
2. I understand that pursuant to Section 50.4(8), the proposal must be filed within 30 days of the filing of the Notice of Intention unless time is extended pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada).
3. Since filing the Notice of Intention, the Applicants have, with the assistance of the Trustee, prepared Cash Flow Statements and began the initial organization of the proposal. However, the activities of the Applicants have been limited in that additional funding was required prior to proceeding with necessary steps such as obtaining an appraisal of the real property owned by the Applicants, which will be sold as part of any proposal made by the Applicants, and continuing to retain the Trustee and legal counsel.
4. On October 27, 2006, the Applicants applied for and received an Order from this Honourable Court approving debtor in possession financing. Accordingly, the Applicants

are now in a position to, *inter ali*, obtain an appraisal of the real property mentioned above, continue to retain the Trustee and legal counsel and, therefore proceed to formulating the proposal for creditors.

- 5. It is anticipated that the Notice to Creditors will include a proof of claim process to identify all creditors entitled to vote at the meeting of creditors.
- 6. I understand that Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) provides for an extension up to 45 days for the filing of a proposal, with subsequent extension being possible to a maximum of 5 months after the expiry of the initial 30-day period. Accordingly, given the steps which need to be accomplished, the Applicants request an additional 45-day extension for the filing of the proposal in these proceedings.
- 7. As there will be no divestitures of the Applicants' assets during this period and as the assets are not of a type which rapidly depreciate, I am unaware of any material prejudice which will be suffered by any creditor or other stakeholder due to the extension being applied for in these proceedings.

SWORN BEFORE ME at the City of Calgary, )  
 in the Province of Alberta this 3<sup>rd</sup> day of )  
 November, 2006. )

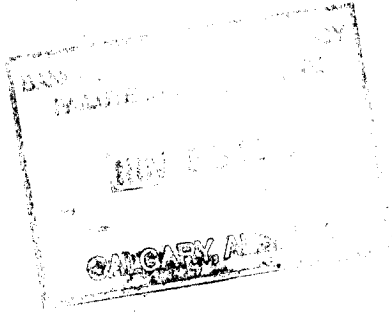
  
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 A Commissioner for Oaths in and for the  
 Province of Alberta

  
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**DENNIS BESLER**

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Burnet, Duckworth & Palmer LLP  
Barristers and Solicitors  
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Calgary, Alberta T2P 3N9

Attention: Douglas S. Nishimura  
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File No.: 63592-1