

APPEAL NO. 0501-0271 AC
ACTION NO. 0401-19905
Sworn: October 21, 2005
Deponent: Michael P. Costello

IN THE COURT OF APPEAL OF ALBERTA

BETWEEN:

IN THE MATTER OF

TITAN INVESTMENTS LIMITED PARTNERSHIP, and TITAN GENPAR INC.,
and EVOLUTION CAPITAL MANAGEMENT LTD., and THE ESTATE OF DAVID
COMTE, DECEASED, and THE COMTE FAMILY TRUST and PREDATOR
HOLDINGS LTD.

IN THE MATTER OF THE *JUDICATURE ACT*, R.S.A.2000, c-J-2, and RULES 467
and 468 OF THE ALBERTA RULES OF COURT

JOHN MCARA

Appellant

INVESTORS COMMITTEE

Respondent

ALGER & ASSOCIATES INC.

Receiver Respondent

THOMAS PEARSON, CHRISTOPHER PEARSON

(not parties to the Appeal)

DAVID PIZZOLATO, JOANNE KROG, ALTON HALLIDAY, HEIDIE FIRTH,
HARVEY BARRETT, 1043930 ALBERTA LTD.

(not parties to the Appeal)

SONIA EBANKS, ETENRIT INSTITUTE INC., TW CLEANING SERVICES

(not parties to the Appeal)

JANET COMTE

(not parties to the Appeal)

EDYTA CZARNECKI and 924888 ALBERTA LTD.

(not parties to the Appeal)

AFFIDAVIT

I, Michael P. Costello, CA•CBV, of the City of Calgary, in the Province of Alberta,
MAKE OATH AND SAY THAT:

1. I am an associate with Alger & Associates Inc., which was appointed Receiver and Manager ("Receiver") of Titan Investments Limited Partnership ("Titan Partnership"), Titan Genpar Inc., Evolution Capital Management Ltd., the Estate of David Comte, Deceased, the Comte Family Trust and Predator Holdings Ltd., pursuant to the Interim Orders of the Honourable Mr. Justice S.J. LoVecchio made December 27, 2004 and January 13, 2005, and as such I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

2. Based on Exhibit A of the Receiver's Second Report to the Court dated April 14, 2005, the Appellant, John McAra, made total investments in the Titan Partnership of \$38,000 U.S. and received total distributions from the Titan Partnership of \$310,108 U.S. This amounts to a return of approximately 816% of Mr. McAra's total investment.

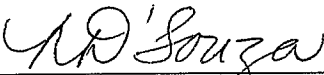
3. As a result of the Reasons for Judgment issued by the Honourable Mr. Justice G.C. Hawco on August 19, 2005, and in accordance with the Order granted by the Honourable Mr. Justice G.C. Hawco on September 7, 2005, the Receiver is entitled to file judgments and proceed with enforcement proceedings against those Overpaid Investors in the Titan Partnership that have not either paid the amount they owe pursuant to the Order granted on September 7, 2005, or entered into a payment arrangement acceptable to the Receiver for repayment of that amount.

4. As the Order of the Honourable Mr. Justice Hawco has not been stayed, the Receiver is in a position to proceed with the enforcement of these judgments and with the administration of the Estate of the Titan Partnership, including making interim distributions to investors in the Titan Partnership. However, in the event that Mr. McAra is successful with his appeal, and in the event that this Honourable Court finds that Mr. McAra's appeal applies to all Overpaid Investors in the Titan Partnership who are subject to the Order granted on September 7, 2005 and who have not subsequently executed a release agreement with the Receiver, then the Receiver would be required to repay those amounts paid by or collected from these applicable Overpaid Investors in the Titan Partnership. The Receiver would accordingly incur further costs, which would be borne by the Unpaid Investors in the Titan Partnership.

5. It would accordingly be impractical, inefficient and costly for the Receiver to continue with the administration of the Estate of the Titan Partnership until such time as the appeal has been determined, unless this Honourable Court finds that Mr. McAra's appeal does not apply to other Overpaid Investors in the Titan Partnership.

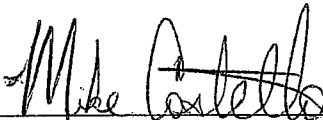
6. I make this application in support of an Order directing that the within appeal applies only to the Appellant, John McAra, or alternatively, if the within appeal is held to apply to other Overpaid Investors in the Titan Partnership, that the hearing of the within appeal should be expedited.

SWORN BEFORE ME at the City of)
Calgary, in the Province of Alberta)
this 21st day of October, 2005)



A Commissioner for Oaths in and for the
Province of Alberta

NATALIE M. D'SOUZA
MY COMMISSION EXPIRES
DECEMBER 26, 20 06



MICHAEL P. COSTELLO

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Affidavit of Michael P. Costello
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(not parties to the Appeal)

AFFIDAVIT OF MICHAEL P. COSTELLO
SWORN OCTOBER 21, 2005

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