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**Date:** April 29, 2005

**To:** Limited Partners of Titan Investments Limited Partnership (“Titan”)

**From:** Alger & Associates Inc. – Receiver and Manager

**Subject:** Titan Partner – CRA Comfort Letter

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Further to our communication to you of April 28, 2005, attached please find the comfort letter from Canada Revenue Agency (“CRA”) that was received by our tax advisor, Curtis Stewart at Bennett Jones LLP, earlier today.

Canada Customs and  
Revenue AgencyAgence des douanes  
et du revenu du CanadaBennett Jones LLP  
4500, 855-2<sup>nd</sup> Street SW  
Calgary, Alberta  
T2P 4K7M. Weevers  
(403) 691-6745

Attention: Mr. C. Stewart

COPY

April 28, 2005

Dear Sir:

**Re: Titan Investments Limited Partnership  
Investors/Partners  
2003 Taxation Year**

Further to your letter of April 25, 2005, we wish to offer the following comments with respect to your concerns surrounding the necessity for the Investors/Partners to file Notices of Objection and/or make applications to extend the time to file such Notices of Objection.

Pursuant to subparagraph 165(1)(a)(i) of the *Income Tax Act*, an individual taxpayer must serve a notice of objection to an initial assessment on the Minister no later than the day that is one year after the filing-due date for the particular taxation. In the Investors/Partners circumstances, this deadline date would be April 30, 2005.

Pursuant to subsection 166.1(1) of the *Act*, a taxpayer may apply to the Minister to extend the time for serving a notice of objection under section 165 of the *Act*. Subsection 166.1(7) imposes several requirements which must be met before an application under section 166.1 can be granted. Those requirements are:

- The application must be made within one year after the expiration of the time otherwise limited under the *Act* for serving a notice of objection;
- The taxpayer must demonstrate that either
  - (i) he was unable to act himself or instruct another person to act on his behalf; or
  - (ii) he had a *bona fide* intention to object to the assessment;

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Bennett Jones LLP  
Titan Investments Limited Partnership  
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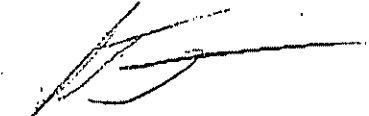
- It must be just and equitable, given the reasons set out in the application and the circumstances of the case, to grant the application; and
- The application must be made as soon as circumstances permit.

Based on the information contained in your April 25, 2005 and information provided by you during your telephone conversations with Mr. M. Weevers of the Appeals Division, we are prepared to accept that the Investors/Partners all have a *bona fide* intention to object to their respective initial assessments for the 2003 taxation year.

Because each application made pursuant to subsection 166.1 of the Act must be evaluated on its own merits, we are unable to provide any assurances with respect to whether the requirement that applications be made as soon as circumstances permit would be met by the Investors/Partners. The evaluation of this requirement can only be made if and when an application to extend time is actually made.

We trust the above comments adequately respond to your concerns. Should you have any questions, please contact Mr. Weevers at 691-6745.

Yours sincerely,



S. Shelton  
Chief of Appeals  
Calgary Tax Services Office