

Date: September 27, 2006

To: Limited Partners of Titan Investments Limited Partnership (“Titan”)
possessing an interest in the future realization of Titan’s assets

From: Alger & Associates Inc. – Receiver and Manager (“Receiver”)

Subject: Update from March 15, 2006

The following is an update on various matters of interest since the Receiver’s update memo to partners dated March 15, 2006. All funds noted herein are expressed in U.S. Dollars, unless otherwise noted.

1. Recovery of judgment amounts from Overpaid Partners

Of the 42 Overpaid Partners subject to the Court Orders of September 7 and 9, 2005, the Receiver has received full payment or made conditional settlement arrangements with all partners except nine partners owing approximately \$300,000. Bankruptcy Orders have been issued against seven of these partners, collection activity has been ceased for one partner owing an immaterial amount and we have received C\$5,400 from one partner owing C\$20,000 who filed and completed a proposal under the Bankruptcy Act. The various bankruptcy trustees for the seven bankrupt estates have realized and are continuing the process of realizing upon the assets of these estates, including recovery of preference payments. Funds realized from these estates will be paid to the Receiver once the trustees have obtained Court approval. The Receiver anticipates a realization of between \$30,000 and \$150,000 from these seven estates, dependant primarily upon the outcome of outstanding preference payment matters.

For the remaining 33 partners, proceeds of approximately \$1,260,000 have been received to date and repayment arrangements have been made with the partners for the recovery of up to an additional \$170,000 depending primarily upon the level of income tax recoveries ultimately realized by these partners.

2. Recovery of amounts owing from partners settled with prior to August 19, 2005

As outlined in the March 15, 2006 memo, all amounts owing from the 42 Overpaid Partners who settled with the Receiver prior to August 19, 2005 have been received or assets assigned to the Receiver in lieu of payment, with the exception of \$143,000 owed by 819680 Alberta Ltd. (“819680”) and Ultimate Capital Management Inc. (“Ultimate”), two corporations owned by Edward Isaac Nelson that defaulted under the terms of their personally guaranteed settlement agreements.

Subsequent to the events outlined in the March 15, 2006 memo, the Receiver has realized C\$81,595 from the sale of 819680’s properties pursuant to a settlement

agreement with Marina Nelson and a company owned by her, both of whom had claims against 819680. There will be no further realizations from 819680 or Ultimate.

As disclosed in the March 15, 2006 update memo, Mr. Nelson is now a bankrupt effective February 22, 2006. The Receiver has filed an amended proof of claim with Mr. Nelson's trustee for C\$213,000, after recovery of the C\$81,595 above. Based on information from Mr. Nelson's bankruptcy trustee the Receiver does not anticipate that Titan will realize anything from this proof of claim. We have been informed by Mr. Nelson's trustee that Mr. Nelson has moved out of Alberta and that he is in default of payment obligations to his trustee. The Receiver will continue to monitor this bankruptcy and is likely to object to Mr. Nelson's discharge.

3. Taxation matters

Following meetings between the Receiver's tax counsel and Canada Revenue Agency ("CRA"), the Receiver has filed all applicable income tax and GST returns and amendment letters for David Comte, the estate of David Comte, Janet Comte and Evolution Capital Management Ltd. ("Evolution"). Subject to CRA's assessment and/or re-assessment of these returns, the Receiver anticipates:

- a. Evolution receiving a GST refund of C\$488,000 and an income tax refund of C\$179,000.
- b. David Comte having an unpaid income tax liability of C\$241,000, plus potential interest and late filing penalties. This liability will have to be resolved with the estate of David Comte's other known creditors, being Evolution's claim for unwarranted salary and bonuses paid to David Comte (as established by the terms of the Court Order of September 7, 2005) and Titan's claim for damages it suffered as a result of David Comte's Court-established fraud perpetrated against Titan and its partners. As the estate of David Comte is insolvent and the ownership of the estate's assets is uncertain, CRA's ultimate realization of David Comte's unpaid income tax liability is uncertain.
- c. Janet Comte receiving C\$68,000 of income tax refunds for 2002 to 2004, aside from the C\$29,000 already received by her for 2005, which refunds have been assigned to the Receiver in the settlement agreement with Ms. Comte approved by the Court on December 2, 2005.

The ultimate outcome of these taxation matters is unknown at this time, but the Receiver and tax counsel continue to work with CRA towards a fair and equitable resolution of all the complex and inter-related matters associated with this affair.

4. Other assets

The Receiver has realized upon all of the assets outlined in section 3 of its report dated April 14, 2005 with the exception of loans totalling approximately \$63,000, which are

to be repaid by January, 2008. Payments of approximately \$12,000 have been received to date on these loans in accordance with the terms of a repayment agreement.

5. Interim distribution

Concurrent with the issuance of this memo, as outlined on the attached Schedule A, the Receiver is issuing a fifth interim distribution for \$376,000 to 57 partners who, after consideration for any previous partner repayments to the Receiver, have recovered less than 68% of their original investment.

6. Statement of Claim

The Receiver, on behalf of Titan, has filed a statement of claim against Bernadette M. Henshaw and B.M. Henshaw Professional Corporation (the "Defendants"), the public accountant and her professional corporation who performed the Review Engagement for Titan for the period ended December 31, 2003. The statement of claim alleges breach of contract damages to Titan of \$2.15 million as a result of the Defendants' negligence and failure to exercise reasonable care and skill. The outcome of this lawsuit is uncertain at this time.

7. Projected partner realization

Based on the above, we project a realization for Unpaid Partners and Overpaid Partners not settling with the Receiver prior to August 19, 2005, but repaying their judgment amounts thereafter, of 72-80%. This projected realization range excludes any potential recovery from the lawsuit above.

If you have any questions related to this memo, please contact Michael Costello (403-296-3087 or mcostello@alger.ca) or Bruce Alger (403-296-2970 or balger@alger.ca).

TITAN INVESTMENTS LIMITED PARTNERSHIP
INTERIM DISTRIBUTION CALCULATION
IN US DOLLARS AS OF SEPTEMBER 26, 2006

SCHEDULE A

INTERIM DISTRIBUTION #:		FIRST TO FOURTH	FIFTH		
		Cumulative distributions made previously to achieve cumul. realization of:	Cumulative distributions required to achieve realization of:		Fifth Interim distribution required to achieve cumul. realization of:
	Partner	64.0%	68.0%	#	68.0%
0					
1	1042725 Alberta Ltd.	-	-	0	-
2	1043068 Alberta Ltd.	810,824	861,553	1	50,730
3	1043930 Alberta Ltd.	-	-	0	-
4	1044325 Alberta Ltd.	-	-	0	-
5	1071874 Alberta Ltd.	-	-	0	-
6	4513517 Manitoba Ltd.	10,906	15,435	1	4,529
7	537139 Alberta Ltd.	-	-	0	-
8	706889 Alberta Ltd.	12,800	13,600	1	800
9	781592 Alberta Ltd.	59,200	62,900	1	3,700
10	790970 Alberta Ltd.	-	-	0	-
11	819680 Alberta Ltd.	-	-	0	-
12	924888 Alberta Ltd.	-	-	0	-
13	Alzetta, Richard	-	-	0	-
14	Andrews Furniture & Appliances Inc.	-	-	0	-
15	Axsen, Croft	161,920	214,540	1	52,620
16	Barrett, Harvey	-	-	0	-
17	Bellamy, David	-	480	1	480
18	Benteau, Judy	604,800	642,600	1	37,800
19	Boiros, George	77,372	82,264	1	4,892
20	Caldwell, Danny	-	-	0	-
21	Carlson, Daryl	25,600	27,200	1	1,600
22	Chaque Investments LP	76,800	81,600	1	4,800
23	Chichery, Olivier	-	-	0	-
24	Chinook Country Properties Ltd.	-	-	0	-
25	Churchill, Wendy	38,020	40,796	1	2,776
26	Chute, D.M. Ryan	-	-	0	-
27	Chute, David	-	-	0	-
28	Chute, Janet	-	-	0	-
29	Comte, Michael & Sherry	-	-	0	-
30	Cooke, Rick	-	-	0	-
31	Czarnecki, Edyta	-	-	0	-
32	David Miller Capital Corporation	-	-	0	-
33	Dowselt, F. Ernest	26,522	28,179	1	1,658
34	Dzuba, Jacqueline	-	-	0	-
35	Dzuba, Yvonne	-	-	0	-
36	Ebanks, Sonia	-	150	1	150
37	Engineered Innovations Inc.	-	-	0	-
38	Etenrit Institute Inc.	-	-	0	-
39	Evans, Gregg & Lorraine	-	-	0	-
40	Evert, Neil	-	-	0	-
41	Gowing, Dallas	-	-	0	-
42	Graefer, Dale & Rozann	33,600	35,700	1	2,100
43	Halley Investment Corporation	265,728	282,336	1	16,608
44	Halliday, Alton & Firth Heidie	-	225	1	225
45	Harvey, Darrin	-	-	0	-
46	Henshaw, Bernadette	-	1,275	1	1,275
47	Huron Holdings Inc.	38,504	44,348	1	5,844
48	Jarvis, Alan	236,310	251,079	1	14,769
49	Jellicoe, Tanya	-	-	0	-
50	Koch, Craig	-	-	0	-
51	Krog, Joanne	-	23	1	23
52	Kurtz, Jeffrey & Rhonda	-	-	0	-
53	Kurtz, Kenneth & Louise	38,400	40,800	1	2,400
54	Kurtz, Kristy	-	-	0	-
55	Kurtz, Stephen	-	-	0	-
56	Laing, Bruce	-	195	1	195
57	Lavigne, Michel	-	-	0	-
58	Legend Motors Inc.	14,203	20,403	1	6,200
59	Maher, Francis	-	150	1	150
60	Maher's Polypipe Ltd.	-	-	0	-
61	Marcotte Farms Ltd.	-	-	0	-
62	Marcotte Properties Ltd.	451,200	479,400	1	28,200
63	Marcotte, Alexis (Hackney)	-	-	0	-
64	Marcotte, Darren	10,560	11,220	1	660
65	Marcotte, Jason	-	-	0	-
66	Marcotte, Lana	8,320	8,840	1	520

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Partner		64.0%	68.0% #	68.0%
0				
67	Marcotte, Laurie (Knox)	23,210	24,661 1	1,451
68	Marcotte, Leslie	19,584	20,808 1	1,224
69	Marcotte, Michel & Donna	80,640	85,680 1	5,040
70	Marcotte, Trevor	-	- 0	-
71	Marcotte, Wilf	-	- 0	-
72	Mathews, Cameron	-	- 0	-
73	McAra, John	-	- 0	-
74	McAslan, Janet	-	- 0	-
75	McBride, Debra	26,240	27,880 1	1,640
76	McHarg, Dianne	-	150 1	150
77	McLeod, Marlene	10,560	11,720 1	1,160
78	Moher Marketing & Sales Inc.	-	- 0	-
79	Moher, Sean	-	- 0	-
80	Moldowan, Marilyn	-	1,800 1	1,800
81	Moore, Gordon	121,377	128,963 1	7,586
82	MS Computing Ltd.	70,400	74,800 1	4,400
83	Murias, Terry	-	- 0	-
84	Murias, Tim & Belina	-	150 1	150
85	Murley, Sandra	145,000	165,000 1	20,000
86	Naples Ventures Inc.	38,440	44,280 1	5,840
87	Newell, Sandra	-	600 1	600
88	Oke, Tim & Jo-Anne	-	- 0	-
89	Omni Professional Services Corp.	-	- 0	-
90	Ostrowski, Andrew & Anna	98,046	104,174 1	6,128
91	Park, Sandra	-	540 1	540
92	Parker, Derrick	-	- 0	-
93	Parker, Ervin & Gail	83,048	91,207 1	8,159
94	Parker, Jeff	171,940	189,940 1	18,000
95	Pearson, Christopher	-	152 1	152
96	Pearson, Jean	-	- 0	-
97	Pearson, Katherine	-	- 0	-
98	Pearson, Thomas	-	- 0	-
99	Pederson, Alec	-	- 0	-
100	Personal Best Seminars Inc.	-	- 0	-
101	Phoenix Consultants	35,200	37,400 1	2,200
102	Pizzolato, David	-	- 0	-
103	Pollack, Carolyn	-	- 0	-
104	Poulsen, Albert	-	- 0	-
105	Reitman, Vladimir & Ljubov	137,600	146,200 1	8,600
106	Rosen, Ruth	-	1,149 1	1,149
107	Scott, Lynn	-	- 0	-
108	Shauf, Dale	-	- 0	-
109	Souris Valley Farm Ltd.	-	- 0	-
110	Southern Ag-Ventures Ltd.	32,000	34,000 1	2,000
111	Spanski Enterprises Inc.	-	- 0	-
112	Stevenson, Gordon & Della	-	- 0	-
113	Stromme, Laurene	-	- 0	-
114	Stroud, Gail & Roger Jackson	-	150 1	150
115	Sy-Hua Chiu Professional Corp.	80,000	85,000 1	5,000
116	Technology & Research Co. Inc.	18,400	25,800 1	7,400
117	Technology and Research Inc.	96,000	102,000 1	6,000
118	Therault, Lane	-	- 0	-
119	Tina Card Management Inc.	100,800	107,100 1	6,300
120	Tugwell, Michael	-	855 1	855
121	TVP Western Canada Inc.	3,200	3,400 1	200
122	TW Cleaning Services	-	- 0	-
123	Ultimate Capital Management Inc.	-	- 0	-
124	Zankl, Karla	-	- 0	-
125	Zichy, Les & Mickey	31,640	37,680 1	6,040
126	Zurcher, Heinz	-	- 0	-
	Totals	4,424,913	4,800,530 57	375,618