



IN THE SUPREME COURT OF NOVA SCOTIA

S.H. No. 297999
Court Administration

AUG 13 2008

IN THE MATTER OF:

The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended.

-and-

IN THE MATTER OF:

A Plan of Compromise or Arrangement of the Applicant,
Canadian Sailing Expeditions Inc.

ORDER

AWDP, J.

BEFORE THE HONOURABLE JUSTICE ARTHUR W. D. PICKUP IN CHAMBERS

UPON READING the Affidavit of Douglas Prothero sworn August 8, 2008;

AND UPON HEARING Robert G. MacKeigan Q.C., counsel for the Company;

IT IS HEREBY ORDERED THAT:

Service of Materials

1. Canadian Sailing Expeditions Inc. (the "Company") not be required to serve notice of this application on any of its creditors except for Caterpillar Financial Services Limited, GrowthWorks Atlantic Venture Fund Limited, Nova Scotia Business Incorporated and National Marine and Fire Services Inc.

Claims Process

2. **THIS COURT ORDERS** that the claims process for the identification and quantification of Claims (as defined below) to be implemented in accordance with this Order (the "Claims Process") is hereby approved.
3. **THIS COURT ORDERS** that BDO Dunwoody Goodman Rosen Inc., monitor of the Company (the "Monitor") is directed and empowered to administer the Claims Process, on its own behalf and as agent for and on behalf of the Company, and take such steps or actions as may be necessary or desirable to administer or complete the Claims Process.

Definitions

4. **THIS COURT ORDERS** that the following terms in this Order shall have the following meanings ascribed thereto:

- (a) "Appointment Order" means the order dated June 27, 2008, appointing BDO Dunwoody Goodman Rosen Inc. as Monitor of the Company;
- (b) "Business Day" means a day, other than a Saturday or a Sunday or statutory holiday, on which banks are generally open for business in Halifax, Nova Scotia;
- (c) "Claim" means any right or claim of any Person, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever against the Company or any present or former director or officer of the Company, and, in the case of any such present or former director or officer, any indebtedness, liability or obligation of any kind whatsoever actually and reasonably incurred by the director or officer as a result of his or her position or involvement with the Company, and, without limiting the foregoing, whether arising from employment, contract, the commission of a tort (intentional or not intentional), any breach of duty (legal, statutory, fiduciary or otherwise), or any Taxes, or any right of ownership or title to property, or to a trust or deemed trust, howsoever created, and whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise:
 - (i) which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Valuation Date or would have been claims provable in bankruptcy had the Company become bankrupt on the Valuation Date; or
 - (ii) which indebtedness, liability or obligation arises after, or is based upon facts arising after, the Valuation Date, including without limitation, that which arises from or is caused by the repudiation or termination of any contract, lease or agreement by the Company or order of this Court,but excluding Excluded Claims. For greater certainty, although all Claims for interest shall be barred in accordance with the terms of the Appointment Order, if entitled thereto under any applicable contract, a creditor of the Company may make claims for interest which has accrued on its Claim to and including the Valuation Date, but no claim shall be made or accepted by the Monitor for interest accrued after the Valuation Date;
- (d) "Claimant" means any Person having a Claim and, if the context requires, includes the assignee of a Claim, or a trustee, interim receiver, receiver, receiver and manager, liquidator, or other Person acting on that Person's behalf;
- (e) "Claims Bar Date" means 5:00 p.m. (Halifax time) on September 11, 2008, or such later date as may be ordered by this Court;

- (f) "Claims Officer" means the individual designated by the Monitor pursuant to paragraph 12 of this Order or any other individual or individuals designated as the Claims Officer by this Court;
- (g) "Claims Package" means a package, which includes the Notice to Claimants, an Instruction Letter, a Proof of Claim and a copy of this Order;
- (h) "Court" means the Supreme Court of Nova Scotia;
- (i) "Date of Appointment" means June 27, 2008;
- (j) "Disputed Claim" means a Claim for which a Claimant has delivered a Notice of Dispute;
- (k) "Excluded Claims" has the meaning ascribed thereto in paragraph 7 of this Order;
- (l) "Instruction Letter" means the instruction letter in substantially the form annexed as Schedule "A" hereto;
- (m) "Monitor" means BDO Dunwoody Goodman Rosen Inc., in its capacity as Monitor of the Company pursuant to the Appointment Order;
- (n) "Monitorship" means the Monitorship proceedings with respect to the Company;
- (o) "Notice of Dispute" means a written notice in substantially the form annexed as Schedule "E" hereto, delivered to the Monitor by a Claimant who has received a Notice of Revision or Disallowance, disputing the Notice of Revision or Disallowance with reasons for its dispute;
- (p) "Notice of Revision or Disallowance" means a written notice to a Claimant, in substantially the form attached as Schedule "D" hereto, delivered by the Monitor advising the Claimant that the Monitor has revised or disallowed all or part of its Claim;
- (q) "Notice to Claimants" means the notice for publication substantially in the form annexed as Schedule "B" hereto;
- (r) "Person" means any individual, partnership, firm, joint venture, trust, entity, corporation, limited or unlimited liability company, association, unincorporated organization, government or any agency, officer or instrumentality thereof or similar entity, or any other entity howsoever designated or constituted exercising executive, legislative, judicial, regulatory or administrative functions in Canada;
- (s) "Post-Filing Claim" means a Claim arising after the Company has filed its plan of arrangement with this Court;
- (t) "Proof of Claim" means the form of Proof of Claim substantially in the form annexed as Schedule "C" hereto;

- (u) "Taxes" means taxes, including all income, capital, corporate, gross receipts, goods and services, sales, use, value-added, ad valorem, transfer, non-resident, property, real or personal property, business, franchise, license and excise taxes and duties, together with any interest, penalties, fines, additional taxes and additions to tax imposed with respect to the foregoing; and
- (v) "Valuation Date" means June 27, 2008.

Notice to Claimants

5. THIS COURT ORDERS that, for the purpose of facilitating the identification and resolution of Claims:
 - (a) on or before August 21, 2008 the Monitor shall send a Claims Package by ordinary mail to each known potential Claimant, identified by the Monitor through its review of the books and records maintained in connection with the Monitorship of the Company;
 - (b) the Monitor shall send by ordinary mail, courier, facsimile transmission or electronic mail as soon as reasonably possible following receipt of a request therefor, a Claims Package to any Claimant requesting the same, provided such request is received prior to the Claims Bar Date;
 - (c) the Monitor shall, on or before August 22, 2008, cause the Notice to Claimants in the form attached hereto as Schedule "B" to be published once in The Globe and Mail (National Edition), and once in the Chronicle Herald (Provincial Edition); and
 - (d) in addition, the Monitor shall make a copy of the Claims Package available on the Monitor's website at www.bdo.ca/fgc.
6. THIS COURT ORDERS that, subject to paragraph 7 of this Order, any Person asserting a Claim shall deliver to the Monitor a Proof of Claim by the Claims Bar Date. Any Claimant that does not deliver to the Monitor a completed Proof of Claim with respect to a Claim as provided for herein on or before the Claims Bar Date, or such later date as the Monitor may agree to in writing, or as the Court may otherwise order:
 - (a) shall have its Claim forever extinguished and shall be forever barred from making or enforcing any Claim against the Company, the Monitor, or any other Person; and
 - (b) shall not be entitled to any further notice in respect of the Claims Process and these proceedings.
7. THIS COURT ORDERS that, notwithstanding anything contained in this Order, the following claims shall not be extinguished or affected by this Order (collectively, the "Excluded Claims"):

- (a) claims by the Monitor and counsel to the Monitor for fees and disbursements payable in accordance with the Appointment Order or claims by counsel to the Company for fees and disbursements payable in this matter;
 - (b) claims by any person providing debtor-in-possession financing to the Company under any Order of this Court.
8. THIS COURT ORDERS that, notwithstanding anything contained in this Order, Excluded Claims shall not be extinguished or affected by this Order and, for greater certainty, paragraph 6 of this Order shall not apply to Excluded Claims.

Review of Proofs of Claim

9. THIS COURT ORDERS that:

- (a) the Monitor is hereby authorized and directed to use reasonable discretion as to the adequacy of compliance as to the manner in which Proofs of Claim are completed and executed and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to the completion and the execution of a Proof of Claim; and
- (b) each Claim shall be reduced by the amount of any subsequent payment thereon and any other subsequent credit against the Claim or the Claimant.

Revision or Disallowance

10. THIS COURT ORDERS that the Monitor shall review all Proofs of Claim filed on or before the Claims Bar Date. The Monitor shall accept, revise or disallow such Proofs of Claim as contemplated herein. The Monitor shall send a Notice of Revision or Disallowance and the form of Notice of Dispute to the Claimant as soon as the Claim has been revised or disallowed but in any event no later than 11:59 p.m. (Halifax time) on September 18, 2008 or such later date as the Court may order. Where the Monitor does not send a Notice of Revision or Disallowance by the aforementioned date to a Claimant who has submitted a Proof of Claim, the Monitor shall be deemed to have accepted such Claim.

Notice of Dispute

11. THIS COURT ORDERS that any Person who intends to dispute a Notice of Revision or Disallowance shall deliver a Notice of Dispute to the Monitor and the Claims Officer as soon as reasonably possible but in any event on or before 5:00 p.m. (Halifax time) on September 29, 2008 or such later date as this Court may order.
12. THIS COURT ORDERS that, where a Claimant who receives a Notice of Revision or Disallowance fails to deliver a Notice of Dispute to the Monitor within the time limit therefor, the value of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

Resolution of Claims

13. THIS COURT ORDERS that a claims officer shall be appointed by the Monitor and shall be designated as the Claims Officer for the claims process described herein, subject to any further Order of this Court. The Claims Officer to be appointed by the Monitor is Mr. Richard Cregan, Registrar in Bankruptcy.
14. THIS COURT ORDERS that, subject to the direction of the Court, the Claims Officer shall determine the manner, if any, in which evidence may be brought before him by the parties as well as any other procedural matters that may arise in respect of his determination of the value of the Claim for which a Claimant has delivered a Notice of Dispute. The Claims Officer shall have the discretion to determine who shall bear the costs of any hearing before the Claims Officer. All costs of the Monitor and its counsel in any proceedings relating to disputed claims shall be paid by the Monitor and may be included in the accounts of the Monitor, subject to any assessment as may be required pursuant to the Appointment Order. All costs of the Claims Officer in any proceedings relating to disputed claims shall be paid by the Company.
15. THIS COURT ORDERS that, upon receiving a Notice of Dispute from a Claimant, the Claims Officer shall schedule a hearing in order to make a determination concerning the Disputed Claim and, following such hearing (all such hearings to be held no later than October 15, 2008), the Claims Officer shall subsequently notify the Monitor and such Claimant of the value of the Claim; provided that, where the Monitor advises the Claims Officer that it is negotiating with a Claimant as to its Claim, the scheduling of a hearing with respect to that Claim may be deferred pending the outcome of such negotiations.
16. THIS COURT ORDERS that a Claimant or the Monitor, may, within seven (7) calendar days of notification of the Claims Officer's determination of the value of such Claimant's Claim under this Claims Process, appeal such determination to the Court by filing with this Court a Notice of Appeal, which appeal shall be made returnable within fourteen (14) calendar days of the filing of the Notice of Appeal, in default of which such determination by the Claims Officer shall, subject to further Order of this Court, be deemed to be final.
17. THIS COURT ORDERS that, notwithstanding paragraphs 12 to 15 hereof, but subject to paragraph 9 of this Order, the Monitor shall at all times be authorized to enter into negotiations with Claimants and settle any Claim on such terms as the Monitor may consider appropriate.

Unresolved Claims

18. THIS COURT ORDERS that any Claimants whose Claims have not yet been resolved prior to the meeting at which all Claimants will vote to either accept or reject the plan of arrangement to be filed by the Company with this Court shall be entitled to vote the portion of their Claim that is undisputed. Such portion shall be determined by the Monitor.

Notices and Communications

19. THIS COURT ORDERS that any notice or other communication (including, without limitation, Notices of Revision or Disallowance) to be given under this Order by the Monitor to a Claimant shall be in writing in substantially the form, if any, provided for in this Order. Such notice or other communication will be sufficiently given to a Claimant, if given by prepaid ordinary mail, courier, delivery, facsimile transmission or electronic mail to the Claimant to such address, facsimile number or electronic mail address for such Claimant as may be recorded in the books and records of the Company, the Monitor or to such other address, facsimile number or electronic mail address as such Claimant may request by notice to the Monitor given in accordance with this Order. Any such notice or other communication, (i) if given by prepaid ordinary mail, shall be deemed received on the third (3rd) Business Day after mailing, (ii) if given by courier or delivery shall be deemed received on the next Business Day following dispatch, (iii) if given by facsimile transmission or electronic mail before 5:00 p.m. on a Business Day shall be deemed received on such Business Day; and (iv) if given by facsimile transmission or electronic mail after 5:00 p.m. on a Business Day shall be deemed received on the next following Business Day.
20. THIS COURT ORDERS that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Order by a Claimant to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by ordinary mail, courier, delivery, facsimile transmission or electronic mail addressed to:

BDO Dunwoody Goodman Rosen Inc.,
in its capacity as Monitor
1718 Argyle Street, Suite 620
Halifax, NS B3J 3N6

Attention: Paul G. Goodman
Facsimile: 902-425-3770
Email: insol-halifax@bdo.ca

Any such notice or other communication by a Claimant shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

21. THIS COURT ORDERS that if during any period during which notices or other communication are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.
22. THIS COURT ORDERS that all reasonable costs incurred by the Monitor in administrating the Claim Process as it relates to the Company shall be paid by the Company.

Post-Filing Claims

23. THIS COURT ORDERS that the process for Post-Filing Claims shall be established by further order of this Court.

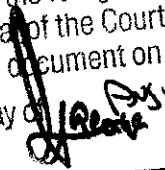
II. FURTHER ORDER

24. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Monitor and the Company may apply at any time to this Court to seek any further relief in respect of the Claims Process, and any other interested Person may apply to this Court to vary this Order or seek other relief in respect of the Claims Process on seven (7) calendar days notice to the Monitor and the Company, as applicable, and to any other Person likely to be affected by the Order sought or on such other notice, if any, as the Court may order. For greater certainty, applications for relief unrelated to the Claims shall continue to be governed by the procedure set out in the order of this Court issued June 27, 2008 in this proceeding.

DATED at Halifax, Nova Scotia this 13 day of August, 2008.

GEORGE GHOSN
Deputy Prothonotary


Deputy Prothonotary

IN THE SUPREME COURT OF NOVA SCOTIA
I hereby certify that the foregoing document,
identified by the Seal of the Court, is a true
copy of the original document on file herein.
Dated the 13 day of August A.D., 2008


Deputy Prothonotary

SCHEDULE "A"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE WITH RESPECT TO CANADIAN SAILING EXPEDITIONS INC.

A. CLAIMS PROCEDURE

By Order of the Nova Scotia Supreme Court dated August 13, 2008 (the "Claims Order") under the *Companies' Creditors Arrangement Act* (the "CCAA"), Canadian Sailing Expeditions Inc. (the "Company") has been authorized to conduct a claims process under the CCAA. The Claims Order, a copy of which is enclosed, governs the Claims Procedure in all respects and the instructions contained herein are provided for the sake of convenience only. *All capitalized terms nor otherwise defined will have the meanings ascribed to them in the Claims Order.*

This letter provides instructions for responding to or completing the following forms:

- Proof of Claim
- Notice of Revision or Disallowance
- Notice of Dispute

The Claims Procedure is intended for any Person with any claims of any kind or nature whatsoever, whether unliquidated, contingent or otherwise, against the Company or any officer or director of the Company prior to June 27, 2008 ("Valuation Date") and any claims relating to the period from and after June 27, 2008 arising from or caused by, directly or indirectly, the implementation of or any action taken pursuant to the Order dated June 27, 2008 and arising before the date of the filing with the Court of the plan of arrangement by the Company, including claims arising from the repudiation of any lease, the assignment of any contract or lease of personal, real, moveable or immovable property (including any future liability as assignor thereof) or the repudiation of any contract to take effect up to and including the Plan implementation date (including any anticipatory breach thereof), the repudiation or termination of any contract of employment, the termination or winding up of any pension or employee benefit plans and any other claim arising at law or equity.

If you have any questions regarding the Claims Procedure, please contact the Monitor at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
1718 Argyle Street
Suite 620
Halifax, Nova Scotia B3J 3N6
Attention: Kim Burke
Telephone: 902.425.3100
Facsimile: 902.425.3777
electronic mail: insol-halifax@bdo.ca

If you believe that you have a Claim against The Company or any of its directors and/or officers, you must file a completed Proof of Claim with the Monitor. The Proof of Claim must be received by the Monitor by 5:00 p.m. (Halifax Time) September 11, 2008, the Claims Bar Date.

If you were an **EMPLOYEE** of the Company, and you believe that you have a Claim against the Company or a director or officer of the Company, you must file a completed Proof of Claim with the Monitor. The Proof of Claim must be received by the Monitor by 5:00 p.m. (Halifax Time) September 11, 2008, the Claims Bar Date.

If you fail to deliver a Proof of Claim to the Monitor by the Claims Bar Date, your claim will be forever barred and you will not be entitled to vote at a Creditors' meeting, receive any distribution thereunder nor receive any further notice in these proceedings. Accordingly, your Claim will be forever extinguished and you will be barred from making or enforcing a Claim against the Company or any other person including, without limitation, directors or officers of the Company in respect of your Claim.

If the Monitor disagrees with the value or status that you have ascribed to your Claim, or the validity of your Claim as set out in your Proof of Claim, and such disagreement cannot be resolved consensually, you will receive a Notice of Revision or Disallowance from the Monitor (see section C below for details).

B. GENERAL INSTRUCTIONS FOR COMPLETING THE PROOF OF CLAIM

The Proof of Claim must be completed by an individual, or an individual acting on behalf of a corporation. The individual acting for a corporation or other person must state the capacity in which he/she is acting, such as "Credit Manager", "Treasurer", "Authorized Agent", etc. The individual completing the Proof of Claim must have knowledge of the circumstances connected with the Claim. All Proofs of Claim must be signed, dated and witnessed.

The full legal name of the Creditor must be filled out in its entirety. Only one Proof of Claim may be filed per legal entity notwithstanding that separate divisions or operating units of a Creditor may supply and bill the Company separately.

A Statement of Account containing full details of the Claim must be attached to the Proof of Claim. The Proof of Claim should include all amounts owing for any goods or services provided to the Company before June 27, 2008. Claims shall be reduced by the following amounts that are applicable against the Claim:

1. any subsequent payment;
2. application of any volume or other discounts; and
3. any other subsequent credits.

If you were an **EMPLOYEE** of the Company and are submitting a Proof of Claim, the statement of account to be attached to the completed Proof of Claim must include the total amount of your Claim broken down as follows:

- (i) amounts claimed in relation to unpaid wages;
- (ii) amounts claimed with respect to unpaid vacation pay; and
- (iii) other amounts claimed owing, including amounts claimed for termination and/or severance.

If you have obtained employment, you must also provide the following information on the statement of account:

- (i) when you obtained employment (i.e., the date you commenced employment);
- (ii) your salary or wages;
- (iii) your earnings to date; and
- (iv) the date that you secured benefit coverage through new employment, if applicable.

PLEASE NOTE that if you have obtained employment, this may serve to reduce your entitlement to termination and severance, and, therefore, this should be taken into account and deducted from the amount of your Claim, if applicable.

If the Creditor holds security for the indebtedness, a statement of the value and nature of the security must accompany the Proof of Claim.

If the Creditor holds a contingent or unliquidated claim, the details of or reasons for the claim must be provided in addition to the basis upon which the claim has been valued.

If the Claim or a portion thereof has been sold or assigned, the name of the party purchasing the Claim, the amount of the Claim sold or assigned, as well as supporting documentation, must be attached to the Proof of Claim submitted. The Claim can be completed by either the original Creditor or by the assignee, but not both. Creditors and assignee(s) must determine amongst themselves who will file the Proof of Claim.

C. FOR CREDITORS RECEIVING A NOTICE OF REVISION OR DISALLOWANCE

If you have sent a Proof of Claim, the Monitor is entitled to challenge the valuation, status or validity of your Claim by sending you a Notice of Revision or Disallowance by 11:59 p.m. (Halifax Time) September 18, 2008.

Such notice shall be delivered by ordinary mail, courier, delivery, facsimile transmission or electronic mail. If a Notice of Revision or Disallowance is not sent by such date, your Proof of Claim shall be deemed to have been accepted for voting and distribution purposes.

D. FOR CREDITORS SUBMITTING A NOTICE OF DISPUTE

If you are sent a Notice of Revision or Disallowance, you are entitled to dispute the revision or disallowance of your Claim, by sending by ordinary mail, courier, delivery, facsimile transmission or electronic mail, a Notice of Dispute to the Monitor and the Claims Officer, which must be received by 5:00 p.m. (Halifax Time) September 29, 2008. If a Notice of Dispute is not received by this time, your Claim will be finalized on the basis set out in the Notice of Revision or Disallowance.

Upon receipt of a Notice of Dispute from a Creditor, the Claims Officer will attempt to resolve the dispute. You may be required to attend a hearing or to present evidence documenting your Claim and its value. You will be notified of the Claims Officer's determination of your Claim. The decision of the Claims Officer shall be final and binding on the Monitor and you, unless the decision of the Claims Officer is appealed by you or the Monitor to the Court within 7 days of notification of such decision by the Claims Officer.

E. CLAIMS ORDER

This instruction letter is for information purposes and is provided to assist you in the Claims Procedure. Please note that the provisions of the Claims Order prevail and you must comply with the terms of the Claims Order.

SCHEDULE "B"

2008

S.H. No. 297999

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Companies' Creditors Arrangement Act*, R.S.C. 1985,
c. C-36 as amended.

-and-

IN THE MATTER OF: A Plan of Compromise or Arrangement of the Applicant,
Canadian Sailing Expeditions Inc.

**NOTICE OF LAST DAY (CLAIMS BAR DATE) FOR THE
FILING OF CLAIMS**

PLEASE TAKE NOTICE, that pursuant to an order of the Supreme Court of Nova Scotia made August 13, 2008 (the "Claims Process Order") any person with a claim relating to Canadian Sailing Expeditions Inc. (the "Company") or any claim against an officer or director of the Company whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory in nature, including without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, must file a Proof of Claim with BDO Dunwoody Goodman Rosen Inc., as Monitor, no later than 5:00 P.M. Halifax time on September 11, 2008.

PLEASE TAKE NOTICE that any claim required to be filed pursuant to the provisions of the Claims Process Order and not filed by 5:00 P.M. Halifax time on September 11, 2008 shall be extinguished and the claimant shall be forever barred from asserting a claim or interest against the Company or any other person with respect to such claim, including, if applicable, directors or officers of the Company and their property and the holder of the claim shall be forever barred from voting on a plan of compromise or arrangement filed by the Company under the CCAA or receiving any distribution thereunder in the event that such plan is approved by the creditors and the Court.

PLEASE TAKE NOTICE that any creditors who have not already received a package from the Monitor should contact the Monitor in order to receive a Proof of Claim form and instruction letter.

Creditors must file their Proof of Claim form so that the documents are actually received by 5:00 P.M. Halifax time on September 11, 2008 at the following address:

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
1718 Argyle Street
Suite 620
Halifax, Nova Scotia B3J 3N6
Attention: Kim Burke
Telephone: 902.425.3100
Facsimile: 902.425.3777
electronic mail: insol-halifax@bdo.ca

THE PROOF OF CLAIM CAN BE MAILED, COURIERED, HAND DELIVERED, FAXED, OR ELECTRONICALLY MAILED TO THE MONITOR PROVIDED THAT IT IS ACTUALLY RECEIVED ON OR BEFORE 5:00 P.M. HALIFAX TIME ON SEPTEMBER 11, 2008.

DATED at Halifax, Nova Scotia, Canada on August __, 2008.

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
1718 Argyle Street
Suite 620
Halifax, Nova Scotia B3J 3N6
Attention: Kim Burke
Telephone: 902.425.3100
Facsimile: 902.425.3777
electronic mail: insol-halifax@bdo.ca

SCHEDULE "C"

2008

S.H. No. 297999

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Companies' Creditors Arrangement Act*, R.S.C. 1985,
c. C-36 as amended.

-and-

IN THE MATTER OF: A Plan of Compromise or Arrangement of the Applicant,
Canadian Sailing Expeditions Inc.

PROOF OF CLAIM – CANADIAN SAILING EXPEDITIONS INC.

Please read carefully the enclosed Claims Procedure (including Instruction Letter) for completing this Proof of Claim. Please print legibly.

A. PARTICULARS OF CLAIM

1. Full legal name of Creditor: _____
(Full legal name should be the name of the original Creditor of Canadian Sailing Expeditions Inc. (the "Company"))
2. Full mailing address of the Creditor (the original Creditor, not an assignee):

(Note: All notices and correspondence regarding your claim will be sent to this address.)
3. Telephone Number of Creditor: _____
4. Fax Number of Creditor: _____
5. E-mail Address: _____
6. Attention (Contact Person): _____

Has the Claim been sold or assigned by the Creditor to another party: Yes No
(if yes, please complete section E)

B. CLAIMS AGAINST DIRECTORS AND/OR OFFICERS

Is this a Claim against a director or officer of the Company? Yes No
(if yes, please provide details in section D)

C. PROOF OF CLAIM

I, _____ (Name of Creditor or Representative of the Creditor)
certify:

- (i) that I am a Creditor of/hold the position of the Creditor and have knowledge of all the circumstances connected with the Claim described herein (please check one); and
- (ii) that the Creditor makes the following Claim against Canadian Sailing Expeditions Inc.:

CLAIM

Secured _____ Unsecured _____

CDN\$ _____ CDN\$ _____

(If the Claim is in a foreign currency, it should be converted to Canadian dollars at the exchange rate of the Bank of Canada as at June 27, 2008.)

D. PARTICULARS OF CLAIM

The following are particulars relating to the Claim against Canadian Sailing Expeditions Inc.:
Description of transaction or agreement giving rise or relating to the Claim:

If the Claim is contingent or unliquidated, state the basis upon which the Claim has been valued:

Details of security, if any, held (attach copies of relevant documents):

Names of any guarantors, including any other subsidiary or affiliate of the Company, which have guaranteed the claim:

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF CLAIM. THE ATTACHED STATEMENT MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS,

COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC. TO WHICH THE COMPANY IS ENTITLED.

E. PARTICULARS OF ASSIGNEE(S) (IF ANY):

1. Full legal name of Assignee(s) of Claim (if all or a portion of the Claim has been assigned or sold). If there is more than one assignee, please attach separate sheets with the following information:

(the "Assignee(s)")

Amount of Total Claim Assigned \$ _____

Amount of Total Claim Not Assigned \$ _____

Total Amount of Claim \$ _____

(should equal "Total Claim" as entered on Section B)

2. Full mailing address of Assignee(s):

3. Telephone number of Assignee(s): _____

4. Fax number of Assignee(s): _____

5. E-mail Address: _____

6. Attention (contact person): _____

The fully completed Proof of Claim together with supporting documentation must be returned and received by the Monitor, no later than 5:00 p.m. (Halifax time) on September 11, 2008, at the following address or fax number, or email address:

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
1718 Argyle Street
Suite 620
Halifax, Nova Scotia B3J 3N6
Attention: Kim Burke
Telephone: 902.425.3100
Facsimile: 902.425.3777
electronic mail: insol-halifax@bdo.ca

DATED at _____ this _____ day of _____ 2008.

(Signature of Witness)

(Signature of individual completing this form)

SCHEDULE "D"

2008

S.H. No. 297999

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Companies' Creditors Arrangement Act*, R.S.C. 1985,
c. C-36 as amended.

-and-

IN THE MATTER OF: A Plan of Compromise or Arrangement of the Applicant,
Canadian Sailing Expeditions Inc.

**NOTICE OF REVISION OR DISALLOWANCE -
CANADIAN SAILING EXPEDITIONS INC.**

Name of Creditor: _____

Pursuant to the Claims Order, the Monitor gives you notice that it has reviewed your Proof of Claim dated _____ and has revised or rejected your Claim for the following reason(s):

Subject to further dispute by you in accordance with the provisions of the Claims Order, the Claim will be allowed as follows:

<u>Claim per</u>	<u>Allowed as Revised for</u>
<u>Proof of Claim</u>	<u>Voting and Distribution</u>

CANADIAN SAILING
EXPEDITIONS INC.

Cdn. \$ _____ Cdn. \$ _____

Please be advised that if you disagree with the revision or disallowance of your Claim as set at above, you must complete and return the enclosed Notice of Dispute to the Monitor, to be received by the Monitor by no later than 5:00 p.m. (Halifax Time) on September 29, 2008. If you do not file the enclosed Notice of Dispute by 5:00 p.m. (Halifax Time) on September 29, 2008, your Claim shall be as set out above for voting and distribution purposes in respect of the Plan.

DATED at Halifax, Nova Scotia, Canada this _____ day of 2008.

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
1718 Argyle Street
Suite 620
Halifax, Nova Scotia B3J 3N6
Attention: Kim Burke
Telephone: 902.425.3100
Facsimile: 902.425.3777
electronic mail: insol-halifax@bdo.ca
Per: _____

SCHEDULE "E"

2008

S.H. No. 297999

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: *The Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended.*

-and-

IN THE MATTER OF: A Plan of Compromise or Arrangement of the Applicant, Canadian Sailing Expeditions Inc.

NOTICE OF DISPUTE – CANADIAN SAILING EXPEDITIONS INC.

TO: BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
 Attention: Paul G. Goodman
 1718 Argyle Street
 Suite 620
 Halifax, Nova Scotia B3J 3N6

AND TO: Claims Officer
 Canadian Sailing Expeditions Inc.
 Attention: Douglas Prothero, President

We give you notice of our intention to dispute the Notice of Revision or Disallowance dated _____.

A. Name of Creditor: _____

(For completion of claim amount in section B, Canadian Sailing Expeditions Inc. claims in foreign currency are to be converted to Canadian dollars at the Bank of Canada noon spot rate as at the Valuation Date (June 27, 2008).

B.	Claim per Revision or Disallowance	Notice of Claim per Creditor
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CANADIAN SAILING EXPEDITIONS INC.	Cdn. \$ _____	Cdn. \$ _____
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C. Reasons for Dispute

Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, date and number of all invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Canadian Sailing Expeditions Inc. to the Creditor and estimated value of the security, any contingent liability of Canadian Sailing Expeditions Inc. and any claims resulting from the repudiation or variation of any contract, including any contingent liability of Canadian Sailing Expeditions Inc..

 (Signature of Individual completing this Dispute)

 Date

 (Please print name and title)

Telephone Number:

Fax Number:

Email Address:

Full Mailing Address:

THIS FORM IS TO BE RETURNED BY MAIL, COURIER, DELIVERY, FAX, OR ELECTRONIC MAIL TO EACH OF THE FOLLOWING PARTIES AND MUST BE RECEIVED BY NO LATER THAN 5:00 P.M. (HALIFAX TIME) ON SEPTEMBER 29, 2008.

BDO Dunwoody Goodman Rosen Inc. in its capacity as Monitor
 1718 Argyle Street
 Suite 620
 Halifax, Nova Scotia B3J 3N6
 Attention: Kim Burke/Darlene Coolen
 Telephone: 902.425.3100
 Facsimile: 902.425.3777
 electronic mail: insol-halifax@bdo.ca

- AND -

CLAIMS OFFICER
 of Canadian Sailing Expeditions Inc.
 c/o Douglas Prothero, President
 Facsimile: 902-429-1475