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June 26, 2009

HAND DELIVERED

Private & Confidential

The Honourable Justice A. David MacAdam
The Law Courts
1815 Upper Water Street
Halifax, NS B3J 1S7

My Lord:

**Re: Canadian Sailing Expeditions Inc. – *Companies' Creditors Arrangement Act*
Hfx No. 297999**

Further to the submissions of Canadian Sailing Expeditions Inc. delivered to Your Lordship on June 24, 2009, we have been advised that the Monitor will not be submitting a full report in respect of the June 29 motion. As a result, please find enclosed an affidavit attaching certain financial information that the Company feels should be placed before Your Lordship in order to evaluate its motion. This financial information has previously been circulated to those creditors receiving notice of this motion and to the Monitor. A copy of this correspondence and the affidavit is also being circulated today by email to all parties receiving notice of the motion.

Your Lordship will note that the cash flow projections provided by the Company are premised upon it resuming operations in the July period. The Company submits that resuming operations is reasonable in the circumstances since the projected level of sales will allow the Company to operate during the relevant period without further debtor-in-possession financing. As noted in the affidavit, should the Company not resume sailings and earn the revenue identified in the cash flow projections, we are advised that the Company will require further debtor-in-possession financing on or before the fourth week of July, 2009.

Gavin D. F. MacDonald

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All of which is respectfully submitted.

Yours very truly,

A handwritten signature in black ink, appearing to read 'G. MacDonald', with a stylized flourish at the end.

Gavin D. F. MacDonald

GDFM/gj
Enclosure