COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

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
ARRANGEMENT AND REORGANIZATION

OF

COW HARBOUR CONSTRUCTION LTD. ("APPLICANT" OR THE "COMPANY")
UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985 c. C-36, AS AMENDED

SIXTH REPORT TO THE COURT
SUBMITTED BY DELOITTE & TOUCHE INC.
IN ITS CAPACITY AS MONITOR ("MONITOR")

May 21, 2010

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On April 7, 2010, Cow Harbour Construction Ltd. ("CHC" or the "Company") filed and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* ("CCAA") pursuant to an Order rendered by this Honourable Court (the "Initial Order").

2. The Initial Order provides, inter alia, for the following:
   a. No proceeding or enforcement process in any court or tribunal shall be commenced or continued against or in respect of the Company or its property, or affecting the Company's business operations and activities until and including May 3, 2010 (the "Stay Period").
   b. All persons having agreements with the Company for the supply of goods and services must continue to provide goods and services in the normal course of business.
   c. No person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, cancel, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Company, except with the written consent of the Company and the Monitor, or with leave of the Court.
   d. The appointment of Deloitte & Touche ("Deloitte") as monitor of the Company under the CCAA.

3. On April 29, 2010, the Court rendered a judgment extending the Initial Order and the Stay Period until May 21, 2010.

4. The purpose of this Report is to report to this Honourable Court with respect to recent information received by the Monitor concerning the Syncrude contract and the potential impact on future revenues of the Company.

5. In preparing this Report, the Monitor has relied upon unaudited interim financial information, the Company's records and discussions with management of the Company, their financial and legal advisors and Syncrude's representatives. While the Monitor has reviewed the information, some in draft format, submitted in the abridged time available, the Monitor has not performed an audit or other verification of such information.

6. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not defined in this Report are as defined in the previous reports of the Monitor.

7. Copies of the Monitor's Reports, including a copy of this Sixth Report, the motion record in this CCAA Proceeding and further reports of the Monitor will be available on the Monitor's website at www.deloitte.com/ca/cowharbour. The Monitor has also established a toll free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the Company's restructuring or the CCAA.

CONTRACT WITH SYNCRUDE

8. As explained in the Monitor Fifth Report and shown on the Updated Cash Flow Statement attached to the Monitor Fifth Report, Syncrude represents the sole source of revenues for the period between May 15 and October 1, 2010 with monthly revenues varying between $14.65 million and $15.65 million. Revenues are obtained from two mine sites. These being referred to as the Aurora site and the Base Mine site.

9. On May 19, 2010 in the afternoon, the Advisor mentioned to one of the Monitor's staff that it was rumored that Syncrude may have curtailed the overburden removal contract work being performed by CHC on Syncrude's Aurora site. On the morning of May 20, 2010 the Monitor's counsel advised that a creditor expressed concerns that CHC was shut down from the Aurora site for safety violations.

10. Considering the importance of overburden revenue received from the Aurora site over the last few months, and taking into consideration the impact that this situation could have on the Updated Cash Flow Projection attached to the Monitor's Fifth Report dated May 19, 2010 (Appendix D), the Monitor decided to investigate this in order to have a further understanding of the situation and to be able to issue a preliminary report for the May 21, 2010 hearing. While preparing this investigation on May 20, 2010 the Monitor received separate phone calls from legal counsel representing two of the capital lessors expressing similar rumor concerns. During these telephone calls it was noted that it would be irresponsible for the Monitor to advise creditors of this concern until an initial investigation, as set out in this report, was performed.

11. As mentioned in paragraph 54(b) of the Monitor's Fifth Report, the Company established its projections in terms of cash receipts for the 4.5-months ending on October 1, 2010 based on the actual April 2010 revenues, then adjusted to account for approximately 4 days of lost productivity due to the snow storm in the Fort McMurray region in April. By doing that, CHC's management was assuming that the stream of revenues for the months to come would be similar to the actual results realized in April, after making the above adjustment.

12. On May 20, 2010 the Monitor had the Company provide detailed revenue data showing revenue sources by major activity (reclamation; overburden removal; sand transportation; and project work/equipment rentals). The following chart summarizes the overburden revenue realized by the Company from the Aurora site since January 1, 2010 as compared to total revenues:

	January $	February $	March $	April $
Overburden removal - Aurora	-	1,922,397	3,090,247	5,865,514
Total revenue - Aurora and Base Mine	14,000,000	15,637,000	15,467,000	12,497,000
% of total revenue	0.00%	12.29%	19.98%	46.94%

Given the abridged time available for the Monitor to file this report, the Monitor has not been able to compare the reported total revenues to the Company's monthly financial statements. However it is observed that the total January revenue of $14 million above is much less than the reported actual January financial statement revenue of $21.1million per Appendix C of the Monitor's First Report. The Company's Chief Financial Officer advises us that the difference relates to Suncor revenue received in January.

13. Based on the above, it is observed that the overburden removal revenues represented a significant part of the total revenues for March and April. However, we also note that the Company was able to generate significant total revenues even when the Aurora overburden removal revenues were lower, which means that they were able in the past to generate other sources of revenues.

14. Based on a preliminary analysis, the Company has realized approximately $10 million of revenues as at May 16, 2010 based on its internal records (TAC data), of which approximately $3,000,000 (as at May 11, 2010 because the Company still has to input the work completed subsequent to May 12, 2010) is in relation with the overburden removal at the Aurora site. Based on the cash flow projections prepared by the Company, total revenues of approximately $14.65

million were projected for the month of May, to be collected in the week ended July 2, 2010. Consequently, considering that the Company still generated some overburden revenues at the Aurora site for the week ending on May 21, 2010 and is still doing other types of work for Syncrude in May, CHC's management believe that they will be able to meet their forecasted revenues in May.

15. In order to get comfort on the projected overburden removal revenues for future months, on May 20, 2010 the Monitor had a discussion with Mr. Sean Thomas, Syncrude's Trucks and Productivity Supervisor at the Aurora site wherein we were advised:

    a. It was originally planned for CHC to move approximately 8 million tons of overburden in 2010;
    b. Because Syncrude's inventory of exposed oil sands is at the desired level at this time, they reduced the level of overburden removal services required for now, such that CHC has only removed approximately 7 million tons in 2010 (versus the original projection of 8 million tons). This decision to curtail the overburden removal services required from CHC was not determined by Syncrude until earlier this week and was not communicated to CHC until or about May 18, 2010;
    c. Over the next few weeks and perhaps for many months, the only overburden removal at the Aurora site will be done by Syncrude with their own equipment and no overburden work will be given to CHC or to any other contractors;
    d. This situation is simply due to the current inventory levels and has nothing to do with safety issues or the capacity of CHC to provide quality work to Syncrude;
    e. Syncrude needs to do their own internal planning and budgeting before being able to make representation to CHC as to the probability of providing future overburden removal work;
    f. Syncrude will continue to lease some pieces of heavy equipment from CHC at the Aurora site, as they have done so over past months. The amount of these lease requirements is not known at this time.

16. In order to mitigate the current loss of revenues at the Aurora site, CHC's management is setting up meetings with Syncrude's representatives over the next few days in order to address this situation and determine if there is a possibility of increasing the level of reclamation work already being done at the Base Mine site and securing other work projects at both mine sites.

17. In order to determine whether CHC can increase it work activity at the Base Mine site, on May 20, 2010 the Monitor had a discussion with Mr. Darryl Ramsaran, Syncrude's Production and Operation Supervisor at the Base Mine site wherein we were advised:

    a. The current volume of work given to CHC will probably enable them to generate revenues until the end of July 2010;
    b. If CHC wants to bring additional pieces of equipment on site (coming from the Aurora site or Suncor), it will only cause CHC to finish its current contract sooner than July 31, 2010;
    c. There is a possibility that additional work will be given over the next few weeks or months but Mr. Ramsaran could not confirm the timing or the value of this possible additional work.

18. Based on the Monitor's preliminary analysis described above, the Company will need to secure additional sources of revenues in order to mitigate the loss of overburden removal work at the Aurora site. The projected revenues in May to be collected in the week ended July 2, 2010 should be realized by the Company based on management representations and internal records.

19. In order to have a better understanding of the situation and the potential impact on revenues for the period between June 1 and October 1, 2010, the Monitor asked CHC's management to organize a meeting next week between Syncrude, CHC and the Monitor so as to address the situation and determine if other alternatives exist.

20. Traditionally the Company (and its competitors) have experienced similar situations wherein there is no assurance that existing contracts will continue and often contracts are curtailed with little or no notice. Regardless given the Company's current situation under the Companies' Creditors Arrangement Act the timing of this recent event is concerning. If the Company is not able to secure replacement work for the lost overburden removal revenues originally projected for June to September 2010, then it will not achieve its cash flow projections for July to September as set out in the Monitor's Fifth Report.

21. At this time the Monitor does not want to cause unwarranted concerns to interested parties, but should these revenues not be replaced within the next few weeks, it is possible that a material

adverse change will have to be reported by the Monitor as per subparagraph 23(1)(d)(i) of the Companies' Creditors Arrangement Act.

22. The Monitor will be following this matter closely and it is the Monitor's intention to report to this Honourable Court as soon as we get additional relevant information from CHC's management and Syncrude.

The Monitor respectfully submits to the Court this, its Sixth Report.

Dated at Edmonton, this 21th day of May, 2010

Deloitte & Touche Inc.
in its capacity as Monitor of
Cow Harbour Construction Ltd.

Per:

Gordon Smith
Senior Vice-President