

To the Creditors of
Watts Mechanical Services Ltd.

30 December 2011

**In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.
Estate No.: 25-1552898**

Dear Creditor

Watts Mechanical Services Ltd. ("Watts") sought protection under the Bankruptcy and Insolvency Act (the "BIA") on October 21, 2011 by filing a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the BIA. On November 18, 2011 Watts sought, and was granted by the Court of Queen's Bench of Alberta a 45-day extension of time for filing its proposal to December 21, 2011.

Watts did not file its proposal on or before December 21, 2011, and no further extension was obtained. As a result, Watts is deemed to have made an assignment into bankruptcy on the 22nd day of December, 2011 and the undersigned, Ernst & Young Inc. was appointed trustee of the bankrupt estate, subject to affirmation or substitution thereof by the creditors.

Enclosed with this letter are the following documents:

- Notice of Bankruptcy and First Meeting of Creditors;
- Statement of Affairs; and
- Proof of Claim and Proxy Form with instructions for its completion.

The first meeting of creditors of Watts Mechanical Services Ltd. will be held on January 11, 2012 at 10:00 am at:

Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue SW
Calgary, AB T2P 5E9

Should you have any questions with respect to the above, please contact:

Bob Taylor, 403.233.7112
Neil Honess, 403.206.5003

Yours very truly,

Ernst & Young Inc.


Robert J. Taylor, CA, CIRP
Senior Vice-President

Attachments

District of: Alberta
Division No. 02 - Calgary
Court No. 25-1552898
Estate No. 25-1552898

FORM 67
Notice of Bankruptcy and First Meeting of Creditors
(Subsection 102(1) of the Act)

In the Matter of the Bankruptcy of
Watts Mechanical Services Ltd.

Take notice that:

1. Watts Mechanical Services Ltd. filed (or was deemed to have filed) an assignment on the 22nd day of December 2011, and the undersigned, Ernst & Young Inc., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court), subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

2. The first meeting of creditors of the bankrupt will be held on the 11th day of January 2012, at 10:00 o'clock AM, at the office of Ernst & Young Inc., at 1000, 440 2nd Avenue SW, Calgary, Alberta.

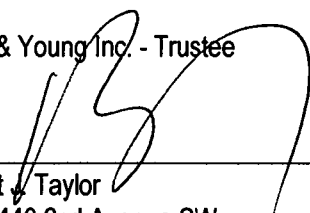
3. To be entitled to vote at the meeting, a creditor must lodge with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.

4. Enclosed with this notice is a proof of claim form, proxy form, and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.

5. Creditors must prove their claims against the estate of the bankrupt in order to share in any distribution of the proceeds realized from the estate.

Dated at the City of Calgary in the Province of Alberta, this 30th day of December 2011.

Ernst & Young Inc. - Trustee
Per:



Robert Taylor
1000, 440 2nd Avenue SW
Calgary AB T2P 5E9
Phone: (403) 290-4100 Fax: (403) 290-4265

District of: Alberta
 Division No. 02 - Calgary
 Court No. 25-1552898
 Estate No. 25-1552898

Original Amended

Form 78
 Statement of Affairs (Business Bankruptcy) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Bankruptcy of
 Watts Mechanical Services Ltd.

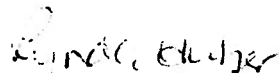
To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 22nd day of December 2011. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.


| LIABILITIES (as stated and estimated by the officer) | ASSETS (as stated and estimated by the officer) |
|--|--|
| 1. Unsecured creditors as per list "A" | 1. Inventory |
| 3,026,536.28 | 0.00 |
| Balance of secured claims as per list "B" | 2. Trade fixtures, etc. |
| 0.00 | 0.00 |
| Total unsecured creditors | 3. Accounts receivable and other receivables, as per list "E" |
| 3,026,536.28 | Good |
| 2. Secured creditors as per list "B" | 1,864,239.50 |
| 1,864,239.50 | Doubtful |
| 3. Preferred creditors as per list "C" | 3,396,738.61 |
| 41,381.21 | Bad |
| 4. Contingent, trust claims or other liabilities as per list "D" | 0.00 |
| estimated to be reclaimable for | Estimated to produce |
| 0.00 | 1,864,239.50 |
| Total liabilities | 4. Bills of exchange, promissory note, etc., as per list "F" ... |
| 4,932,156.99 | 0.00 |
| Surplus | 5. Deposits in financial institutions |
| NIL | 0.00 |
| | 6. Cash |
| | 0.00 |
| | 7. Livestock |
| | 0.00 |
| | 8. Machinery, equipment and plant |
| | 0.00 |
| | 9. Real property or immovable as per list "G" |
| | 0.00 |
| | 10. Furniture |
| | 0.00 |
| | 11. RRSPs, RRIFs, life insurance, etc. |
| | 0.00 |
| | 12. Securities (shares, bonds, debentures, etc.) |
| | 0.00 |
| | 13. Interests under wills |
| | 0.00 |
| | 14. Vehicles |
| | 0.00 |
| | 15. Other property, as per list "H" |
| | 0.00 |
| | If bankrupt is a corporation, add: |
| | Amount of subscribed capital |
| | 0.00 |
| | Amount paid on capital |
| | 0.00 |
| | Balance subscribed and unpaid |
| | 0.00 |
| | Estimated to produce |
| | 0.00 |
| | Total assets |
| | 1,864,239.50 |
| | Deficiency |
| | 3,067,917.49 |

I, Susan Watts, of the City of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 23rd day of December 2011 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Calgary in the Province of Alberta, on this 23rd day of December 2011



 Lynda Huber, Commissioner of Oaths
 For the Province of Alberta
 Expires Mar. 27, 2014



 Susan Watts

L. R. HUBER
 MY COMMISSION EXPIRES
 MARCH 27, 2014

Creditor Mailing List

In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|--------------------|---|-----------|----------|--------------|
| Preferred | Antal, Marius Daniel | | | 2,000.00 |
| | Bodnar, Darian L. | | | 995.28 |
| | Brodrick, Danny W. | | | 1,411.72 |
| | Brodrick, Danny W. | | | 129.65 |
| | Brueggen, Marcus P. | | | 816.08 |
| | Cameron, James H. | | | 1,251.78 |
| | Corlett, Andrea L. | | | 1,961.49 |
| | Croswell, Angela D. | | | 1,605.68 |
| | Graham, Trevor A. | | | 2,000.00 |
| | Heyland, Eric P. | | | 1,181.05 |
| | Hinch, Danny R. | | | 1,305.56 |
| | Islam, Saiful | | | 2,000.00 |
| | Kevis, Dylan M. | | | 1,434.49 |
| | Kevis, Dylan M. | | | 102.86 |
| | Kleisinger, Martin A. | | | 2,000.00 |
| | Kohandani, Mansour | | | 686.58 |
| | Leesman, Narissa M. | | | 1,125.68 |
| | MacPherson, Jonathen K.J. | | | 425.26 |
| | Mansell, Ian T. | | | 2,000.00 |
| | McAdam, Jonathan R. | | | 827.85 |
| | McKenna, Steve J. | | | 1,603.32 |
| | McManaman, James M. | | | 1,393.91 |
| | Miller, Michael D.J. | | | 664.39 |
| | Neelin, Arthur Brad | | | 1,907.22 |
| | Rose, Jeffrey A. | | | 1,266.12 |
| | Ross, Michael R. | | | 1,894.21 |
| | Severin, Kyle C. | | | 1,404.01 |
| Stanciu, Victor | | | 988.76 | |
| Storvold, Shawn C. | | | 1,929.45 | |
| Wells, Larisa R. | | | 345.61 | |
| Wiltsey, Corey A. | | | 723.20 | |
| Yadav, Santraj A. | | | 2,000.00 | |
| Secured | Bank of Montreal | | | 1,080,000.00 |
| | Prairie Merchant Corporation | | | 325,000.00 |
| | Robert & Susan Watts | | | 459,238.50 |
| | Trisura Guarantee Insurance Company | | | 1.00 |
| Unsecured | 1113316 AB Ltd. | | | 1.00 |
| | 1473525 Alberta Ltd | | | 1.00 |
| | 357500 Alberta Ltd. | | | 1.00 |
| | 54 Blue Communications Inc. | | | 92.40 |
| | 687774 Alberta Ltd. o/a Phillips Oilfield Service | | | 1.00 |

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In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|---|-----------|---------|------------|
| Unsecured | A-I Credit Recovery & Collection Services | | | 1.00 |
| | Absolute Insulation Inc. | | | 1.00 |
| | Accubid Systems Inc. | | | 1.00 |
| | Accu-Flo Meter Service Ltd. | | | 806.40 |
| | Ace Coring & Concrete Cutting Inc. | | | 1.00 |
| | Ace Industrial Supply | | | 1.00 |
| | Acklands Grainger Inc | | | 1.00 |
| | Acorn Graphics Ltd. | | | 236.25 |
| | Adler Insulation 2005 LTD. | | | 34,394.44 |
| | ADT Security Services Canada Inc. | | | 665.33 |
| | AIP Safety Ltd | | | 1,039.50 |
| | Air Chek Industries Inc. | | | 861.00 |
| | Air Liquide Canada | | | 1.00 |
| | Airtech Heating & Air Conditioning Ltd. | | | 31,512.10 |
| | AK Brown Refrigeration & A/C Ltd. | | | 4,323.54 |
| | Alberta Blue Cross | | | 10,801.57 |
| | Alberta Breaker & Supply Co. Ltd. | | | 1.00 |
| | Alberta Construction Association | | | 1.00 |
| | Alberta Water Services | | | 525.00 |
| | Alcon Electrical Corp. | | | 951.26 |
| | Alggin Metal Industries Ltd. | | | 5,670.00 |
| | Allpriser Ltd. | | | 1.00 |
| | Alpha Steel Builders Inc. | | | 1.00 |
| | AlSCO Canada Corp. | | | 219.68 |
| | Alta-West Hydrant & Hottapping Service | | | 1.00 |
| | American Express - Andrew | | | 1.00 |
| | Anchor Construction Industrial Products | | | 409.14 |
| | Andrew Watts | | | 40,000.00 |
| | Andries Electrical System Ltd. | | | 3,213.00 |
| | Anixter Canada Inc. | | | 1.00 |
| | Antal, Marius Daniel | | | 48.60 |
| | Apple Cleaning Supplies | | | 242.18 |
| | Armor Industries Ltd. | | | 3,402.00 |
| | Armorcast Products company | | | 1.00 |
| | Armtec Limited Partnership | | | 1.00 |
| | ASFS Holdings | | | 1.00 |
| | Aspen Corporate Interiors Ltd. | | | 1.00 |
| | ATCO Gas | | | 1.00 |
| | Atkins First | | | 1.00 |
| | Atmosphere Air Ltd. | | | 1.00 |
| | Avalanche Air Systems Ltd. | | | 1.00 |
| | AW-NRG Insulation Ltd. | | | 108,909.74 |
| | B&B Equipment and Consulting Ltd. | | | 2,457.00 |

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|---------------|--|-----------|---------|------------|
| Unsecured | B.A. Robinson Co. Ltd. | | | 1.00 |
| | Backflow Solutions Inc. | | | 645.99 |
| | Bartle & Gibson Co. Ltd. | | | 181,049.16 |
| | Berry Worx Inc. | | | 1.00 |
| | Bettenson's sand & Gravel Co. Ltd. | | | 1.00 |
| | Bev George | | | 1.00 |
| | Big Rock Water | | | 1.00 |
| | Bilodeau Earthworks Ltd. | | | 98,974.33 |
| | Birch Energy Ltd. | | | 1.00 |
| | BKI Risk Management | | | 32.00 |
| | Blackwater Fire Protection Inc. | | | 15,608.25 |
| | Bolt Supply House Ltd. | | | 1,423.35 |
| | BOMA Calgary | | | 1.00 |
| | Brady | | | 375.10 |
| | Brandt Tractor Ltd. | | | 88.75 |
| | Building Automation Systems | | | 3,759.00 |
| | Business Coaching Solutions | | | 1.00 |
| | Business in Calgary | | | 1.00 |
| | Business Prospects | | | 1.00 |
| | C & S Roofing Ltd. | | | 1.00 |
| | Calcana Industries Ltd. | | | 1.00 |
| | Calgary Construction Association | | | 1.00 |
| | Calgary Fasteners & Tools Ltd. | | | 7,615.82 |
| | Calgary Home Builders Foundation | | | 1.00 |
| | Calgary Lock & Safe Ltd. | | | 1.00 |
| | Calgary Stamp & Stencil (1993) Ltd. | Sandy | | 1,049.00 |
| | Calgary Sun | | | 1.00 |
| | Calgary Tinsmith Industries Ltd. | | | 96,858.10 |
| | Can West Label Inc. | | | 1.00 |
| | Canadian Mechanical Contracting Education | | | 1.00 |
| | Cancom International Ltd. | | | 273.00 |
| | Canterbury Food Service Ltd. | | | 357.10 |
| | Carrier Canada Ltd. | | | 1.00 |
| | Carrier Sales and Distribution | | | 3,105.90 |
| | Cassandra Jorgensen | | | 1.00 |
| | Catalyst Chartered Accountants | | | 5,775.00 |
| | Certigard | | | 2,565.93 |
| | Champion Concrete Cutting (Calgary) Inc. | | | 2,856.00 |
| | Chariot Express | | | 766.50 |
| | Checker Courier | | | 45.00 |
| | Checkwell Decision Corporation | | | 1.00 |
| | Chief Concrete Cutting & Coring | | | 1.00 |
| | CIT Financial Ltd. | | | 22,323.14 |

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|---------------|---------------------------------------|-----------|---------|------------|
| Unsecured | City of Airdrie, the | | | 1.00 |
| | City of Calgary - other | | | 191.00 |
| | City of Calgary - permits | | | 1.00 |
| | City of Calgary - tax | | | 1.00 |
| | City of Calgary - tkts | | | 85.00 |
| | City of Red Deer | | | 330.00 |
| | CJ Tel Communications Ltd. | | | 642.04 |
| | CL Marketing Inc. | | | 289,175.25 |
| | Clemmer Steelcraft Technologies | | | 1.00 |
| | ClickSpace Interactive Inc. | | | 1,247.40 |
| | CNA Commercial Insurance Company | | | 1.00 |
| | Cole International Inc. | | | 1.00 |
| | Columbia Fire Protection Ltd | | | 4,095.00 |
| | Comfort-Aire Limited | | | 1,443.96 |
| | Concept Industries Ltd. | | | 14,010.48 |
| | Constant Fire Protection Systems Ltd. | | | 25,047.76 |
| | Construction by Kore | | | 1.00 |
| | Contour Earth Moving Ltd. | | | 1.00 |
| | Convergint Technologies Ltd. | | | 28,353.26 |
| | Coral Engineering Ltd. | | | 1.00 |
| | Corecon Technologies Inc. | | | 1.00 |
| | Cornell Industries Ltd. | | | 51,016.78 |
| | Corporate Express | | | 384.88 |
| | COSTCO Wholesale | | | 1.00 |
| | Crane Supply | | | 24,201.62 |
| | Crave Kensington Inc. | | | 1.00 |
| | Cronkhite Supply | | | 1.00 |
| | Crystal Services Inc. | | | 27,335.29 |
| | CSA Standards | | | 1.00 |
| | CSCAN INC. | | | 1.00 |
| | CTS Industries Ltd. | | | 223.25 |
| | Culligan | | | 178.80 |
| | D C Sales | | | 1.00 |
| | Direct Air Ltd. | | | 23,260.44 |
| | Direct Energy | | | 187.77 |
| | Direct Energy | | | 93.70 |
| | Diversified Glycol Services inc. | | | 1,575.47 |
| | Diversified Staffing Group | | | 312.48 |
| | DMH Designs Ltd. | | | 4,410.00 |
| | Dome Britannia Properties Inc. | | | 1.00 |
| | Dominion Graphics | | | 886.73 |
| | Drain Doctor, the | | | 1.00 |
| | Dynasty Auto Glass Inc. | | | 1,503.60 |

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In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|--------------------------------------|-----------|---------|-----------|
| Unsecured | E=MC2 Event Management Inc. | | | 1.00 |
| | Ecco Heating Supplies Ltd. | | | 3,961.68 |
| | Econo Lodge Inn & Suites | | | 746.92 |
| | Eecol Electric Corp. | | | 3,570.68 |
| | Electrical Wholesalers | | | 1.00 |
| | Emans Smith Andersen Engineering Ltd | | | 19,425.00 |
| | Emco Limited | | | 18,980.96 |
| | Emerson Clarke | | | 1.00 |
| | Engage Building Systems | | | 1.00 |
| | Engineered Air | | | 1.00 |
| | Engineered Pump Systems Ltd. | | | 1.00 |
| | Enmax | | | 2,191.90 |
| | Enmax | | | 199.37 |
| | Enmax | | | 1.00 |
| | Ernst & Young | | | 9,456.20 |
| | ESC Automation | | | 37,240.56 |
| | Essential Air Ltd. | | | 1.00 |
| | Exel Systems Inc. | | | 1,272.60 |
| | Federal Express Canada Ltd. | | | 36.92 |
| | Fedex Trade Networks Can Inc. | | | 1.00 |
| | Fineline Welding | | | 9,908.82 |
| | Fireweed Group Inc | | | 1.00 |
| | Fish Creek Excavating Ltd. | | | 1.00 |
| | Focus Industries Inc. | | | 1.00 |
| | Foothills Boiler & Welder Ltd. | | | 1.00 |
| | Forco Transport Inc. | | | 84.00 |
| | Frank Lonardelli | | | 1.00 |
| | Fraser Milner Casgrain LLP | | | 1.00 |
| | Frontier Plumbing & Heating Supply | | | 80,191.84 |
| | Gamma-Tech Inspection Ltd. | | | 420.00 |
| | Global Payments Canada GP | | | 22.50 |
| | Graham Jackson | | | 1.00 |
| | Graham, Trevor A. | | | 204.45 |
| | Great West Life | | | 1.00 |
| | Grenville Germain Calgary LP | | | 1.00 |
| | Greyhound Courier Express | | | 1.00 |
| | Group Connect | | | 1.00 |
| | Harris Control Service Ltd. | | | 315.00 |
| | Hazmasters | | | 1.00 |
| | HD Supply canada Inc - Brafasco | | | 112.06 |
| | HD Supply Canada Inc 0080 | | | 10.00 |
| | Hertz Equipment Rental | | | 1,172.85 |
| | HGC Construction Ltd. | | | 1.00 |

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In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|---------------------------------------|-----------|---------|------------|
| Unsecured | Hilti (Canada) Corporation | | | 383.28 |
| | Honeywell Limited | | | 1.00 |
| | HRR Rentals | | | 113.18 |
| | Hubbard Enterprises | | | 1.00 |
| | Humphrey Industrial Repairs | | | 1.00 |
| | Hyatt Auto Sales Ltd. | | | 1.00 |
| | Hydro-Air Technical Services | | | 3,832.50 |
| | Independent Supply Company Inc. | | | 79.32 |
| | Industrial Leasing Ltd. | | | 391.32 |
| | Infocus Technical Services Ltd. | | | 15,777.72 |
| | InSource | | | 1.00 |
| | Intact Insurance Company | | | 1.00 |
| | Intuit Canada | | | 1.00 |
| | Islam, Saiful | | | 986.52 |
| | J J Marketing Ltd. | | | 3,438.66 |
| | Jack's Mechanical Insulation Ltd. | | | 48,929.64 |
| | James Electric Motor Services Ltd. | | | 839.03 |
| | JAS Electrical Contractors Inc. | | | 304.50 |
| | Joe-Jays Welding Ltd. | | | 1.00 |
| | John Gaucher Images | | | 315.00 |
| | Johnson Controls LP. (YORK) | | | 136,539.06 |
| | Justice Equipment Sales Ltd | | | 1.00 |
| | Keno Crane Service Inc. | | | 2,976.50 |
| | Kevin Kindle | | | 1.00 |
| | Keyser Financial Inc. | | | 1.00 |
| | Klass Mechanical Sales Ltd. (Cgy) | | | 1.00 |
| | Kleisinger, Martin A. | | | 672.88 |
| | Labour Ready | | | 3,435.39 |
| | Leader Security Services | | | 1.00 |
| | Leavitt Machinery | | | 1.00 |
| | Legacy Executive Search Partners Inc. | | | 1.00 |
| | Legacy Fire Protection Inc. | | | 1.00 |
| | Lennox | | | 1.00 |
| | Liberty Water Treatment Services | | | 1.00 |
| | M & R Sheet Metal | | | 6,412.68 |
| | M. & R.S. Controls Corp. | | | 3,075.27 |
| | MacPherson Leslie & Tyerman LLP | | | 13,432.96 |
| | Mag Tool | | | 18.30 |
| | Maintenance Enforcement Program | | | 1.00 |
| | Mansell, Ian T. | | | 244.63 |
| | Mantis Technical Services Ltd. | | | 1,898.05 |
| | Manulife Financial | | | 55.28 |
| | Margarita's Cleaning Ltd. | | | 1.00 |

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| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|---|---------------|---------|-----------|
| Unsecured | MCA OF ALBERTA | | | 10.00 |
| | McIntosh Lalani Engineering Ltd. | | | 1.00 |
| | McQuay International | | | 21,992.47 |
| | Mechanical Contractors Assoc. of Alberta | | | 626.77 |
| | Mechanical Trades Institute | | | 1.00 |
| | Merlin Integrated Solutions, inc. | | | 1.00 |
| | Metro Fire Protection Ltd. | | | 84,203.84 |
| | Meyers Norris Penny LLP | Twila Wieners | | 8,754.38 |
| | Midwest Engineering Alberta | | | 27,657.56 |
| | Miller Thomson LLP | | | 1.00 |
| | Mini Dig Corp. | | | 2,031.75 |
| | Minister of Finance | | | 1.00 |
| | Minister of Finance - Alberta Maint. | | | 1.00 |
| | Minister of Finance - NB | | | 1.00 |
| | Minister of Finance - Red Deer | | | 1.00 |
| | Minister of Finance - tkts | | | 1.00 |
| | Modern Beauty Supplies Inc. | | | 1.00 |
| | Moonstone Welding Ltd. | | | 1.00 |
| | Mountain Fresh Canada Ltd. | | | 2,677.50 |
| | Mullen Rigging and Industrial Services In | | | 10,169.25 |
| | Municipal District of Rocky View #44 | | | 1.00 |
| | National Fire Equipment Limited | | | 292.85 |
| | New West Electric | | | 8,817.90 |
| | Newdog | | | 1.00 |
| | New-Line Products Ltd. | | | 178.59 |
| | Nomad Xpress & Crane Service Ltd. | | | 1.00 |
| | Norpac Controls Ltd. | | | 1.00 |
| | North Star Excavating Inc. | | | 1.00 |
| | North Star Fire Protection | | | 9,977.59 |
| | Northland Construction Supplies | | | 1.00 |
| | Northwest Equipment Ltd. | | | 3,790.21 |
| | Northwest Storage | | | 882.00 |
| | NuSource Science Inc. | | | 1.00 |
| | Officestuff Inc. | | | 1.00 |
| | Out to Lunch & Catering Ltd. | | | 1.00 |
| | Paragon Ventilation (Calgary) Ltd. | | | 71,791.65 |
| | Park N Play Design Co. Ltd | | | 1.00 |
| | Party Rental Depot Inc. | | | 1.00 |
| | PDS Fire Protection Inc. | | | 1.00 |
| | Peregrine Installations | | | 1.00 |
| | Pitney Bowes | | | 1.00 |
| | PitneyWorks | | | 1.00 |
| | PitneyWorks Prepaid | | | 1.00 |

Creditor Mailing List

In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|-------------------------------------|-----------|---------|-----------|
| Unsecured | Plumbing Plus | | | 1.00 |
| | Power Ecosystems Inc. | | | 11,466.10 |
| | Power Tool Clinic (1990) Ltd. | | | 1.00 |
| | Praxair | | | 927.85 |
| | Prime Rentals Ltd. | | | 9,450.00 |
| | Primo Cutting and Coring | | | 1,386.00 |
| | Priority Credit Recovery Inc. | | | 105.00 |
| | Project Wize Inc. | | | 1.00 |
| | Pro-Tech Fire & Safety Inc. | | | 1.00 |
| | Purolator | | | 351.41 |
| | Qualitec Distributors Inc. | | | 1.00 |
| | Quality Service Contractors | | | 1.00 |
| | Quantum Murray | | | 1.00 |
| | QuickPen International | | | 1.00 |
| | R. Watts, Exp. | | | 1.00 |
| | RAE Corporation | | | 1.00 |
| | Receiver General - Corp Tax | | | 1.00 |
| | Receiver General - GST | | | 1.00 |
| | Red Deer Fasteners | | | 12.79 |
| | Refrigerative Supply | | | 1.00 |
| | Registries Direct Inc. | | | 1.00 |
| | Reinbold | | | 1.00 |
| | RENT-ME Storage Systems Inc. | | | 975.46 |
| | Rice Engineering & Operations Ltd. | | | 1.00 |
| | Richelieu | | | 1,145.45 |
| | Ricoh Canada Inc. | | | 1,113.24 |
| | Riverbend Rock Products Ltd. | | | 1,562.40 |
| | RNR Tools Ltd | | | 6,570.24 |
| | Rodeo Cutting & Coring Ltd. | | | 1.00 |
| | Rogers Publishing Limited | | | 1.00 |
| | Rogers Rent-All Ltd. | | | 851.17 |
| | Ron's Steel Fabrication Ltd. | | | 1.00 |
| | Rosedale Cleaners | | | 1.00 |
| | RPH Distributors Ltd. | | | 1,274.61 |
| | Russell Food Equipment Calgary Ltd. | | | 1,104.57 |
| | Safefreight | | | 5,128.56 |
| | SAI Engineering Sales Ltd. | | | 10,667.81 |
| | Sandman Hotel Group | | | 1.00 |
| | Save-On Balls | | | 1.00 |
| | Senior Flexonics | | | 1.00 |
| | Shaw Business Solutions Inc. | | | 2,303.66 |
| | Shaw Cable | | | 1.00 |
| | Shaw Lease | | | 1.00 |

Creditor Mailing List

In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|---|-----------|---------|------------|
| Unsecured | Shell Canada Products Ltd. | | | 2,826.18 |
| | Shred-It International Inc. | | | 413.01 |
| | Siemens Canada Ltd | | | 82,301.22 |
| | Simon Lift Systems Inc. | | | 1.00 |
| | SimplexGrinnell | | | 87,672.69 |
| | Solid Safety Consulting | | | 15,718.50 |
| | Southampton-Trane Inc. | | | 1.00 |
| | Specified Technical Sales Ltd. | | | 9,289.13 |
| | Sportscar Coachworks Ltd. | | | 513.24 |
| | Spring Air Acoustics Ltd. | | | 9,076.20 |
| | Stampede Crane & Rigging Inc. | | | 1.00 |
| | Star Sheet Metal (AB) Ltd. | | | 167,079.26 |
| | Stebnicki & Partners Consulting Elec. Eng | | | 735.00 |
| | STORoffice | | | 2,054.26 |
| | Stoughton Fire Protection Limited | | | 28,659.76 |
| | Sun Life Financial Group | | | 1.00 |
| | Sunrise Motel | | | 396.20 |
| | Super Save Fence Rentals Inc. | | | 1.00 |
| | Super Save Toilet Rentals Inc. | | | 1.00 |
| | Supreme Basics | | | 1.00 |
| | Sureway Metal Warehouse Inc | | | 1.00 |
| | T. Jangsam | | | 1.00 |
| | Taber Transport (1980) Ltd. | | | 19.26 |
| | Tech-Air Services | | | 1.00 |
| | Technical Systems | | | 86,100.00 |
| | TEK Plumbing & Heating Inc. | | | 9,973.50 |
| | TelPay | | | 1.00 |
| | Telus | | | 1.00 |
| | Telus | | | 513.52 |
| | Telus | | | 5,893.09 |
| | Telus | | | 426.78 |
| | Telus | | | 105.28 |
| | Telus MIKE | | | 2,793.10 |
| | The Blind Doctor Inc. | | | 1.00 |
| | The Canadian Payroll Association | | | 1.00 |
| | The City of Red Deer | | | 300.00 |
| | The Forzani Group Foundation | | | 1.00 |
| | The Organ Donation and Transplant | | | 1.00 |
| | Titan Sheet Metal Inc. | | | 38,107.65 |
| | TLM Safety Services | | | 1.00 |
| | Totem Building Supplies Ltd. | | | 192.47 |
| | Town of Chestermere | | | 150.00 |
| | Trane Canada Co. | | | 12,285.00 |

Creditor Mailing List

In the Matter of the Bankruptcy of Watts Mechanical Services Ltd.

| Creditor Type | Name | Attention | Address | Claim \$ |
|---------------|-------------------------------------|-----------|---------|------------|
| Unsecured | Transmission Supplies Ltd. | | | 1.00 |
| | Trimen Food Services Equipment Inc. | | | 752.90 |
| | Trim-Line of Calgary | | | 473.03 |
| | Triton Enterprises | | | 1.00 |
| | Trotter & Morton | | | 10.00 |
| | Troy Life & Fire Safety Ltd. | | | 158,973.52 |
| | Twa Panel Systems Inc. | | | 4,042.50 |
| | Ultimate Group of Contractors Inc. | | | 336.00 |
| | United Drywall Ltd. | | | 787.50 |
| | UPS Brokerage C.O.D. | | | 5.09 |
| | Varko Excavating Inc. | | | 3,698.63 |
| | Venture Guiding Inc. | | | 1.00 |
| | Viking Fire Protection Inc. | | | 1.00 |
| | Vipond Fire Protection | | | 1.00 |
| | WCB | | | 9,007.05 |
| | WD Construction & Millwork Ltd. | | | 1.00 |
| | Wescan Precision Machine Corp. | | | 1.00 |
| | West Air Sheet Metal Ltd. | | | 126,710.00 |
| | West Canadian Digital Imaging Inc. | | | 855.98 |
| | West Direct Express Ltd. | | | 1,378.58 |
| | Westburne Electric Supply Alberta | | | 115.45 |
| | Westcan Calgary | | | 178.50 |
| | Westcan Wireless | | | 1.00 |
| | Western Air & Power Ltd. | | | 29,673.00 |
| | Western International Plastics Ltd. | | | 61,795.38 |
| | Western Life Insurance | | | 677.68 |
| | Western Pump | | | 1,192.60 |
| | WesternOne | | | 16,732.56 |
| | Westglas Insulation Ltd. | | | 48,270.18 |
| | Westland Electric Ltd. | | | 238.61 |
| | White Paper Co. | | | 658.78 |
| | Williams Engineering | | | 2,885.69 |
| | Wojciech Wojtowicz | | | 10.00 |
| | Wolseley | | | 46,981.53 |
| | Yadav, Santraj A. | | | 928.40 |
| | YPO Alberta Chapter | | | 4,567.50 |
| | Zee Medical | | | 375.22 |

PROOF OF CLAIM

All notices or correspondence regarding this claim must be forwarded to the following address :

IN THE MATTER OF THE BANKRUPTCY OF: WATTS MECHANICAL SERVICES LTD., of Calgary, Alberta, debtor
 and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province)

DO HEREBY CERTIFY:

1. That I am a creditor of the above-named debtor, (or that I am _____ (state position or title) of _____ (name of creditor).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy, namely the **22nd day of December, 2011** and still is, indebted to the creditor for the amount(s) indicated below, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A" (Note 1), after deducting any counterclaims to which the debtor is entitled. *(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)*
4. That the amount(s) and category/categories of the claim of the creditor are as follows:

Category/Categories

- Employee claim for unpaid wages and allowable expenses, under section 81.3(8) or 81.4(8) of the Act
- Claim of a Pension plan, under section 81.5 or 81.6 of the Act
- Claim of a farmer, fisherman or aquaculturist, under section 81.2 of the Act
- Secured claim (notes 2 and 3) – Value of the assets held as security: \$ _____
- Preferred claim, under section 136 of the Act
- Claim of a lessor further to the disclaimer of a lease, pursuant to section 65.2(4) of the Act
- Claim arising from the repudiation or resiliation of an agreement, pursuant to section 65.11(8) of the Act
- Claim of a customer of a securities firm, as defined in section 253 of the Act
- Ordinary unsecured claim

Amount (CDN \$)

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Total amount of the claim

(Give full particulars of the claim, including the calculations upon which the claim is based, and the details to support a right to a priority claim, as the case may be).

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event (October 21, 2011) within the meaning of Section 2 of the Act are listed on Schedule "B" hereto: *(Provide details of payments and credits.)*

DATED in the city of _____ this _____ day of _____ 2011.

 Signature of witness

 Signature of creditor (of representative of the creditor)

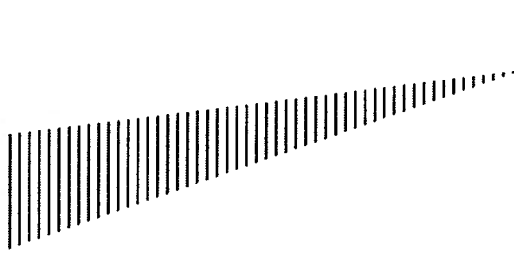
Telephone no: () _____

Telecopier no: () _____

E-mail address: _____

Notes and warnings:

1. If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.
2. With regards to a secured claim, provide full particulars if the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.
3. A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
4. Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.



Ernst & Young Inc.
 1000, 440 – 2nd Avenue SW
 Calgary, Alberta T2P 5E9
 Tel: 403 290 4100
 Fax: 403 290 4265
 ey.com/ca

PROXY

IN THE MATTER OF THE BANKRUPTCY OF: WATTS MECHANICAL SERVICES LTD

I, (or We) _____ (name of creditor), of _____ (name of town or city), a creditor in the above matter, hereby appoint _____, of the _____ of _____ (name of town or city), to be my (or our) proxy in the above matter, except as to the receipt of dividends, with (or without) power to appoint another proxy in his or her place.

Dated at _____, this _____ day of _____ 2011.
 (name of town or city)

 Signature of Witness

 Signature of creditor (individual)

 Name of Corporate Creditor

 Signature of Witness

Per: _____
 Name and Title of Signing Officer

INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM AND PROXY

Please check each of the following requirements in order to prepare the attached forms in a complete and accurate manner.

PROOF OF CLAIM

- Give the **complete address, including postal code**, where all notices or correspondence are to be forwarded.
- If the creditor is a corporation, the full and complete legal name of the company or firm must be stated.
- Please state your name (or representative of the creditor), city of residence and province.
- The signature of a witness is required.
- The claim must be **signed personally by the individual** completing this declaration.
- The claim and/or proxy must be delivered by regular mail, registered mail, personal delivery, e-mailed (in PDF format), courier or facsimile transmission at the following address before the day of the meeting of creditors:

Ernst & Young Inc.
Attn: Neil Honess
Ernst & Young Tower
1000, 440 – 2nd Avenue S.W.
Calgary, Alberta
T2P 5E9
E-mail : neil.honess@ca.ey.com
Telephone: (403) 206-5003
Fax: (403) 206-5075

Paragraph (1)

- If you are completing the declaration for a corporation or another person, your **position or title**.

Paragraph (3)

- A **detailed statement of account** must be attached and must show the date, number and amount of all the invoices, charges, credits or payments.
- A statement of account is not complete if it begins with an amount brought forward.
- The amount of the statement of account **must agree** with the amount claimed on the proof of claim.

Paragraph (4)

- A creditor must indicate the category in which his claim falls by inserting the amount of the claim in the appropriate box, and providing in an appendix a full explanation of the basis of the claim.
- An ordinary creditor must specify if he claims or not a right to a priority under section 136 of the Act.
- A secured creditor must insert the value at which he assesses each of his securities and provide a **certified true copy** of the security documents as registered.
- In order to prepare its claim, the creditor should refer to the *Bankruptcy and Insolvency Act*, copy of which is accessible at <http://laws.justice.gc.ca/eng/StatutesByTitle>.

Paragraph (5)

- Strike out “are” or “are not” as applicable to you. You would be considered a related person if:
 - you are related to blood or marriage to the debtor;
 - if the debtor is a corporation and you were a shareholder or if your company was controlled by the same shareholders as the debtor corporation.

Paragraph (6)

- All creditors must attach a detailed list of all payments or credits received or granted, as follows:
 - within the 3 months immediately before the date of the initial bankruptcy event or proposal, if the creditor and the debtor are not related and dealt at arm’s length.
 - within the 12 months immediately before the date of the initial bankruptcy event the bankruptcy or the proposal, if the creditor and the debtor are related or did not deal at arm’s length.

PROXY

- A creditor may appoint a proxy by completing the proxy form. If the creditor is a corporation, the proxy form must be completed in the corporate name and the signature witnessed.

NOTES

- Only creditors who have filed claims in the proper manner before the time appointed for the meeting of creditors are entitled to vote.
- A creditor may vote either in person or by a proxy.
- A debtor may not be appointed a proxy to vote at any meeting of his creditors.
- The trustee may be appointed as a proxy for any creditor.
- A corporation may vote by an authorized agent at the meeting of creditors.
- In order to have the right to vote, a person must himself be a creditor or be the holder of a properly executed proxy showing the name of the creditor.
- Only creditors who file claims in the proper form with the trustee are entitled to share in any distribution that may be made.