

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B)

AND IN THE MATTER OF an Application by Natural Resource Gas Limited to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, transmission and distribution of gas as of October 1, 2010.

**RESPONSE TO INTERROGATORIES FROM
INTEGRATED GRAIN PROCESSORS CO-OPERATIVE**

May 17, 2010

NATURAL RESOURCE GAS LIMITED

**RESPONSES TO INTERROGATORIES FROM
INTEGRATED GRAIN PROCESSORS CO-OPERATIVE ("IGPC")**

ADMINISTRATION

Reference: Exhibit A1, Tab 2, Schedule 1, Page 1

Preamble: NRG has requested an approved capital structure with a minimum equity component of 42%.

- 1. Did any shareholder make any investment of equity in NRG during 2009, 2008, 2007 or 2006? If so, please provide the date, amount and nature of the investment.**

RESPONSE

There were no shareholder investments of equity in NRG during 2006 thru 2009.

Reference: Exhibit A1, Tab 3, Schedule 1, Page 1

Preamble: NRG has stated the entities, NRG Corp., Natural Resource Gas Limited (“NRG”) and Ayerswood Development Corp., are not affiliated entities within the meaning of the Business Corporations Act (Ontario).

2. In EB-2005-0544, NRG (Transcript of July 21, 2006 at pages 80 and 82) indicated that it expected transactions with such entities to be scrutinized in the same manner as affiliate transactions. Given that all the beneficiaries are the “Graat Family”, are transactions between:
- (a) NRG and NRG Corp subject to the requirements of the Affiliate Relationships Code for Gas Utilities?
 - (b) NRG and Ayerswood Development Corp. subject to the requirements of the Affiliate Relationships Code for Gas Utilities?
 - (c) If the answer to (a) or (b) is “No”, please explain the rationale?
 - (d) If the answer to (a) or (b) is “Yes”, please confirm that all such transactions completed have complied with the requirements of the Affiliate Relationships Code for Gas Utilities.

RESPONSE

The definition of “affiliate” adopted by the Board in its Affiliate Relationships Code for Gas Utilities is the definition of “affiliate” utilized in the *Business Corporations Act* (Ontario) (“OBCA”).

An “affiliate” in the OBCA means an affiliated body corporate as set out in subsection 1(4) of the OBCA.

Subsection 1(4) of the OBCA states that “[f]or the purposes of this Act, one body corporate shall be deemed to be affiliated with another body corporate if, but only if, one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person.” Thus, there are three ways in which two corporate entities may be affiliated for the purposes of the OBCA (and in turn, the ARC):

- if the two entities are in a parent-subsidiary relationship;
- if the two entities are “sister corporations” (i.e., have a common parent); or,
- if the two entities are “controlled” by the same person.

Each of these is discussed in turn.

NRG, Ayerswood and NRG Corp. are not in a Parent-Subsidiary Relationship

The OBCA provides guidance in order to determine whether two entities are in a parent-subsidiary relationship. Subsection 1(2) of the OBCA states that:

- ... a body corporate shall be deemed to be a subsidiary of another body corporate if, **but only if**:
- (a) it is controlled by,
 - (i) that other, or
 - (ii) that other and one or more bodies corporate each of which is controlled by that other, or
 - (iii) two or more bodies corporate each of which is controlled by that other; or
 - (b) it is a subsidiary of a body corporate that is that other's subsidiary.
(emphasis mine)

Paragraph (b) of subsection 1(2) is clearly not applicable. With respect to paragraph (a), the determination to be made is whether NRG or NRG Corp. are directly or indirectly *controlled* by the other. Here, the OBCA is again very prescriptive. Subsection 1(5) of the OBCA states that:

- ...a body corporate shall be deemed to be **controlled** by another person or by two or more bodies corporate if, **but only if**,
- (a) voting securities of the first-mentioned body corporate carrying more than 50 per cent of the votes for the election of directors are held, other than by way of security only, by or for the benefit of such other person or by or for the benefit of such other bodies corporate; and
 - (b) the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of the first-mentioned body corporate.

This is a two-part “control-in-law” test that requires both majority share ownership and also the right to elect a majority of the board of directors. The first branch of the test is a simple test and requires ownership of more than 50.1% of the voting securities. The second branch of the test is required to deal with the factual situation where cumulative voting for the election of the board of directors is permitted by the articles pursuant to section 120 of the OBCA. Neither NRG nor NRG Corp. meets this test with respect to the other.

NRG, Ayerswood and NRG Corp. are not Sister Corporations

Each of NRG and NRG Corp. are owned by a separate trust, with the trustees of one not capable of controlling the other trust. Consequently, NRG and NRG Corp. are not sister corporations.

NRG, Ayerswood and NRG Corp. are not Controlled by the Same Person

As noted above, “control” has a specific meaning in the context of the OBCA and therefore the Affiliate Relationships Code for Gas Utilities. Further, as demonstrated above, NRG and NRG Corp. are not controlled by the same person.

Although beneficiaries of the trusts that own NRG Corp., Natural Resource Gas Limited, and Ayerswood Development Corp. are the same, that does not bring any of those three corporations within the control provisions of subsection 1(5) of the OBCA.

As noted in the IR from IGPC, however, NRG’s counsel explained the relationship between these companies as follows in NRG’s previous rate case:

At the end of the day, and I've spoken with Mr. Faye about this, I think it has no bearing on this case. They are still related entities. The beneficiaries of all of the trusts are common. Certain employees are common. So for the purposes of a rate case and your scrutiny, I would assume, and I think Mr. Faye agrees, that you're going to apply the same level of scrutiny to these transactions among these related parties as if they were affiliates. They're not arm's-length.

Reference: Exhibit A1, Tab 3, Schedule 2, Page 1

Preamble: The organization chart shows multiple “Co-Chairs” and other positions.

3. How many “Co-Chairs” are there?

RESPONSE

There are two Co-Chairs of NRG.

- 4. Are the “Co-Chairs”, General Manager, President/Secretary-Treasurer employees of NRG or any company related to NRG, or both?**

RESPONSE

The General Manager is an employee of NRG only. One Co-Chair is a consultant to NRG only. One Co-Chair is an employee of NRG only. The President/Secretary-Treasurer is not an employee of NRG or any other related company.

Reference: Exhibit A1, Tab 3, Schedule 3, Page 1

Preamble: The system map.

- 5. Please provide a system map in colour and in a larger format than 8.5 x 11 (an 11x17 or larger).**

RESPONSE

Please see Attachment.

NORTH DORCHESTER

NRG Gas Main
(Existing H.P.)

NRG Gas City
(Existing M.P.)

Capital Projects

- 1998 FISCAL YEAR
- 1999 FISCAL YEAR
- 2000 FISCAL YEAR
- 2001 FISCAL YEAR
- 2002 FISCAL YEAR
- 2003 FISCAL YEAR
- 2004 FISCAL YEAR
- 2005 FISCAL YEAR
- 2006 FISCAL YEAR
- 2007 FISCAL YEAR
- 2008 FISCAL YEAR
- 2008 DEDICATED 6" LINE - IGPC _ H.P.
- 2009 FISCAL YEAR
- 2010 FISCAL YEAR

- 1 - 10 Wilson Line
- 2 - 10 Springer Hill Road (Phase -2)
- 3 - 10 Glencolin
- 4 - 10 Hertiage Line

2011 OPTIONAL

- 1 - 11 Culloden Line
- 2 - 11 Avon Drive

2012 OPTIONAL

- 1 - 12 Culloden Line

Union Gas Main

Greentree Gas Main

Above Ground Shut off Valves

Bellow Ground Shut off Valves

NORFOLK

SOUTH
DORCHESTER

SOUTH-WEST
OXFORD

BAYHAM

MALAHIDE



Natural Resource Gas Limited

NRG System Map

Scale
2000m 1000m 0 2km 4km 6km 8km 10km

Lake Erie

Reference: Exhibit A3, Tab 1, Schedule 2, Page 8

Preamble: The notes include the paragraph:

“For natural gas wells, the successful efforts method is used to account for oil and gas exploration and development costs. Under this method, acquisition costs of oil and gas properties and costs of drilling and equipping development wells are capitalized. Costs of drilling exploratory wells are initially capitalized and, if subsequently determined to be unsuccessful, are charged to exploration and development expense. All other exploration costs, including geographical and geophysical costs and annual lease rentals, are charged to exploration and development expense when incurred. Producing properties and significant unproven properties are assessed annually, or more frequently as economic events dictate, for potential impairment. Any impairment loss is recognized when the carrying value of the asset is not recoverable and exceeds its fair value.”

This note does not appear in prior audited financial statements.

- 6. Does NRG carry out exploration and development activities related to oil or natural gas?**

RESPONSE

Please see response to IGPC IR 8.

- 7. If the answer is “Yes”, please provide:**
- (a) A description of such activities.**
 - (b) All amounts and accounts in which such amounts were recorded.**

RESPONSE

Please see response to IGPC IR 8.

- 8. If the answer is “No”, why is this statement included in the Audited Financial Statement?**

RESPONSE

NRG has invested in prospective wells. However, this is not part of the rates application as it is a separate activity outside of the utility. NRG has participated in two prospective wells – one in 2008 and one in 2009, both of which were unsuccessful.

Reference: Exhibit A3, Tab 1, Schedule 1, Page 14

Preamble: Note 6 included management fees of \$457,000 being paid to a related company.

9. Were any of these fees related to the IGPC pipeline? If so, how much?

RESPONSE

Please see response to IGPC IR 11.

- 10. Please describe the services provided. When were the services performed by the related company?**

RESPONSE

Please see response to IGPC IR 11.

- 11. Please provide a copy(ies) of the Service Agreement(s) between NRG and the related parties.**

RESPONSE

The Management fee is primarily for Financial and Executive support in managing NRG and these fees are “company wide” services and as such would be part of the expenses “allocated” thru the cost allocation model to the appropriate rate classes. The services are provided throughout the year. There is no Service Agreement.

RATE BASE

Reference: Exhibit B1, Tab 1, Schedule 1, Page 2

Preamble: NRG included in rate base costs related to the IGPC pipeline in the amount of \$5,073,000 in the 2009 Audited Financial Statements and includes a statement that proposed costs are included in rate base at Exhibit B6, Tab 2, Schedule 1.

12. Please file a copy of:

- (a) the Pipeline Cost Recovery Agreement between IGPC and NRG;**
- (b) the Gas Delivery Contract between IGPC and NRG;**
- (c) the Bank of Nova Scotia Term Note payable related to the construction of the IGPC pipeline.**

RESPONSE

Please see Attachments.

This **PIPELINE COST RECOVERY AGREEMENT** ("Agreement"), made as of the 31st day of January, 2007.

BETWEEN:

NATURAL RESOURCE GAS LIMITED,
a corporation formed under the laws of Ontario.

(the "Utility")

- and -

INTEGRATED GRAIN PROCESSORS CO-OPERATIVE INC.,
a co-operative corporation formed under the laws of Ontario.

(the "Customer")
(collectively the "Parties")

RECITALS:

WHEREAS the Customer is developing an ethanol facility (the "Customer Facility") in the Town of Aylmer, Ontario;

AND WHEREAS the Utility must expand its current natural gas distribution infrastructure to deliver natural gas to the Customer Facility to meet the volume, pressure and delivery requirements of the Customer;

AND WHEREAS the Utility has a franchise agreement to distribute natural gas in the Town of Aylmer;

AND WHEREAS the Utility has entered or will enter into an agreement with Union Gas Limited to install new facilities or modify existing facilities to supply the Utility with natural gas, such that Union Gas Limited will be capable of meeting the total supply requirements of the Utility, including the supply needs of the Customer;

AND WHEREAS the Utility and Union Gas Limited have reached an understanding regarding the Utility Connection Facilities crossing the Union Gas Limited franchise area;

AND WHEREAS the Customer has paid to the Utility a deposit of \$130,000.00 against any Aid-to-Construct that may be owed to the Utility;

AND WHEREAS the Utility and the Customer have entered into an agreement dated January 31, 2007, as the same may be amended, modified, supplemented or restated (the "Gas Delivery Contract") providing for the Utility to deliver natural gas to the Customer Facility, among other things;

AND WHEREAS the Customer, or its representative, will be purchasing the Customer's gas directly and arranging for transportation, and the Utility and the Customer will enter into a Bundled T-Service Receipt Contract;

AND WHEREAS the Utility has determined that approximately 28.53km of NPS 6 steel pipeline and related facilities are required to be installed to deliver natural gas to the Customer Facility;

AND WHEREAS the Customer has requested and the Utility has agreed to construct approximately 28.53km of NPS 6 steel pipeline and related facilities (the "Utility Connection Facilities") and to arrange with Union Gas Limited for the construction by Union for facilities required to complete the connection between the Utility Connection Facilities and the Union Gas Limited system (the "Union Gas Connection Facilities"), to deliver natural gas from the Union Gas Limited system to the Customer Facility, on the terms and conditions set forth in this Agreement; and

IN CONSIDERATION of the mutual covenants contained herein, the receipt and sufficiency of which is hereby acknowledged and accepted, the Parties to this Agreement agree as follows:

ARTICLE I – ATTACHMENTS AND INTERPRETATION

1.1 The following are hereby incorporated into and form part of this Agreement:

- (a) Schedule A - Pipeline Work
- (b) Schedule B - Project Map

1.2 For the purpose of this Agreement:

- (a) "Actual Aid-To-Construct" means the Aid-To-Construct calculated by the Utility using the Actual Capital Cost, as provided for in Article III;
- (b) "Actual Capital Cost" means the reasonable actual Capital Cost, as provided for in Article III;
- (c) "Aecon" means Aecon Utilities - A Division of Aecon Construction Inc., or any successor thereto;
- (d) "Aid-to-Construct" means the amount by which the Capital Cost exceeds the revenue recovered by the Utility through rates, as calculated in accordance with EBO 188;
- (e) "Applicable Law" means all federal, provincial, county, municipal or local laws, by-laws, statutes, rules, regulations ordinances, directives, or any decisions of a Governmental Authority.
- (f) "Business Day" means a day, other than a Saturday or Sunday or statutory holiday in the Province of Ontario or any other day on which banking institutions in Ontario are not open for the transaction of business;

- (g) "Capital Cost" means the total capital cost of the Utility Connection Facilities and the Union Gas Aid-to-Construct;
- (h) "Construction" means construction and installation of the Utility Connection Facilities;
- (i) "Construction Agreement" means the agreement between the Utility and a contractor for the completion of the Construction;
- (j) "Cubic metres" or "m³" means the volume of gas which at a temperature of 15 degrees Celsius and at an absolute pressure of 101.325 kilopascals ("kPa") occupies one cubic metre;
- (k) "Customer Facility" means the ethanol facility proposed to be built and operated by the Customer in the Town of Aylmer with an output capacity of approximately 150 million litres of ethanol annually;
- (l) "Customer Meter Facility" means the Utility's equipment to measure the gas consumed by the Customer, located at the Customer Facility, and includes but is not limited to all meters, pressure regulators, valves, fittings and communications equipment, and forms part of the Utility Connection Facilities;
- (m) "EBO 188" means the Final Report of the Board, dated January 30, 1998 regarding the economic evaluation of the expansion of natural gas systems;
- (n) "Event of Default" means either a Customer Event of Default or a Utility Event of Default;
- (o) "Governmental Authority" means any federal, provincial, municipal or local government, parliament or legislature, or any regulatory authority, agency or tribunal, commission, board or department of any such government, parliament or legislature or any court or other law, regulation or rule-making entity having jurisdiction in the relevant circumstances;
- (p) "GST" means the goods and service tax exigible pursuant to the *Excise Tax Act* (Canada) as amended from time to time;
- (q) "Initial Estimated Aid-To-Construct" means the Aid-To-Construct calculated in accordance with EBO 188 using the Initial Estimated Capital Cost;
- (r) "Initial Estimated Capital Cost" means the estimated Capital Cost provided by Aecon, including the Union Gas Aid-to-Construct;
- (s) "In-Service Date" means the later of November 1, 2007 and the date on which the pipeline is able to deliver the full amount of the gas contemplated by the Gas Delivery Contract;
- (t) "Insolvency Legislation" means the *Bankruptcy and Insolvency Act* (Canada), the *Winding Up and Restructuring Act* (Canada) and the *Companies' Creditors*

Arrangement Act (Canada) and the bankruptcy, insolvency, creditor protection or similar laws of any other jurisdiction (regardless of the jurisdiction of such application or competence of such law), as they may be amended from time to time.

- (u) "Leave-to-Construct" means the application, decision, order or approval as the context requires pursuant to section 90 of the *Ontario Energy Act, 1998* as amended;
- (v) "MMBTU" means one million British Thermal Units;
- (w) "NPS" means nominal pipe size;
- (x) "OEB" means the Ontario Energy Board or any successor organization;
- (y) "Overhead" shall, to the extent not included in other consulting costs, include the reasonable engineering, supervision, administrative salaries and expenses, construction engineering and supervision, legal expenses, taxes and other similar items allocated to the Utility Connection Facilities;
- (z) "Pipeline Work" means the work required to plan, design, construct, install, test and commission the Utility Connection Facilities and the Union Gas Connection Facilities;
- (aa) "Prime Rate" means the prime rate of interest of the Bank of Nova Scotia;
- (bb) "Revised Estimated Aid-To-Construct" means the estimated Aid-To-Construct calculated in accordance with EBO 188 using the Revised Estimated Capital Cost;
- (cc) "Revised Estimated Capital Cost" means the estimated Capital Cost, using the most current information available, in accordance with Article III;
- (dd) "Utility Connection Facilities" means the pipeline and ancillary facilities to be completed by the Utility to serve the Customer;
- (ee) "Union Gas Aid-To-Construct" means the Aid-To-Construct payable to Union Gas Ltd. by the Utility in respect of the Union Gas Connection Facilities, calculated in accordance with EBO 188;
- (ff) "Union Gas Connection Facilities" means the pipeline and ancillary facilities to be completed by Union Gas Limited upstream of the Utility Connection Facilities, that are necessary to serve the Customer.

ARTICLE II – REPRESENTATIONS AND WARRANTIES

2.1 The Customer represents and warrants to the Utility that:

- (a) it is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);

- (b) it has all the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under it;
- (c) the execution, delivery and performance of the Agreement by it has been duly authorized by all necessary corporate action and does not result in a violation, a breach or a default under: (i) its charter or by-laws; (ii) any contracts or instruments to which it is bound; or (iii) any Applicable Law;
- (d) any individual executing this Agreement, and any document in connection herewith, on its behalf has been duly authorized by it to execute this Agreement and has the full power and authority to bind it;
- (e) this Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms; and,
- (f) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution.

2.2 The Utility represents and warrants to the Customer that:

- (a) it is duly incorporated, formed or registered (as applicable) under the laws of its jurisdiction of incorporation, formation or registration (as applicable);
- (b) it has all the necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations under it;
- (c) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action and does not result in a violation, a breach or a default under: (i) its charter or by-laws; (ii) any contracts or instruments to which it is bound; or (iii) any Applicable Law;
- (d) any individual executing this Agreement, and any document in connection herewith, on its behalf has been duly authorized by it to execute this Agreement and has the full power and authority to bind it;
- (e) this Agreement constitutes a legal and binding obligation on it, enforceable against it in accordance with its terms;
- (f) no proceedings have been instituted by or against it with respect to bankruptcy, insolvency, liquidation or dissolution; and,
- (g) the calculation of the Initial Estimated Aid-To-Construct has been completed in accordance with EBO 188.

ARTICLE III – CAPITAL COST AND AID-TO-CONSTRUCT

- 3.1 The Initial Estimated Capital Cost is estimated at \$9,100,000.00, comprised of approximately \$8,920,000.00 for the Utility Connection Facilities and \$180,000.00 for the Union Gas Aid-To-Construct. The Initial Estimated Capital Cost is included in the Leave-to-Construct application filed by the Utility with the OEB.
- 3.2 Based upon the Initial Estimated Capital Cost and applying the Utility's current OEB-approved Rate 3 to a minimum annual volume of 33,416,618 m³ and a firm contract demand of 108,188 m³/day over a seven year period, the Initial Estimated Aid-to-Construct is \$3,790,000.00, to be paid by the Customer.
- 3.3 The Customer shall make payments toward the Initial Estimated Aid-to-Construct, as follows:

- (a) \$130,000.00 on or before October 16, 2006, payment of which has been received and acknowledged;
- (b) Prior to the award of the Construction Agreement, the amount of the monthly invoices provided by the Utility for reasonable internal, consulting and third party expenses incurred in the prior calendar month within fifteen (15) Business Days of receiving such invoice; and
- (c) Payment, in advance as required by the Utility, of an amount equal to any required payment to be made by Utility for procuring the station material and pipe;

the total of which payments shall not exceed the Initial Estimated Aid-to-Construct.

- 3.4 Prior to the execution of the Construction Agreement, the Utility shall provide the Customer with a Revised Estimated Capital Cost and a Revised Estimated Aid-to-Construct, based on the most current information available at the time, including the successful bid for the Construction Agreement, calculated in accordance with EBO 188, and:
- (a) The Customer shall pay the Utility an amount equal to the amount, if any, by which the Revised Aid-To-Construct exceeds the total of all payments made by the Customer to the Utility under Section 3.3. In the event that the amount paid by the Customer pursuant to Section 3.3 exceeds the Revised Estimated Aid-To-Construct then the Utility shall forthwith pay to Customer an amount equal to the payments made less the Revised Estimated Aid-To-Construct; and
 - (b) The Utility shall provide the Customer with a detailed written breakdown of the Revised Estimated Capital Cost including, but not limited to Overhead, engineering, surveying, consultant, legal, major materials (pipe, meters, major equipment, heating equipment costs), easement, internal and external construction and commissioning costs when it is available to the Utility and a copy of the cost

breakdown for the Union Gas Connection Facilities as provided to the Utility by Union Gas Limited.

- 3.5 In the event that the Commencement Date under the Gas Delivery Contract is later than the In-Service Date, the Utility shall invoice and the Customer shall pay an amount equal to the Utility's reasonable debt financing costs incurred in each month between the In-Service Date and the Commencement Date under the Gas Delivery Contract.
- 3.6 The contingency amount to be included in the Revised Estimated Capital Cost shall be limited to a maximum of ten percent of the Construction Agreement cost.
- 3.7 The Utility, in its sole discretion, may elect not to proceed any further with any of its obligations under this Agreement if the Customer fails to make any payment or provide any letter of credit required under this agreement until such payment or letter of credit is delivered by the Customer to the Utility and the Utility shall not be liable for any liabilities, damages, losses, payments, costs, or expense that may be incurred by the Customer as a result.
- 3.8 From the date required for any payment required by this Agreement, all unpaid amounts will bear interest at the rate of the Prime Rate plus 1.00% per annum payable quarterly on the last day of each calendar quarter.
- 3.9 The Utility shall use best efforts to minimize the actual Capital Cost, and shall advise the Customer of actual costs as incurred, in accordance with Article IV. At a minimum, the Utility shall ensure the award of the Construction Agreement is completed through a competitive tender process unless otherwise agreed to in writing by the Customer. The Utility shall ensure that the procurement of pipe, major equipment and appliances is done using a competitive quotation process wherever possible. The Utility shall inform the Customer where a competitive process is not utilized and provide an explanation as to why a competitive process is not required. Prior to committing to any expenditure in excess of \$100,000.00, the Utility shall obtain the written consent of the Customer, such consent not to be unreasonably withheld.
- 3.10 The Utility shall request Union Gas Limited to provide it with the actual capital cost of the Union Gas Connection Facilities and the actual Union Gas Aid-to-Construct within 30 Business Days or other mutually agreeable timeframe of the pipeline being put into service.
- 3.11 The Customer and the Utility acknowledge that the Initial Estimated Capital Cost and the Revised Estimated Capital Cost may be different from the Actual Capital Cost incurred and the parties agree that the Actual Aid-to-Construct and Delivery Letter of Credit (as defined in Article VII) shall be adjusted based on an economic evaluation carried out in accordance with EBO 188.
- 3.12 The Customer reserves its rights to dispute the reasonableness of costs incurred in completing the Pipeline Work, provided that the Customer does so within 5 Business Days when such costs are provided by the Utility to the Customer.

- 3.13 Within forty-five (45) Business Days or some other mutually agreeable timeframe of the pipeline being put into service, the Utility shall provide the Customer with the Actual Capital Cost and Actual Aid-To-Construct, along with a summary of the information provided pursuant to Section 4.3 and copies of any invoices and supporting documentation not previously provided to Customer. If the Customer agrees with the Actual Capital Cost and Actual Aid-To-Construct, and
- (a) if the Actual Aid-To-Construct is greater than the Revised Estimated Aid-To-Construct, then the Customer shall pay to the Utility the difference between the Actual Aid-To-Construct and the Revised Aid-To-Construct within five (5) Business Days; and
 - (b) if the Revised Estimated Aid-To-Construct exceeds the Actual Aid-To-Construct then the Utility shall pay to the Customer the difference between the Actual Aid-To-Construct and the Revised Aid-To-Construct within five (5) Business Days.
- 3.14 If the Customer does not agree with the Actual Capital Cost and Actual Aid-To-Construct, the Parties shall negotiate in good faith for a period of 20 Business days to establish an Actual Capital Cost. If the Parties are unable to agree after such negotiations then either party may refer the matter to the OEB for resolution. In determining reasonable costs attributable to the Capital Cost, the following considerations will be taken into account:
- (a) Legal costs will include the reasonable legal costs of the Utility to establish gas distribution service for the Customer, including the reasonable legal cost to prepare and obtain the Leave to Construct from the OEB; acquire any temporary or permanent land rights required to complete the Pipeline Work; review any procurement or tendering documentation, and draft and negotiate this Agreement and any other agreement required to provide gas distribution service to the Customer;
 - (b) Consultant costs will include the reasonable cost of consultants incurred by the Utility to provide gas distribution service to the Customer, including the reasonable cost to complete the economic analysis to determine the Initial Estimated Aid-to-Construct, the Revised Estimated Aid-to-Construct and the Actual Aid-to-Construct; to carry out title searches to identify adjacent landowners and others with interests in adjacent lands that may be impacted by the Utility Connection Facilities; and the estimated cost of a Surveyor in the amount of \$52,400;
 - (c) The Capital Cost will include the cost of services provided to the Utility by Aecon and any sub-contractors to Aecon, to complete the design of the Utility Connection Facilities, obtain all permits and approvals, , prepare and complete the request for quotation documents for the Construction Agreement and all other competitive processes for services and materials, and the cost estimated by Aecon to be in the range of \$30,000 to \$50,000 for the third party borehole drilling sub-contractor for the completion of boreholes used in the preparation of the Tender Package;

- (d) Utility costs shall include the reasonable cost of interest during construction calculated in accordance with the OEB approved methodology and Overhead related to the Pipeline Work. Internal utility costs will include reasonable administrative and supervisory costs; and technician and field personnel required for the testing and commissioning of the Utility Connection Facilities.
 - (e) The reasonable costs of non-destructive testing of the welds and third party inspection of the Construction.
 - (f) The reasonable cost of the completion of as-built drawings for the Utility Connection Facilities.
 - (g) All consulting and third party costs include reasonable disbursements made by the third party or consultant unless such disbursements are included in a fixed fee quotation.
- 3.15 The Utility shall calculate and provide a partial refund of the Actual Aid-To-Construct, using the same methodology used to calculate the Actual Aid-To-Construct, if available capacity is assigned to another customer within seven years of the date on which the Utility Connection Facilities come into service, provided that the Utility is permitted by the Board to obtain any financial contribution that might be required from the subsequent customer to cover the amount of the refund. The calculation will be carried out once a year, based on the aggregate customer additions for the year. The calculation for the refund will be based on the same inputs used for the original calculation of the Actual Aid-To-Construct, except for the Capital Cost of the facilities which shall be prorated on the basis of the total capacity of the Utility Connection Facilities minus the capacity assigned to any subsequent customers.

ARTICLE IV – CONSTRUCTION

- 4.1 Prior to awarding of the Construction Contract, the Customer shall enter into a seven year gas delivery agreement as mutually agreed to by the Parties with a minimum annual volume of 33,416,618 m³ and a firm contract demand of 108,188 m³/day (Gas Delivery Agreement).
- 4.2 The timely completion of the Utility Connection Facilities is in the interest of the Parties. As part of the Construction Agreement, the Utility shall require the contractor to post a performance bond, including a liquidated damages provision, or other performance assurance measures acceptable to the Customer acting in a reasonable manner.
- 4.3 Prior to the termination of this Agreement, the Utility shall provide the Customer with weekly updates in writing as to costs incurred, costs committed to but not yet incurred and projected costs associated with the Pipeline Work. The Utility shall provide all supporting documentation (quotations, estimates, invoices, bills of lading, receipts, timesheets, etc.) for all costs incurred. As part of the updates, the Utility shall provide the Customer with a description of upcoming work; the anticipated procurement method and

a recommended course of action. The Customer and the Utility shall discuss significant upcoming expenditures prior to committing to such expenditures and shall work co-operatively to meet all timelines and to minimize the costs in the circumstances. The Customer shall consent to such significant expenditures prior to the Utility committing to such expenditures, such consent to be given in a timely manner and not to be unreasonably withheld.

4.4 The Parties acknowledge that any change in the scope of the Pipeline Work may result in a change to the Capital Cost, the Aid-to-Construct, the Customer Letter of Credit and the Construction schedule. A change in scope of the Pipeline Work may come about as a result of any of the following:

- (a) a Customer-initiated scope change;
- (b) a requirement or condition imposed by a Governmental Authority, including without limitation, the OEB;
- (c) unplanned delays on the part of the Customer or Subcontractor; or
- (d) an event of Force Majeure (as determined in accordance with Article VI).

4.5 In the event of a change in the scope of the Pipeline Work, as contemplated in Section 4.4, in excess of \$25,000, the Utility shall inform the Customer immediately of the nature of the change and the corresponding impact on the cost of the Pipeline Works. In the event such change will cause an increase in the Actual Capital Cost, the Utility shall obtain the Customer's consent to such increase prior to incurring such cost, such consent not to be unreasonably withheld and to be provided within 3 Business Days of receiving the information. In the event the Customer's consent has not been given within 3 Business Days, the Customer shall be deemed to have given consent to complete such work.

4.6 The Utility shall use all reasonable efforts to have the Pipeline Work (as described in Schedule A) completed by November 1, 2007 provided that:

- (a) the Customer executes and returns this Agreement to the Utility by no later than February 1, 2007 (the "Execution Date");
- (b) the Pipeline Work is completed in accordance with Schedule A of this Agreement;
- (c) the Customer is in compliance with its obligations under this Agreement;
- (d) there are no delays associated with third parties, including but not limited to Union Gas Limited, the Utility's lender and any companies selected to carry out Construction;
- (e) the Utility is granted Leave-to-Construct by March 1, 2007; and,

- (f) the Utility does not have to use its employees, agents and contractors performing the Pipeline Work elsewhere on its system due to an emergency, or an event of Force Majeure. For the purposes of this paragraph, an emergency means a line-break, leak, fire or similar event requiring an immediate response from the Utility.
- 4.7 As soon as the Utility becomes aware of any delay that may prevent the Utility from achieving the November 1, 2007 deadline, the Utility shall provide the Customer with notice in writing of such potential delay, the length of the anticipated delay and the reasons for such potential delay.

ARTICLE V – DEFAULT AND REMEDIES

- 5.1 Each of the following will constitute an Event of Default by the Customer (“Customer Event of Default”):
- (a) The Customer fails to make any payment when due, if such failure is not remedied within ten (10) Business Days after written notice of such failure from the Utility.
 - (b) The Customer fails to deliver or maintain the Customer Letter of Credit or the Delivery Letter of Credit when due.
 - (c) The Customer fails to perform any material covenant or obligation set forth in this Agreement if such failure is not remedied within fifteen (15) Business Days after written notice of such failure from the Utility.
 - (d) Any representation made by the Customer in this Agreement is not true or correct in any material respect when made and is not made true or correct in all material respects within thirty (30) Business Days after receipt by the Customer of written notice of such fact from the Utility.
 - (e) An effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering, the dissolution, termination of existence, liquidation or winding up of the Customer, unless such filed documents are immediately revoked or otherwise rendered inapplicable, or unless there has been a permitted and valid assignment of this Agreement by the Customer under this Agreement to a person which is not dissolving, terminating its existence, liquidating or winding up and such person has assumed all of the Customer’s obligations under this Agreement.
 - (f) The Customer makes an assignment for the benefit of its creditors generally under any Insolvency Legislation, or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy, or liquidator for all or part of its property or files a petition or proposal to declare bankruptcy or to reorganize pursuant to the provision of any Insolvency Legislation, or otherwise seeks the protection of Insolvency Legislation regardless of whether a proposal or plan is proposed.

- (g) A receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy of the Customer or of any of the Customer's property is appointed by a Governmental Authority or pursuant to the terms of a debenture or a similar instrument, and such receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy is not discharged or such appointment is not revoked or withdrawn within thirty (30) days of the appointment.
- (h) By decree, judgment or order of a Governmental Authority, the Customer is adjudicated bankrupt or insolvent or any substantial part of the Customer's property is sequestered, and such decree continues undischarged and unstayed for a period of thirty (30) days after the entry thereof.
- (i) A petition, proceeding or filing is made against the Customer seeking to have the Customer declared bankrupt or insolvent, or seeking adjustment or composition of any of their respective debts pursuant to the provisions of any Insolvency Legislation, and such petition, proceeding or filing is not dismissed or withdrawn within thirty (30) days.

5.2 Each of the following will constitute an Event of Default by the Utility ("Utility Event of Default"):

- (a) The Utility fails to perform any material covenant or obligation set forth in this Agreement if such failure is not remedied within fifteen (15) Business Days after written notice of such failure from the Customer.
- (b) Any representation made by the Utility in this Agreement is not true or correct in any material respect when made and is not made true or correct in all material respects within thirty (30) Business Days after receipt by the Utility of written notice of such fact from the Customer.
- (c) An effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a court of competent jurisdiction ordering, the dissolution, termination of existence, liquidation or winding up of the Utility, unless such filed documents are immediately revoked or otherwise rendered inapplicable, or unless there has been a permitted and valid assignment of this Agreement by the Utility under this Agreement to a person which is not dissolving, terminating its existence, liquidating or winding up and such person has assumed all of the Utility's obligations under this Agreement.
- (d) The Utility makes an assignment for the benefit of its creditors generally under any Insolvency Legislation, or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy, or liquidator for all or part of its property or files a petition or proposal to declare bankruptcy or to reorganize pursuant to the provision of any Insolvency Legislation, or otherwise seeks the protection of Insolvency Legislation regardless of whether a proposal or plan is proposed.

- (e) A receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy of the Utility or of any of the Utility's property is appointed by a Governmental Authority or pursuant to the terms of a debenture or a similar instrument, and such receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy is not discharged or such appointment is not revoked or withdrawn within thirty (30) days of the appointment.
- (f) By decree, judgment or order of a Governmental Authority, the Utility is adjudicated bankrupt or insolvent or any substantial part of the Utility's property is sequestered, and such decree continues undischarged and unstayed for a period of thirty (30) days after the entry thereof.
- (g) A petition, proceeding or filing is made against the Utility seeking to have the Utility declared bankrupt or insolvent, or seeking adjustment or composition of any of their respective debts pursuant to the provisions of any Insolvency Legislation, or such petition, proceeding or filing is not dismissed or withdrawn within thirty (30) days.
- (h) A failure to maintain in good standing any franchise agreement or any other approval, permit or license from any Governmental Authority required for the construction and operation of the Pipeline Works and the supply of natural gas to the Customer Facility.

ARTICLE VI – FORCE MAJEURE

- 6.1 In the event that either the Customer or the Utility is rendered unable, in whole or in part, by Force Majeure, to perform or comply with any obligation or condition of this Agreement, then the obligations (other than the obligations to make payment of money then due and to provide or maintain any letter of credit) of both parties so far as they are directly related to and affected by such Force Majeure, shall be suspended during the continuance of the Force Majeure.
- 6.2 The party claiming Force Majeure shall give notice in writing, with full particulars, to the other party as soon as possible after the occurrence of Force Majeure.
- 6.3 The party claiming Force Majeure shall also give notice to the other party as soon as possible after the Force Majeure is remedied in whole or part.
- 6.4 Force Majeure means:
 - (a) Acts of God, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to its machinery or equipment or lines of pipe;
 - (b) freezing or failure of wells or lines of pipe; curtailment of firm transportation or firm storage by other natural gas service providers;
 - (c) strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, civil disturbance, acts of terrorism, wars, arrests or restraint of governments and people;

- (d) any laws, orders, rules, regulations, acts of any government body or authority, civil or military;
- (e) any act or omission by parties not controlled by the party claiming Force Majeure; and
- (f) any other similar causes not within the control of the party claiming Force Majeure

which by the exercise of due diligence such party is unable to prevent or overcome. The party claiming Force Majeure shall make reasonable efforts to avoid, or correct the Force Majeure and to remedy the Force Majeure once it has occurred in order to resume performance.

6.5 Neither party shall be entitled to claim Force Majeure if any of the following circumstances prevail:

- (a) the failure resulting in Force Majeure was caused by the negligence of the party claiming suspension;
- (b) the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation);
- (c) the party claiming suspension failed to resume the performance of such conditions or obligations with reasonable dispatch;
- (d) the failure was caused by lack of funds; and
- (e) the party claiming suspension did not give to the other party the required notice as soon as possible after determining or within a period within which it should have determined, acting reasonably, that the occurrence was in the nature of Force Majeure and would affect its ability to observe or perform any of its conditions or obligations under the Agreement.

ARTICLE VII – SECURITY AND PERFORMANCE ASSURANCE

- 7.1 Prior to the Utility ordering the pipe and the stations, the Customer shall provide to the Utility an irrevocable letter or letters of credit (“Customer Letter of Credit”) in an amount equal to the quoted cost of the pipe and the stations minus any payments made by the Customer to the Utility in respect of the pipe and the stations. The Customer shall be entitled to reduce the Customer Letter of Credit by the amount of any subsequent payments by the Customer to the Utility in respect of the pipe and the stations, upon making such payments. The Utility shall be entitled to draw upon the Customer Letter of Credit in the following circumstances:
- (a) Subject to (b), if the Customer fails to make a payment of the Aid-to-Construct in accordance with Article III, such draw not to exceed the amount owed by the Customer to the Utility.
 - (b) Notwithstanding (a) the Utility shall not be entitled to draw upon the Customer Letter of Credit within any cure periods established in Article V, in which the Customer may make payment to the Utility.
- 7.2 The Utility shall return the Customer Letter of Credit upon receipt of any payment required from the Customer in accordance with section 3.4 and delivery of the Delivery Letter of Credit required under section 7.3.
- 7.3 Prior to the award of the Construction Agreement by the Utility, the Customer shall provide to the Utility an irrevocable letter of credit (“Delivery Letter of Credit”) in an amount equal to the difference between the Revised Estimated Capital Cost and the Revised Estimated Aid-to-Construct.
- 7.4 The Utility shall be entitled to draw upon the Delivery Letter of Credit if:
- (a) The Customer terminates this Agreement prior to the In-Service Date and fails to pay any amount owing to the Utility within 30 Business Days of receiving the invoice for monies owed for actual reasonable costs incurred prior to Termination; or
 - (b) The Customer terminates this Agreement and the Gas Delivery Contract after the In-Service Date but prior to the seventh anniversary of the Commencement Date under the Gas Delivery Contract;
 - (c) For any year, the Customer fails to take receipt of the Minimum Annual Volume under the Gas Delivery Contract and the Customer fails to pay the invoice for such failure to take the Minimum Annual Volume within 15 days of receiving such invoice;
 - (d) For reasons other than Force Majeure, the Customer ceases taking service for a period of 30 days during the term of the Gas Delivery Contract or at any time after that where service has continued past the end of the term of the Gas Delivery Contract;

- (e) the Delivery Letter of Credit will not be maintained and the Customer fails to provide a substitute acceptable to the Utility and its lender; or
 - (f) The Customer commits a Customer Event of Default listed in 5.1 (e), (f), (g), (h) and (i).
 - (g) The Customer fails to restore the balance of the Delivery Letter of Credit as required by 7.5.
- 7.5 The Customer shall maintain the Delivery Letter of Credit for as long as the Customer continues to receive service from the Utility. In the event that the Utility draws on the Delivery Letter of Credit pursuant to 7.4(c), the Customer shall restore the Delivery Letter of Credit to the balance that existed immediately prior to the draw, within 10 Business Days from the date of the draw.
- 7.6 Subject to section 7.7, the Customer shall be entitled to reduce the amount of the Delivery Letter of Credit on each anniversary of the commencement of deliveries under the Gas Delivery Agreement to an amount equal to the net book value of the Utility Connection Facilities allocated to the Customer at the time, as determined by the Utility in accordance with OEB-approved methodology.
- 7.7 Any letter of credit shall be in a form acceptable to the Utility and its lender. The Utility shall have its lender provide a draft form of letter of credit for review and comment by the Customer's lender.
- 7.8 The costs and expenses of establishing, renewing, substituting, cancelling, increasing and reducing the amount of (as the case may be) any letter of credit required under this Agreement shall be borne by the Customer.
- 7.9 The Utility shall return any letter of credit held by the Utility to the Customer, if the Customer is substituting a letter of credit with another letter of credit or such other financial assurance, where that substitute is acceptable to the Utility and its lender.

ARTICLE VIII – TERMINATION

- 8.1 This Agreement terminates upon the placing into service of the Utility Connection Facilities and the Union Gas Connection Facilities and the commencement of the delivery of natural gas to the Customer Facility. All payment obligations and all obligations in relation to the Customer Letter of Credit and Delivery Letter of Credit shall survive termination of this Agreement until they are fulfilled.

- 8.2 In the event that the Utility is unable to secure all necessary permits, approvals, licenses certificates necessary to complete the Pipeline Work and supply natural gas to the Customer Facility, or obtains such permits, approvals, licenses or certificates on terms and conditions that are unacceptable to the Customer, acting in a commercially reasonable manner, then the Customer has the option to terminate this Agreement. The Customer shall, however, be responsible for all actual or committed to costs incurred by the Utility and Union Gas Limited up to and including the date of termination.
- 8.3 The Utility may terminate this Agreement if a Customer Event of Default has occurred and the Utility has given notice to the Customer of such Customer Event of Default and such default is not remedied within the applicable cure period upon receiving such notice of default. Termination pursuant to this section shall not be permitted where such default has been submitted to a dispute resolution process under Article IX.
- 8.4 Subject to Section 8.5, in the event the Revised Estimated Aid-To-Construct has been paid, in full or in part, by the Customer to the Utility and the Agreement is terminated prior to completion of the Pipeline Work, then the Utility shall return to the Customer any amount of the Revised Estimated Aid-To-Construct paid by the Customer that is in excess of the actual reasonable cost incurred by the Utility up to and including the date of termination. In the event the actual reasonable cost incurred by the Utility exceed the amount of the Revised Estimated Aid-To-Construct, the Customer shall pay that amount, upon receipt of which the Utility shall forthwith return the Delivery Letter of Credit.
- 8.5 In the event Utility invokes Force Majeure and the event of Force Majeure or the aggregate duration of all such Utility events of Force Majeure exceeds 60 days in any 12 consecutive month period, then the Customer shall have the right to terminate this Agreement upon fifteen (15) Business Days written notice. Upon termination of this Agreement pursuant to this section, the Utility shall return all security and financial assurance provided by Customer, and an amount, if any, equal to any Aid-To-Construct paid by the Customer to the Utility less the Utility's reasonable costs incurred prior to the event of Force Majeure.

ARTICLE IX – DISPUTE RESOLUTION

- 9.1 In the event of any dispute arising between the Parties regarding the subject matter of this Agreement, then the Parties shall negotiate in good faith to resolve such matters.
- 9.2 In the event the Parties are unable to resolve a dispute, then either Party may refer the matter to the OEB for resolution.

ARTICLE X – INDEMNIFICATION

- 10.1 The Utility agrees to indemnify, defend, and hold harmless the Customer in respect of all actions, causes of action, suits, proceedings, claims, demands, losses, damages, penalties,

finances, costs, obligations and liabilities ("Damages") arising out of the construction, installation, testing, commissioning and operation of the Utility Connection Facilities, other than any Damages caused by the negligence or wilful misconduct of the Customer.

- 10.2 The Customer agrees to indemnify, defend and hold harmless the Utility in respect of all Damages arising out of the construction, installation, testing, commissioning and operation of the Utility Connection Facilities caused by the negligence or wilful misconduct of the Customer.

ARTICLE XI – GENERAL

- 11.1 Any written notice required by this Agreement shall be deemed properly given only if either mailed or delivered to:

- (a) To the Utility:

Natural Resource Gas Limited
P.O. Box 307
39 Beech Street East
Aylmer, Ontario N5H 2S1

Tel: (519) 773-5321
Fax: (519) 773-5335

Attention: Steve Millar, General Manager
c.c. Mark Bristoll, President

- (b) To the Customer:

Integrated Grain Processors Co-operative Inc.
701 Powerline Road
Brantford, Ontario N3T 5L8

Tel: (519) 752-0447
Fax: (519) 752-1887

Attention: Chair

*Electronic
Notice*

A faxed notice will be deemed to be received on the date of the fax if received before 4 p.m. or on the next Business Day if received after 4 p.m. Notices sent by courier or

registered mail shall be deemed to have been received on the date indicated on the delivery receipt. The designation of the person to be so notified or the address of such person may be changed at any time by either party by written notice.

11.2 This Agreement:

- (a) constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written representations and agreements concerning the subject matter of this Agreement;
- (b) shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein, and the courts of Ontario shall have exclusive jurisdiction to determine all disputes arising out of this Agreement;
- (c) may be executed in counterparts, including facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement; and
- * (d) shall not be assigned without the prior written consent of the other party, such consent not to be unreasonably withheld. For greater certainty an assignment by way of security to the Customer's lenders shall be considered reasonable.

11.3 No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

11.4 If any provision of this Agreement is determined to be invalid or unenforceable or in breach of any Applicable Law in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof which provision or part shall be severed from the Agreement and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

- 11.5 Notwithstanding the termination or expiration of this Agreement:
- (a) Section 3.15 shall survive for the period of time provided in which a refund is to be calculated.
 - (b) The obligation to make any payment shall survive until all such payments are determined and paid.
 - (c) Article 7 shall survive until the Utility no longer requires financial assurance from the Customer.
 - (d) Article IX shall survive until the final resolution, including all appeals, of any dispute arising out of this Agreement.
- 11.6 Each Party shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- 11.7 This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties hereto.
- 11.8 Time is of the essence in the performance of the Parties' respective obligations under this Agreement.
- 11.9 Any reference to funds is a reference to Canadian currency.
- 11.10 This Agreement is subject to the consent of the Customer's Lenders. The Customer agrees to use reasonable efforts to secure such consent in a timely manner. This paragraph is entirely for the benefit of the Customer. The Customer shall waive this condition in writing.
- 11.11 This Agreement is subject to the consent of the Utility's Lenders. The Utility agrees to use reasonable efforts to secure such consent in a timely manner. This paragraph is entirely for the benefit of the Utility. The Utility shall waive this condition in writing.
- 11.12 In the event of a change of law affecting any of the rights or obligations of one Party to the other Party, the Utility shall continue to deliver gas and the Customer shall continue to pay for the delivery of gas as if the change had not occurred unless prohibited by law. In such event the Parties shall negotiate in good faith to preserve the original intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the signatures of their proper officers, as of the day and year first written above.

NATURAL RESOURCE GAS LIMITED

Per: Mark Bristoll
Title: President

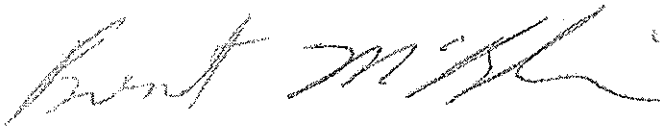
I have authority to bind the corporation.

INTEGRATED GRAIN PROCESSORS CO-OPERATIVE INC.



Per: Tom Cox
Title:

I have authority to bind the corporation.



Per: Brent McBlain
Title:

I have authority to bind the corporation.

Schedule A - Pipeline Work

In carrying out the Pipeline Work (as depicted in the figure attached as Schedule B to this Agreement), the Utility or a subcontractor to the Utility will need to complete the following:

Pipeline Work Planning

Utility Connection Facilities

1. The Utility shall design, construct, install, commission and operate the Utility Connection Facilities in accordance with all Applicable Laws and good utility practice.
2. The Utility shall be responsible for making applications to all Governmental Authorities for all permits, approvals, licenses and certificates necessary to undertake and complete the Utility Connection Facilities, including without limiting the foregoing, the Leave-to-Construct from the OEB. The Utility shall be responsible for maintaining all such permits, approvals, licenses in good standing.
3. The Utility shall only contract with suppliers and contractors competent to perform their tasks and shall undertake to secure competitive bids from competent suppliers and contractors for the Utility Connection Facilities.
4. The Utility and the Customer shall agree to a suitable location at the Customer Facility for the Customer Meter Facility.
5. The Utility shall coordinate the design, construction, testing and operation of the Utility Connection Facilities with Union Gas Limited such that Union Gas Limited will be able to supply the Utility with sufficient quantities of natural gas to meet the Customer's requirements by the In-Service Date.
6. The Utility shall furnish the Customer with a complete set of engineered stamped drawings of the Utility Connection Facilities before tendering for the Construction Agreement. The engineer shall be qualified to practice engineering in Ontario.
7. The Utility shall provide a flanged connection at the outlet of the Customer Meter Facility to which the Customer may connect the house-piping for the Customer Facility. In the event the Customer installs the house-piping with flanged connection prior to the Utility, the Utility shall be responsible for completing the connections. The flanged connection shall be adequately protected to prevent the entry of dirt, water or other extraneous materials from entering the Customer Meter Facility or the house-piping.
8. The Utility shall ensure the Customer Meter Facility is properly insulated from the Customer Facility.
9. The Utility shall furnish the Customer the required communications specifications for the Customer Meter Facility with the stamped drawings.

Access To Customer Facility

10. The Customer shall provide the Utility and its contractor with reasonable access to the Customer Facility to construct, install, test, commission and operate the Customer Meter Facility.
11. The Utility shall ensure that all employees of the Utility or its contractor obey all safety requirements of the Customer while on the Customer Facility.

Pipeline Work Testing and Commissioning

12. The Utility shall coordinate hydrotesting or any other testing, including non-destructive testing of welds, of the Utility Connection Facilities with the Customer and the Utility shall not interfere with the construction, installation, testing or commissioning of the Customer Facility.
13. The Utility shall ensure that the Utility Connection Facility is completely dewatered. Dewatering shall not occur on the Customer Facility.

Union Gas Connection Facilities

14. The Utility shall coordinate the construction of the Utility Connection Facilities with Union Gas Ltd. to facilitate the completion of the Union Gas Connection Facilities by or before November 1, 2007.

SCHEDULE B - PROJECT MAP

[To be inserted]



February 20, 2008

Natural Resource Gas Limited
P.O. Box 307
39 Beech Street East
Aylmer, Ontario N5H 2S1

Attention: Mark Bristol

Dear Sir:

**Re: Pipeline Cost Recovery Agreement ("PCRA") made of as January 31, 2007
between Natural Resource Gas Limited ("NRG") and Integrated Grain
Processors Co-operative Inc. as assigned to IGPC Ethanol Inc. pursuant to
an assignment agreement dated June 30, 2007**

IGPC Ethanol Inc. is making a payment to Union Gas Ltd. in the amount of \$ 700,000 in respect of the natural gas pipeline and ancillary facilities Union Gas is to construct (the "Union Gas Connection Facilities") to deliver natural gas to NRG for IGPC Ethanol Inc. NRG acknowledges that any amount paid by IGPC Ethanol Inc. to Union Gas as a Union Gas Aid-to-Construct in respect of the Union Gas Connection Facilities will reduce, on a dollar for dollar basis, any obligation that IGPC Ethanol Inc. would have owed to NRG in respect of the Union Connection Facilities and the Revised Estimated Aid-to-Construct and the Actual Aid-to-Construct. NRG further acknowledges that any payment made by IGPC Ethanol Inc. to Union Gas that is in excess of the Union Gas Aid-to-Construct to which Union Gas is rightfully entitled is the property of and shall be payable to IGPC Ethanol Inc. The Initial Estimated Capital Cost provided by NRG of \$9,100,000 included \$180,000 in respect of an estimate of the Union Gas Aid-to-Construct for the Union Gas Connection Facilities.

IGPC Ethanol Inc.
PO BOX 205
Aylmer, Ontario
N5H 2R9

t. 519-765-2575
f. 519-765-2775

www.igpc.ca

info@igpc.ca

February 20, 2008
Page 2

All capitalized terms which are not defined herein shall have the meanings ascribed thereto in the PCRA.

Yours very truly,

IGPC ETHANOL INC.

By: 

Name: Tom Cox
Title: President

By: 

Name: Brent McBlain
Title: Vice President

The forgoing is hereby acknowledged, agreed and accepted by Natural Gas Resources Limited by its duly authorized signing officer dated this 21 day of February, 2008.

NATURAL GAS RESOURCES LIMITED

By: 

Name: Mark Bristoll
Title: President

I have authority to bind the corporation.

NATURAL RESOURCE GAS LIMITED

GAS DELIVERY CONTRACT

TYPE OF SERVICE:

- ☒ Firm Demand and Commodity
☐ Interruptible Demand and Commodity
☐ Combined Firm and Interruptible Demand and Commodity

DATE OF CONTRACT: January 30, 2007

RATE CLASS: 3

PARTIES TO CONTRACT:

NATURAL RESOURCE GAS LIMITED, (the "Utility"),

and

INTEGRATED GRAIN PROCESSORS CO-OPERATIVE INC. (the "Customer"),

PART 1 - PURCHASE AND SALE

The Customer agrees that it will receive from the Utility all of the gas that it uses for the processes described below and which is delivered at the Delivery Points (except during periods of curtailment, discontinuance or force majeure as set out in this Contract) up to the maximum daily and hourly maximum volumes set out in Part 2. This gas supply will be delivered in accordance with Rate BT1 (a copy of which is attached) for the Customer's share of the transportation costs associated with supplying its own gas.

Subject to the provisions of this Contract and the Rate 3 schedule in Schedule A and any subsequent amendments approved by the Ontario Energy Board during the term of this Contract, the Customer shall purchase its own gas to be delivered by the Customer to Union Gas Limited, by Union Gas Limited to the Utility, and by the Utility to the Customer (including any gas in excess of the Customer's minimum annual volume which the Customer requests and which the Utility has agreed to deliver) and the Utility shall deliver such gas to the Customer.

Delivery Point (to Customer) - Ethanol Facility, Aylmer Industrial Park

Processes: Ethanol production, grain drying and space heating

Firm Delivery Rate: \$ 0.037310 per m³

Firm Demand Rate: \$ 0.255904 per m³ of Firm Contract Demand

If the Utility, pursuant to Part 5 of this Contract, or due to Force Majeure as described in the General Terms and Conditions, fails or is unable to deliver the amount of firm gas which the Customer desires to take during any one or more days in a month, up to the Customer's Firm Contract Demand in effect on such days, then the minimum bill for that month shall be reduced by an amount equal to the Firm Delivery Rate applied to the volume by which the Firm Contract Demand exceeds the volume of gas delivered to the Delivery Point on such a day, for each day in the month in which the inability to deliver continues.

The Utility acknowledges that the volumes in this agreement are significantly greater than the volumes delivered to existing Rate 3 customers and that a new rate may be more appropriate for the Utility and the Customer. The Utility has committed to developing a new rate for the Customer, to be included in the Utility's Fiscal 2008 rate application which is anticipated to be filed with the Ontario Energy Board in April 2007.

PART 4 - POINT OF DELIVERY

The point of delivery of all gas by the Utility is at the outlet of the Utility's metering equipment at the Customer's Ethanol Facility. The Utility shall at no time assume title to the gas that the Customer is supplying into the Utility's distribution system. The Utility agrees to deliver gas at the outlet of its metering equipment at a minimum pressure of 60 psig or 420 kPa.

PART 5 - PRIORITY OF SERVICE

In the event of actual or threatened shortage of natural gas due to circumstances beyond the control of the Utility, or when curtailment or discontinuance of supply is ordered by an authorized government agency, the Customer shall at the direction of the Utility, curtail or discontinue use of gas during the period specified by the Utility so as to safeguard the health and safety of the public. Such curtailment or discontinuance shall be made on a prorated basis as may be ordered by a government agency among all industrial Rate 3 customers. The Utility shall not be liable for any loss of production or for any damages whatsoever by reason of any such curtailment or discontinuance or because of the length of advance notice given directing such curtailment or discontinuance.

PART 6 - CURTAILMENT OR DISCONTINUANCE OF SERVICE

Firm service under this Contract will be provided up to the Firm Contract Demand.

Notice of curtailment or discontinuance of service may be conveyed by telephone, in person, by mail, facsimile or email. If notice is conveyed by telephone or in person then the Utility shall at the earliest possible time thereafter confirm in writing the details of notice and provide the

reasons for the curtailment or discontinuance and the anticipated duration of the curtailment if the curtailment or discontinuance is continuing at the time of the written notice.

Service will be resumed as soon as possible when these conditions cease to be operative.

PART 7 - TERM

Unless deemed to commence otherwise, this Contract shall commence upon Commercial Operation of the Customer's ethanol facility (the "Commencement Date") and terminate the day immediately prior to the seventh anniversary of the Commencement Date.

Commercial Operation shall mean the date upon which a professional engineer duly qualified to practice engineering in Ontario procured by the Customer provides a certificate that the Customer's ethanol facility has been completed in all material respects excepting punch list items that do not materially and adversely affect the ability of the Customer to operate the ethanol facility. In the event that Commercial Operation has not been achieved prior to May 1, 2008 then the Commencement Date shall be deemed to be May 1, 2008. In the event Commercial Operation is prior to April 1, 2008, the Commencement Date shall be deemed to be April 1, 2008.

The Customer shall notify the Utility of the Commencement Date at least 30 days in advance of the Commencement Date.

The Utility's Rate 1 shall apply to any gas volumes delivered prior to the Commencement Date.

PART 8 - RE-OPENER

In the event the market for ethanol or dried distillers grains is materially and adversely impacted the Customer may give written notice to Utility that it wishes to renegotiate this Contract. Upon the written request of the Customer, the Parties shall within ten (10) Business Days enter into good faith negotiations to amend this agreement to preserve the original intent of the bargain of providing economical delivery service to the Customer without undue burden or risk to the Utility or the other ratepayers of the Utility and recognizing the need for the Customer to maintain satisfactory financial assurances with the Utility. The term of any renegotiated agreement would only commence on an anniversary date of this Contract, unless otherwise agreed.

PART 9 - GENERAL TERMS AND CONDITIONS

The General Terms and Conditions attached as Schedule B form part of this Contract.

PART 10 - SECURITY DEPOSIT

Prior to the commencement of delivery of gas pursuant to this Agreement, the Customer shall provide a security deposit to the Utility in the amount of one month's delivery charge using the applicable Rate at the Commencement Date. The security deposit may be in the form of a letter of credit, guarantee or other mutually agreeable method of providing financial assurance. The amount of any security deposit shall be subject to adjustment on an annual basis on the anniversary of the Commencement Date using the applicable rate on such date.

The maximum amount of the security deposit will be equal to:

$$\text{Security Deposit} = \text{Monthly Customer Charge} + \text{Demand Charge} + \text{Delivery Charge}$$

Where:

$$\text{Monthly Customer Charge} = \text{amount specified in Part 3}$$

$$\text{Demand Charge} = \text{Firm Contract Demand} \times \text{Firm Demand Rate}$$

$$\text{Delivery Charge} = \text{Firm Delivery Rate} \times \text{Firm Contract Demand} \times 48$$

The Utility shall not be entitled to draw upon the security deposit while the Customer is in compliance with the terms of this Agreement and shall not be entitled to draw upon security deposit during any dispute, unless such dispute has been finally resolved and the Buyer has not made payment within ten (10) Business Days of the final resolution of such dispute.

PART 11 – INVOICING & PAYMENT

All invoices from Utility to Buyer will be delivered to Customer's address as noted below. Monthly invoices will be prepared and in accordance with the General Terms and Conditions and the Customer shall pay such invoices within the time frames provided in the General Terms and Conditions.

In the event the Customer does not pay the invoice within the timeframes provided, then the Utility shall provide notice to the Customer that the Customer is not in compliance and the Customer shall have three (3) Business Days to remedy such non-payment. In the event the Customer does not make payment within three (3) Business Days of receiving notice then Utility shall be entitled to draw upon the security deposit for the amount owed.

In the event of a dispute regarding the amount of any invoice delivered by the Utility to the Customer, the Customer shall pay the undisputed portion within the time required in the General Terms and Conditions. The Customer shall at the time of payment of the undisputed portion of the invoice give notice to the Utility of the dispute and the reasons it is disputing such amount. Upon receipt of such notice of disputed amount, the Parties shall enter into good faith discussions to resolve the dispute. In the event the Parties are unable to resolve the dispute within fifteen (15) Business Days then the Customer may refer the matter for dispute resolution. Disputes relating to metering will be subject to the dispute resolution mechanisms established pursuant to the *Electricity and Gas Inspection Act*. Disputes within the jurisdiction of the Ontario Energy Board will be referred to the Ontario Energy Board for resolution. The Customer may refer all other disputes for arbitration under the Arbitration Act 1991 (Ontario).

before a single arbitrator. If the Customer has not given written notice that the Customer is referring the dispute for resolution within five (5) Business Days, the Customer will be deemed to have abandoned the dispute and shall pay any amount still owing within three (3) Business Days.

Monies found to be owing to the Utility at the resolution of the matter shall be paid by the Customer within five Business Days of such final resolution. If upon resolution of the matter, the amount owed by the Customer is less than the amount originally withheld by the Customer, then interest will not be calculated during the time period prior to the resolution of the dispute.

The Utility shall also be entitled to recover its Ontario Energy Board approved late payment charge for any late payment, including any payment that is unsuccessfully disputed by the Customer.

This Agreement is subject to the consent of the Customer's Lenders. The Customer agrees to use reasonable efforts to secure such consent in a timely manner. This paragraph is entirely for the benefit of the Customer. The Customer shall waive this condition in writing.

PART 12 - NOTICE OF COMMUNICATION

Except for the notice for curtailment of service set out in Part 6 above, any notice or other communication required to be given by either party to this Contract to the other shall be deemed to have been given 72 hours after such notice of communication shall have been mailed in a postage prepaid envelope addressed, in the case of notice to the Utility, to it at:

Natural Resource Gas Ltd.
39 Beech St. E.,
P.O. Box 307,
Aylmer, Ontario N5H 2S1

Telephone: 519-773-5321

Facsimile: 519-773-5335

Or in the case of notice to the Customer, to it at:

Integrated Grain Processors Co-operative Inc.
701 Powerline Road
Brantford, Ontario N3T 5L8

Telephone: (519) 752-0447

Facsimile: (519) 752-1887

or in each case to such other address as the particular party may furnish to the other from time to time during the term of this Contract, provided that any such notice or other communication may be given by delivery at the above addresses and shall be deemed to have been given at the time

of such delivery. All invoices from Utility to Customer will be hand delivered to Customer's address as noted above.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

NATURAL RESOURCE GAS LIMITED

By:


Name: Mark J. Bristoll

Title: President

I have authority to bind the corporation.

**INTEGRATED GRAIN PROCESSORS CO-
OPERATIVE LTD..**

Per:



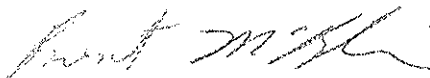
Name: Tom Cox

Title:

I have authority to bind the corporation.

**INTEGRATED GRAIN PROCESSORS
CO-OPERATIVE INC.**

Per:



Name: Brent McBlain

Title:

I have authority to bind the corporation.

- 8 -

Schedule A

OEB APPROVED RATE SCHEDULE

[TO BE INSERTED]

- 9 -

Schedule B
GENERAL TERMS AND CONDITIONS

NATURAL RESOURCE GAS LIMITED

GAS DELIVERY CONTRACT

TYPE OF SERVICE:

- ☒ Firm Demand and Commodity
☐ Interruptible Demand and Commodity
☐ Combined Firm and Interruptible Demand and Commodity

DATE OF CONTRACT: January 30, 2007

RATE CLASS: 3

PARTIES TO CONTRACT:

NATURAL RESOURCE GAS LIMITED, (the "Utility"),

and

INTEGRATED GRAIN PROCESSORS CO-OPERATIVE INC. (the "Customer"),

PART 1 - PURCHASE AND SALE

The Customer agrees that it will receive from the Utility all of the gas that it uses for the processes described below and which is delivered at the Delivery Points (except during periods of curtailment, discontinuance or force majeure as set out in this Contract) up to the maximum daily and hourly maximum volumes set out in Part 2. This gas supply will be delivered in accordance with Rate BT1 (a copy of which is attached) for the Customer's share of the transportation costs associated with supplying its own gas.

Subject to the provisions of this Contract and the Rate 3 schedule in Schedule A and any subsequent amendments approved by the Ontario Energy Board during the term of this Contract, the Customer shall purchase its own gas to be delivered by the Customer to Union Gas Limited, by Union Gas Limited to the Utility, and by the Utility to the Customer (including any gas in excess of the Customer's minimum annual volume which the Customer requests and which the Utility has agreed to deliver) and the Utility shall deliver such gas to the Customer.

Delivery Point (to Customer) - Ethanol Facility, Aylmer Industrial Park

Processes: Ethanol production, grain drying and space heating

Firm Delivery Rate: \$ 0.037310 per m³

Firm Demand Rate: \$ 0.255904 per m³ of Firm Contract Demand

If the Utility, pursuant to Part 5 of this Contract, or due to Force Majeure as described in the General Terms and Conditions, fails or is unable to deliver the amount of firm gas which the Customer desires to take during any one or more days in a month, up to the Customer's Firm Contract Demand in effect on such days, then the minimum bill for that month shall be reduced by an amount equal to the Firm Delivery Rate applied to the volume by which the Firm Contract Demand exceeds the volume of gas delivered to the Delivery Point on such a day, for each day in the month in which the inability to deliver continues.

The Utility acknowledges that the volumes in this agreement are significantly greater than the volumes delivered to existing Rate 3 customers and that a new rate may be more appropriate for the Utility and the Customer. The Utility has committed to developing a new rate for the Customer, to be included in the Utility's Fiscal 2008 rate application which is anticipated to be filed with the Ontario Energy Board in April 2007.

PART 4 - POINT OF DELIVERY

The point of delivery of all gas by the Utility is at the outlet of the Utility's metering equipment at the Customer's Ethanol Facility. The Utility shall at no time assume title to the gas that the Customer is supplying into the Utility's distribution system. The Utility agrees to deliver gas at the outlet of its metering equipment at a minimum pressure of 60 psig or 420 kPa.

PART 5 - PRIORITY OF SERVICE

In the event of actual or threatened shortage of natural gas due to circumstances beyond the control of the Utility, or when curtailment or discontinuance of supply is ordered by an authorized government agency, the Customer shall at the direction of the Utility, curtail or discontinue use of gas during the period specified by the Utility so as to safeguard the health and safety of the public. Such curtailment or discontinuance shall be made on a prorated basis as may be ordered by a government agency among all industrial Rate 3 customers. The Utility shall not be liable for any loss of production or for any damages whatsoever by reason of any such curtailment or discontinuance or because of the length of advance notice given directing such curtailment or discontinuance.

PART 6 - CURTAILMENT OR DISCONTINUANCE OF SERVICE

Firm service under this Contract will be provided up to the Firm Contract Demand.

Notice of curtailment or discontinuance of service may be conveyed by telephone, in person, by mail, facsimile or email. If notice is conveyed by telephone or in person then the Utility shall at the earliest possible time thereafter confirm in writing the details of notice and provide the

reasons for the curtailment or discontinuance and the anticipated duration of the curtailment if the curtailment or discontinuance is continuing at the time of the written notice.

Service will be resumed as soon as possible when these conditions cease to be operative.

PART 7 - TERM

Unless deemed to commence otherwise, this Contract shall commence upon Commercial Operation of the Customer's ethanol facility (the "Commencement Date") and terminate the day immediately prior to the seventh anniversary of the Commencement Date.

Commercial Operation shall mean the date upon which a professional engineer duly qualified to practice engineering in Ontario procured by the Customer provides a certificate that the Customer's ethanol facility has been completed in all material respects excepting punch list items that do not materially and adversely affect the ability of the Customer to operate the ethanol facility. In the event that Commercial Operation has not been achieved prior May 1, 2008 then the Commencement Date shall be deemed to be May 1, 2008. In the event Commercial Operation is prior to April 1, 2007, the Commencement Date shall be deemed to be April 1, 2007.

The Customer shall notify the Utility of the Commencement Date at least 30 days in advance of the Commencement Date.

The Utility's Rate 1 shall apply to any gas volumes delivered prior to the Commencement Date.

PART 8 - RE-OPENER

In the event the market for ethanol or dried distillers grains is materially and adversely impacted the Customer may give written notice to Utility that it wishes to renegotiate this Contract. Upon the written request of the Customer, the Parties shall within ten (10) Business Days enter into good faith negotiations to amend this agreement to preserve the original intent of the bargain of providing economical delivery service to the Customer without undue burden or risk to the Utility or the other ratepayers of the Utility and recognizing the need for the Customer to maintain satisfactory financial assurances with the Utility. The term of any renegotiated agreement would only commence on an anniversary date of this Contract, unless otherwise agreed.

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The General Terms and Conditions attached as Schedule B form part of this Contract.

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Prior to the commencement of delivery of gas pursuant to this Agreement, the Customer shall provide a security deposit to the Utility in the amount of one month's delivery charge using the applicable Rate at the Commencement Date. The security deposit may be in the form of a letter of credit, guarantee or other mutually agreeable method of providing financial assurance. The amount of any security deposit shall be subject to adjustment on an annual basis on the anniversary of the Commencement Date using the applicable rate on such date.

The maximum amount of the security deposit will be equal to:

Security Deposit = Monthly Customer Charge + Demand Charge + Delivery Charge

Where:

Monthly Customer Charge = amount specified in Part 3

Demand Charge = Firm Contract Demand x Firm Demand Rate

Delivery Charge = Firm Delivery Rate x Firm Contract Demand x 48

The Utility shall not be entitled to draw upon the security deposit while the Customer is in compliance with the terms of this Agreement and shall not be entitled to draw upon security deposit during any dispute, unless such dispute has been finally resolved and the Buyer has not made payment with ten (10) Business Days of the final resolution of such dispute.

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before a single arbitrator. If the Customer has not given written notice that the Customer is referring the dispute for resolution within five (5) Business Days, the Customer will be deemed to have abandoned the dispute and shall pay any amount still owing within three (3) Business Days.

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The Utility shall also be entitled to recover its Ontario Energy Board approved late payment charge for any late payment, including any payment that is unsuccessfully disputed by the Customer.

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Natural Resource Gas Ltd.
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P.O. Box 307,
Aylmer, Ontario N5H 2S1

Telephone: 519-773-5321

Facsimile: 519-773-5335

Or in the case of notice to the Customer, to it at:

Integrated Grain Processors Co-operative Inc.
701 Powerline Road
Brantford, Ontario N3T 5L8

Telephone: (519) 752-0447

Facsimile: (519) 752-1887

or in each case to such other address as the particular party may furnish to the other from time to time during the term of this Contract, provided that any such notice or other communication may be given by delivery at the above addresses and shall be deemed to have been given at the time

of such delivery. All invoices from Utility to Customer will be hand delivered to Customer's address as noted above.

IN WITNESS WHEREOF, the parties hereto have executed this Contract.

NATURAL RESOURCE GAS LIMITED

By:

Mark J. Bristoll

Name: Mark J. Bristoll

Title: President

I have authority to bind the corporation.

**INTEGRATED GRAIN PROCESSORS CO-
OPERATIVE LTD..**

Per:

Tom Cox
Name: Tom Cox

Title:

I have authority to bind the corporation.

**INTEGRATED GRAIN PROCESSORS
CO-OPERATIVE INC.**

Per:

Brent McBlain
Name: Brent McBlain

Title:

I have authority to bind the corporation.

Schedule A

OEB APPROVED RATE SCHEDULE

[TO BE INSERTED]

NATURAL RESOURCE GAS LIMITED

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

b) A Monthly Demand Charge:

A Monthly Demand Charge of 25.5904 cents per m³ for each m³ of daily contracted firm demand.

c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.7310 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 9.2249 cents per m³ and not to be less than 6.0992 per m³.

d) Gas Supply Charge (if applicable)

See Schedule A:

e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(o)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.3853 cents per m³ for firm gas and 5.7536 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 6.3515 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T-transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2007

Implementation: All bills rendered on or after April 01, 2007.

EE-2007-0048

Schedule B
GENERAL TERMS AND CONDITIONS

NATURAL RESOURCE GAS LIMITED GAS DELIVERY CONTRACT

SCHEDULE B - GENERAL TERMS AND CONDITIONS

PART 1 - RATES

1.1 Bills are issued monthly, being due when rendered in accordance with the provisions of the gas delivery contract and the approved rate schedule. If payment in full is not received within 15 days of rendering the bill, any amount owing shall be increased by 1.5% on the next bill.

1.2 In the event of any increase,

- (a) in the cost of gas to the Utility under its gas purchase contracts;
- (b) in the cost of gas to the Utility resulting from the application of any valid law, order, rule or regulation of any legislative body or duly constituted authority now or hereafter having jurisdiction;
- (c) in the costs of the Utility resulting from any changes in, or the imposition of any taxes, excises or duties by any governmental authority during the lifetime of this contract, on the importation, transmission, storage, purchase or sale of gas; or
- (d) in the charges or rates approved or fixed by the Ontario Energy Board for the delivery or sale of gas by the Utility to the Customer, including retroactive rate increases authorized by the Ontario Energy Board.

then to the extent that such increases in the case of (a), (b) or (c) above are paid by the Utility on the gas delivered to the Customer, or such increase in the case of (d) above is ordered by the Ontario Energy Board to be charged to the Customer, the rates to be paid by the Customer to the Utility, pursuant to the gas delivery contract, shall be increased accordingly for all gas delivered subsequent to that increase in costs or charges, provided that the increased rates shall not exceed rates fixed by order of the Ontario Energy Board from time to time.

1.3 In the event the terms and conditions of the agreement between Utility and Customer are changed by Order of the Ontario Energy Board, such changed terms and conditions shall be deemed to be in effect between the Utility and the Customer.

PART 2 - UNAUTHORIZED OVER-RUN GAS PENALTY

- 2.1 If, on any day, the Customer takes without the Utility's advance approval, a volume of gas in excess of the maximum hourly or daily quantity of firm or interruptible gas which the Utility is obligated to deliver to the Customer on such day, or if, on any day, the Customer fails to comply with any curtailment order of the Utility reducing either the Customer's hourly or daily take of gas, the volume of gas taken in excess of the Utility's maximum delivery obligation or curtailed maximum delivery obligation shall constitute unauthorized over-run gas.
- 2.2 In the event the Customer on any day takes a volume of gas constituting unauthorized over-run gas:
- (a) the Utility may curtail gas service to the Customer during such a day when required to avoid adverse impacts to the Utility's distribution system;
 - (b) the Customer shall pay the Utility a penalty as stipulated in the Rate 3 rate schedule.

PART 3 - METERING AND SERVICE

- 3.1 The Utility agrees to install, operate and maintain measurement equipment of suitable capacity and design to measure the gas supplied.
- 3.2 The measurement and regulating equipment shall be installed on the Customer's premises at a site located as near as possible to the point of utilization in accordance with safety regulations.
- 3.3 Each party shall have the right to enter the measurement and regulating location at any reasonable time and shall have the right to be present at the time of installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting of measurement equipment.
- 3.4 The Utility's measurement equipment shall be examined by the Utility at least once every nine months and, if requested, in the presence of a representative of the Customer, but the Utility shall not be required as a matter of routine to examine such equipment more frequently than once in any nine month period.
- 3.5 All natural gas delivered to the Customer shall be measured utilizing equipment and procedures that conform to the *Electricity and Gas Inspection Act* and regulations, and specifications authorized by the Act and regulations.

PART 4 - EQUIPMENT

- 4.1 The title to all service pipes, meters, regulators, attachments and equipment placed on the Customer's premises and not sold to the Customer shall remain with the Utility, with right of removal, and no charge shall be made by the Customer for use of premises occupied thereby, and the Customer agrees to be responsible for any loss or damage thereto resulting from wilful or negligent acts of the Customer or its agents or employees or persons acting under the authority of or with the permission of the Customer.

PART 5 - FORCE MAJEURE

- 5.1 In the event that either the Customer or the Utility is rendered unable, in whole or in part, by Force Majeure, to perform or comply with any obligation or condition of this Contract, then the obligations (other than the obligations to make payment of money then due) of both parties so far as they are directly related to and affected by such Force Majeure, shall be suspended during the continuance of the Force Majeure.
- 5.2 The party claiming Force Majeure shall give Notice, with full particulars, to the other party as soon as possible after the occurrence of Force Majeure.
- 5.3 The party claiming Force Majeure shall also give Notice to the other party as soon as possible after the Force Majeure is remedied in whole or part.
- 5.4 Force Majeure means:
- (a) Acts of God, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to its machinery or equipment or lines of pipe;
 - (b) freezing or failure of wells or lines of pipe; curtailment of firm transportation or firm storage by other natural gas service providers;
 - (c) strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, civil disturbance, acts of terrorism, wars, arrests or restraint of governments and people;
 - (d) any laws, orders, rules, regulations, acts of any government body or authority, civil or military;
 - (e) any act or omission by parties not controlled by the party claiming Force Majeure; and
 - (f) any other similar causes not within the control of the party claiming Force Majeure

which by the exercise of due diligence such party is unable to prevent or overcome. The party claiming Force Majeure shall make reasonable efforts to avoid, or correct the Force Majeure and to remedy the Force Majeure once it has occurred in order to resume performance.

- 5.5 Neither party shall be entitled to claim force majeure if any of the following circumstances prevail:
- (a) the failure resulting in a condition of force majeure was caused by the negligence of the party claiming suspension;
 - (b) the failure was caused by the party claiming suspension where such party failed to remedy the condition by making all reasonable efforts (short of litigation, if such remedy would require litigation);
 - (c) the party claiming suspension failed to resume the performance of such conditions or obligations with reasonable dispatch;
 - (d) the failure was caused by lack of funds; and
 - (e) the party claiming suspension did not give to the other party the required notice as soon as possible after determining or within a period within which it should have determined, acting reasonably, that the occurrence was in the nature of force majeure and would affect its ability to observe or perform any of its conditions or obligations under the Contract.
- 5.6 During a Force Majeure declared by the Utility, the Customer will be responsible for any commodity charges and will only be relieved of the demand charges applicable to that part of the services not available to the Customer as a result of the Force Majeure. The Utility will not be responsible for any charges by any other natural gas service providers.
- 5.7 During a Force Majeure declared by the Customer, all demand charges and all commodity charges otherwise payable under this Contract will continue to be payable. The Minimum Annual Volume shall be reduced in the same proportion as the number of days of Force Majeure the number of days in a contract year.
- 5.8 The term of the Gas Delivery Contract shall be extended by the length of any Force Majeure event.

PART 6 - AGREEMENTS OF INDEMNITY

- 6.1 The Utility and the Customer shall save harmless and indemnify the other from any injury, loss or damages to persons or property caused by its negligence or wilful misconduct or by the negligence or wilful misconduct of its agents or employees or persons acting under its authority or with its permission.

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PART 7 - MISCELLANEOUS

- 7.1 No waiver by either party of any one or more defaults by the other in the performance of any provisions of the contract shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
- 7.2 This contract shall be interpreted, performed and enforced in accordance with the laws of the Province of Ontario.
- 7.3 No additions, deletions or modification of the terms and provisions of this contract shall be effective except by the execution of a new contract.
- 7.4 This contract shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns but shall not be assigned or be assignable by the Customer without the prior written consent of the Utility. The Utility agrees that such consent shall not be unreasonably withheld. For greater certainty an assignment by way of security to the Customer's lenders shall be considered reasonable.
- 7.5 Any gas purchased by the Customer hereunder shall not be resold or otherwise used by a third party.

NATURAL RESOURCE GAS LIMITED

(AS BORROWER)

AND

THE BANK OF NOVA SCOTIA

(AS LENDER)

AMENDED AND RESTATED CREDIT AGREEMENT

DATED: OCTOBER 9, 2008

THIS AMENDED AND RESTATED CREDIT AGREEMENT is made as of the 9th day of October, 2008

BETWEEN:

NATURAL RESOURCE GAS LIMITED
(the "Borrower")

- and -

THE BANK OF NOVA SCOTIA
(the "Lender")

RECITALS:

- A. The parties to this Agreement are also parties to an existing Letter of Credit Agreement dated September 28, 2007 which was amended by a Commitment to Amendments to a Letter of Credit Agreement dated June 23, 2008 (Letter Credit Agreement).
- B. The parties are entering into this Agreement to amend the terms on which the existing credits will be continued.

NOW THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

ARTICLE 1 DEFINED TERMS

1.1 Defined Terms

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

1.1.1 “Advance” means a borrowing by the Borrower by way of Prime Rate Advance Fixed Rate Loan, acceptance of Bankers’ Acceptances, and issuance of L/Gs, including deemed Advances and conversions, renewals and rollovers of existing Advances, and any reference relating to the amount of Advances at any time shall mean the sum of all outstanding Prime Rate Advances, Fixed Rate Loans, plus the face amount of all outstanding Bankers’ Acceptances and L/Gs at such time.

1.1.2 “Affiliate” means with respect to a corporation, an affiliate as defined in the *Business Corporations Act* (Ontario) as of the date of this Agreement.

1.1.3 “Agreement”, “hereof”, “herein”, “hereto”, “hereunder” or similar expressions mean this Agreement and any Schedules hereto, as amended, supplemented, restated and replaced from time to time.

1.1.4 “Bankers’ Acceptance” means a depository bill as defined in the *Depository Bills and Notes Act* (Canada) in Canadian Dollars that is in the form of an order signed by the Borrower and accepted by the Lender pursuant to this Agreement.

1.1.5 “Borrower” means Natural Resource Gas Limited.

1.1.6 “Branch of Account” means the branch of the Lender at the Business Service Centre, Transit 67876, 20 Queen Street West, 4th Floor, Toronto, Ontario, M5H 3R3.

1.1.7 “Business Day” means a day of the year, other than Saturday or Sunday, on which the Lender is open for business at its executive offices in Toronto, Ontario, and at the Branch of Account.

1.1.8 “Canadian Dollars”, “Cdn. Dollars”, “Cdn. \$” and “\$” mean lawful money of Canada.

1.1.9 “CAPEX” means for a period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Lease, but excluding any amount representing capitalized interest except accrued interest on Outstanding Advances of Credit C during the Drawdown Period) by the Borrower during such period that, in conformity with generally accepted accounting principles, are required to be included as additions during such period to tangible fixed assets, provided that the term “Capital Expenditures” shall not include (a) expenditures made in connection with the replacement, substitution or restoration of assets (i) to the extent financed from insurance proceeds paid on account of the loss of or damage to the assets being replaced or restored or (ii) to the extent funded with awards of compensation arising from the expropriation, taking by eminent domain or condemnation of the assets being replaced, (b) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment to the extent of the credit granted by the seller of such equipment for the equipment being traded in at such time, (c) the purchase price of tangible fixed assets and other capital expenditures made within 90 days of the sale of any asset to the extent purchased with the proceeds of such sale, or (d) expenditures that constitute any part of rental expenses under operating leases for real or personal property.

1.1.10 “Capital Lease” means any lease property, real or personal, the obligations of the lessee in respect of which are required in accordance with generally accepted accounting principles to be capitalized on the balance sheet of the lessee (including, without limitations, any such lease forming part of a sale-leaseback transaction).

1.1.11 “Capital Lease Substitute” means any lease of personal property the obligations of which are not required in accordance with generally accepted accounting principles to be capitalized on the balance sheet of the lessee but for which the lessor, as of the Closing Date, has made a registration pursuant to the Personal Property Security Act (Ontario) (or similar legislation) in respect of such lease.

1.1.12 “Capital Stock” means in relation to a corporation, the authorized shares or units of that corporation.

1.1.13 “Change of Control” means, with respect to a Person, any other Person other than the owners as of the date of this Agreement becoming the owners beneficially or of record, of shares representing more than 50% of the issued and outstanding shares of that Person having rights under that Person’s Constating Documents or otherwise to vote for the election of that Person’s board of directors.

1.1.14 “Collateral” means cash, a bank draft or a letter of credit issued by a Canadian chartered bank acceptable to the Lender, all in a form satisfactory to the Lender.

1.1.15 “Compliance Certificate” means a certificate of the Borrower in the form of Schedule B hereto.

1.1.16 “Constating Documents” means, with respect to the Borrower, its articles of incorporation, amalgamation or continuance or other similar document and its by-laws. as amended from time to time.

1.1.17 “Contracts” means in relation to a Person, agreements, franchises, leases, easements, servitudes, privileges and other rights acquired from other Persons and which are material to that Person or the business of that Person.

1.1.18 “Credit A” means the credit of up to Cdn. \$1,000,000 in favour of the Borrower which is established by this Agreement.

1.1.19 “Credit B” means the credit of Cdn. \$6,301,308 in favour of the Borrower which is established by this Agreement.

1.1.20 “Credit C” means the credit of Cdn. \$5,200,000 in favour of the Borrowers, which is established by this Agreement.

1.1.21 “Credit Documents” means this Agreement and all other documents relating to any of the Credits including, without limitation, the Security.

1.1.22 “Credits” means Credit A, Credit B and Credit C.

1.1.23 “Current Assets” means, at any time, with respect to a Person, cash, accounts receivable, inventory and other assets of that Person that will be converted into cash, sold, exchanged or expensed in the normal operation of the business of that Person within one year of that time as disclosed in the financial statements of that Person prepared in accordance with GAAP.

1.1.24 “Current Liabilities” means, at any time, with respect to a Person, any liability of that Person that will be paid in the normal operation of the business of that Person within one year of that time as disclosed in the financial statements of that Person prepared in accordance with GAAP.

1.1.25 “Debt” means, at any time, with respect to any Person including any Subsidiary of that Person and on a consolidated basis, without duplication and without regard to any interest component thereof (whether actual or imputed) that is not due and payable, the aggregate of all the liabilities of that Person at that time that according to GAAP are required to appear in that Person’s financial statements including, without limitation the following amounts, each calculated in accordance with GAAP unless the context otherwise requires and each at that time:

- (a) all obligations (including by way of overdraft and drafts or orders accepted representing extensions of credit) that could be considered to be indebtedness for borrowed money, and all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments;
- (b) the face amount of all bankers' acceptances and similar instruments;
- (c) all liabilities upon which interest charges are customarily paid by that Person, other than liabilities for Taxes;
- (d) any Capital Stock of that Person (or of any Subsidiary of that Person) which Capital Stock, by its terms or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder, or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part;
- (e) all Capital Lease obligations, synthetic lease obligations, obligations under sale and leaseback transactions and purchase money obligations;
- (f) the amount of all contingent liabilities in respect of L/Gs and other letters of credit, letters of guarantee and similar instruments;
- (g) contingent liabilities in respect of performance bonds, surety bonds and product warranties, and any other contingent liability, in each case only to the extent that the contingent liability is required by GAAP to be treated as a liability on a balance sheet of the Person contingently liable;

- (h) the amount of the contingent liability under any guarantee in any manner of any part or all of an obligation of another person of the type included in items (a) through (g) above;
- (i) accounts payable and accruals; and
- (j) Deferred Taxes.

1.1.26 “Debt to Tangible Net Worth Ratio” means for a Person at any time, the ratio calculated by dividing (a) that Person’s Debt less amounts included in Tangible Net Worth at that time by (b) that Person’s Tangible Net Worth at that time.

1.1.27 “Debt Service Coverage Ratio” means for a Person at any time, the ratio calculated on a rolling four quarter basis by dividing (i) EBITDA for that Person at that time by (ii) the Total Interest Expense plus scheduled principal payments for the next twelve (12) months plus the current portion of Capital Leases.

1.1.28 “Deferred Taxes” means for a Person at any time Taxes included on that Person’s audited financial statements as deferred Taxes at that time.

1.1.29 “Designated Account” means, in respect of any Advance, the account or accounts maintained by the Borrower at the Branch of Account.

1.1.30 “Drawdown Date” means the date, which shall be a Business Day, of any Advance.

1.1.31 “Drawdown Period” means in connection with Credit C, the period of time between the date of this Agreement and September 30, 2008.

1.1.32 “EBITDA” means with respect to a Person, the earnings of that Person for any particular period before extraordinary, unusual and other non-recurring items plus the

following determined in accordance with GAAP: interest; income taxes; depreciation; and amortization expenses for that Person for the same period.

1.1.33 “Encumbrance” means any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, consignment, lease, hypothecation, security interest (including a purchase money security interest) or other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings.

1.1.34 “Event of Default” has the meaning defined in Section 10.1.

1.1.35 “Fiscal Year” means for the Borrower, October 1 to September 30

1.1.36 “Fixed Rate Loans” means an Advance in Canadian Dollars bearing interest at the fixed rate agreed upon by the Lender and the Borrower.

1.1.37 “GAAP” means generally accepted accounting principles which are in effect from time to time in Canada, including differential reporting as applicable in accordance with such principles, as published in the handbook of the Canadian Institute of Chartered Accountants or any successor organization.

1.1.38 “Hazardous Materials” means any hazardous substance or any pollutant or contaminant, toxic or dangerous waste, substance or material, as defined in or regulated by any applicable law, regulation or governmental authority from time to time, including, without limitation, friable asbestos and poly-chlorinated biphenyls.

1.1.39 “Interest Payment Date” means in connection with the Prime Rate Advances and Fixed Rate Loans the 22nd (twenty-second) day of each calendar month or if that is not a Business Day, the Business Day next following.

1.1.40 “Lender” means The Bank of Nova Scotia, its successors and assigns.

1.1.41 “L/G” means a letter of guarantee or standby letter of credit or commercial letter of credit in a form satisfactory to the Lender issued by the Lender at the request of the Borrower in favour of a third party to secure the payment or performance of an obligation of the Borrower to the third party.

1.1.42 “Material Adverse Change” means a material adverse change (or a series of adverse changes, none of which is material in and of itself, but which cumulatively, result in a material adverse change) to the financial condition, operations, assets, business or properties of the Person in relation to whom the term is used, to the ability of such Person to perform its obligations under any of the Credit Documents, to the ability of the Lender to enforce any of such obligations or to the status or priority of the Security on any of the Property of such Person.

1.1.43 “Maturity Date” means:

- (a) with respect to Credit A the date on which the Lender demands payment thereof;
- (b) with respect to Credit B, the earlier of the date on which the Lender demands payment thereof in accordance with the provisions of Section 10.1 of this Agreement and March 31, 2011; and
- (c) with respect to Credit C, the earlier of the date on which the Lender demands payment thereof in accordance with the provisions of Section 10.1 of this Agreement and the date three hundred and sixty four (364) days from the date of this Agreement.

1.1.44 “Obligations” means all obligations of the Borrower to the Lender including but not limited to all debts and liabilities, present or future, direct or indirect, absolute or

contingent, matured or not, at any time owing by the Borrower to the Lender in any currency or remaining unpaid by the Borrower to the Lender in any currency, whether arising from dealings between the Lender and the Borrower or from any other dealings or proceedings by which the Lender may be or become in any manner whatever a creditor of the Borrower, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety and all debts, liabilities and obligations to the Lender under or in connection with interest rate swap transactions and all interest, fees, legal and other costs, charges and expenses related to, or incurred in connection with, the foregoing, and **“Obligations”** used in relation to the Obligations of a Person other than the Borrower shall mean the foregoing Obligations of that Person to the Lender rather than the Obligations of the Borrower to the Lender.

1.1.45 “Operating Lease” means a lease that would be considered to be an operating lease in accordance with GAAP.

1.1.46 “Other Secured Obligations” means as defined in Section 5.2.

1.1.47 “Outstanding Advances” means at any time, the aggregate of the Borrowers Obligations to the Lender in respect of all Advances made under the Credits (or if the context requires, a Credit) which have not been repaid or satisfied at such time, determined as follows:

- (i) In the case of Prime Rate Advances and Fixed Rate Loans, the principal thereof; and
- (ii) In the case of Bankers’ Acceptances and L/Gs, the face amount thereof.

1.1.48 “Pending Event of Default” means an event which would constitute an Event of Default hereunder whether or not any requirements for the giving of notice, lapse of time, or both, or any other condition subsequent to such event, has been satisfied.

1.1.49 “Permits” means in relation to a Person, governmental licences, authorizations, consents, registrations, exemptions, permits and other approvals required by law and which are material to that Person or the business of that Person.

1.1.50 “Permitted Encumbrances” means, with respect to any Person, the following:

- (a) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which installments have been paid based on reasonable estimates pending final assessments, or if due and overdue, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person in respect of which notice has been given by the Borrower to the Lender and in respect of which either the Borrower has made provision for their payment acceptable to the Lender or Collateral has been delivered to the Lender if requested by the Lender acting reasonably;
- (b) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person and in respect of which notice has been given by the Borrower to the Lender and in respect of which either the Borrower has made provision for their payment acceptable to the Lender or Collateral has been delivered to the Lender if requested by the Lender acting reasonably;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not in the reasonable opinion of the Lender affect the use of the affected land for the purpose for which it is used by that Person;

- (d) licences, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) which will not in the reasonable opinion of the Lender impair the use of the affected land for the purpose for which it is used by that Person;
- (e) title defects or irregularities and restrictive covenants which are of a minor nature and which in the aggregate will not in the reasonable opinion of the Lender impair the use of the affected Property for the purpose for which it is used by that Person;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) Encumbrances resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;

- (h) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- (i) carriers', warehousemen's, construction, material-men's, repairmen's or other similar Encumbrances arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested at the time by the Person in good faith by proper legal proceedings and in respect of which either the Borrower has made provision for their payment acceptable to the Lender or Collateral has been delivered to the Lender if requested by the Lender acting reasonably;
- (j) zoning and building by-laws and ordinances, municipal by-laws, provincial laws and regulations, which do not adversely impair the use of real Property concerned in the operation of the business conducted on such Property;
- (k) covenants restricting or prohibiting access to or from real Property abutting on controlled access highways, which do not adversely impair the use of the real Property concerned in the operation of the business conducted on such real Property;
- (l) Operating Leases up to an aggregate of not more than Cdn. \$100,000, in fair market value of assets under lease and excluding real property rentals, at any time;
- (m) Encumbrances in favour of the Lender;
- (n) other Encumbrances agreed to in writing by the Lender; and

- (o) extensions or renewals of any of the Permitted Encumbrances described in this Section 1.1.49 provided that any such extension or renewal is for no greater financial obligation than the financial obligation of the Permitted Encumbrance being extended or renewed at the time of such extension or renewal and provided further that the other terms of the extension or renewal are on commercially reasonable terms at the time of such extension or renewal.

1.1.51 “Person” or “person” means any individual, corporation, co-operative company, partnership, unincorporated association, trust, joint venture, estate or other judicial entity or any governmental body or other entity of any kind.

1.1.52 “Pipeline Cost Recovery Agreement” means the Pipeline Cost Recovery Agreement dated January 31, 2007 between the Borrower and IGPC.

1.1.53 “Prime Rate” means, on any day, the annual rate of interest expressed as a percentage per annum announced by the Lender on that day as its reference rate for commercial loans made by it in Canada in Canadian Dollars.

1.1.54 “Prime Rate Advance” means an Advance in Canadian Dollars bearing interest based on the Prime Rate.

1.1.55 “Property” means, with respect to any Person, all of its present and future undertaking, property and assets.

1.1.56 “Requirement of Law” means, as to any Person, any law, regulation, ordinance, decree, judgment, order or similar requirement made or issued under sovereign or statutory authority and applicable to or binding upon that Person, or to which that Person or any of its Property is subject.

1.1.57 “Section” means the designated section of this Agreement.

1.1.58 “Security” means the security held from time to time by or for the Lender securing or intended to secure repayment or performance of the Obligations or a part thereof, including, without limitation, the security described in Article V.

1.1.59 “SOC GEN L/C” means the Irrevocable Standby Letter of Credit No. CT08SOL0043-B established by Societe Generale (Canada Branch) in the amount of \$5,214,173.00 and any replacement (s) thereto.

1.1.60 “Subsidiary” means, with respect to a corporation, a subsidiary as defined in the *Business Corporations Act* (Ontario) as of the date of this Agreement, and any partnership or other organization (including another corporation) in which the corporation, or any Subsidiary of the corporation, has the right to control management decisions or holds more than 50% of the equity, partnership interests or other ownership interests.

1.1.61 “Swap” means (a) any cap, collar, floor or other option, (b) any forward contract, (c) any swap or contract for differences, (d) any other agreement of a type commonly considered to be a derivative, or (e) any combination of any of those agreements, in each case whether relating to interest, currencies, commodities, securities or otherwise.

1.1.62 “Tangible Net Worth” means in relation to the Borrower, at any time, the aggregate at that time of (i) the Borrower’s share capital; (ii) earned and contributed surplus; and (iii) funds, payment of which is postponed to payment in full of the Obligations, less (iv) amounts at that time due to the Borrower from officers or directors of the Borrowers; (v) the Borrower’s investments at that time in its Affiliates; and (vi) intangible assets of the Borrower at that time (such as, without limitation, copyrights, patents, trademarks, goodwill, capitalized advertising costs, organization costs, licenses, leases and export permits) or other intangible assets as determined by the Lender acting reasonably.

1.1.63 “Taxes” means all taxes, levies, imposts, stamp taxes, duties, deductions and similar impositions payable, levied, collected or assessed as of the date of this Agreement or at any time in the future, and **“Tax”** shall have a corresponding meaning.

1.1.64 “Total Interest Expense” means for a Person for any particular period, without duplication, the aggregate expense (whether paid or accrued) incurred by that Person for that period on a consolidated basis for interest and equivalent costs of borrowing and including, without limitation, the following items:

- (a) Bankers Acceptance Fees,
- (b) discounts on Bankers’ Acceptances, and
- (c) interest portion of any Capital Lease,

in each case calculated in accordance with GAAP.

1.1.65 “USP 500” means the Uniform Customs and Practice for Documentary Credits (1993 Revision, International Chamber of Commerce, Paris, France, Publication No. 500).

1.2 Amendment and Restatement

This Agreement is and shall for all purposes be deemed to be an amendment and restatement of the provisions of the Letter Credit Agreement. While this Agreement shall supersede the Letter Credit Agreement insofar as it constitutes the entire agreement between the parties concerning the subject matter of this Agreement, this Agreement merely amends and restates the Letter Credit Agreement and does not constitute or result in a novation or rescission of the Letter Credit Agreement, the existing Security or any other Credit Document.

The parties confirm that none of the Advances pursuant to the Letter Credit Agreement has been repaid or replaced by new obligations as a result of this Agreement. All such Advances shall be deemed to be Advances under this Agreement and all of the Obligations (as defined in the Letter Credit Agreement) shall be deemed to be Obligations under this Agreement.

Without in any way limiting the terms of the Letter Credit Agreement or the other Credit Documents, the Borrower confirms that the existing Security shall continue to secure all of the Obligations and Other Secured Obligations (or such part of them as is described in any particular document forming part of the Security), including those arising as a result of this Agreement. Any references in the Security or other Credit Documents to the Letter Credit Agreement or section numbers in the Letter Credit Agreement shall be interpreted as referring to this Agreement and the corresponding Sections of it.

1.3 Confirmation of Security

1.3.1 The Borrower hereby (i) acknowledges that it has received a copy of this Agreement; and (ii) consents to the amendments to the Letter Credit Agreement and the restatement of the Letter Credit Agreement as so amended as set forth in this Agreement.

1.3.2 The Borrower hereby confirms and agrees that the Security executed by it (or any of its predecessor entities, if applicable) continues to secure all of the debts, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, at any time due or accruing due of the Borrower under or in connection with the Credit Documents to which it is a party.

1.3.3 The Borrower hereby confirms and agrees that the Security and the other Credit Documents executed by it (or any of its predecessor entities, if applicable) in connection with the Letter Credit Agreement continue to be valid and enforceable against it in accordance with their respective terms as of the date hereof.

1.3.4 The Lender and the Borrower acknowledge, confirm and agree, with respect to the Security to which the Lender and the Borrower (including, if applicable, as a consequence of being a successor entity to a predecessor party thereto) is a party, as follows:

- (a) such Security accurately describes and contains the mutual understandings of the parties thereto with respect to the matters provided for therein; and
- (b) other than this Agreement, there are no oral or written statements or agreements or courses of prior dealings among the parties to such Security, or any predecessor parties thereto, that would modify, amend, vary or override any of the covenants, agreements, terms or conditions of such Security.

1.3.5 Notwithstanding the amendment and restatement of the Letter Credit Agreement by way of the execution and delivery of this Agreement or the execution and delivery of any additional Credit Documents in connection with this Agreement, the Borrower hereby irrevocably and unconditionally (i) acknowledges, confirms and agrees that the Security executed and delivered by it (or any of its predecessor entities, if applicable), and all of the covenants, agreements, obligations and liabilities of the Borrower under such Security are hereby ratified and confirmed, remain in full force and effect, and continue to constitute valid, binding and enforceable covenants, agreements, obligations and liabilities of the Borrower, and (ii) ratifies, confirms and agrees to perform, observe, comply with and be bound by each and every covenant, agreement, term, condition, undertaking, appointment, duty, guarantee, indemnity, debt, liability, obligation and security interest contained in, existing under or created by the Security executed and delivered by it (or any of its predecessor entities, if applicable).

1.3.6 Without limiting Section 1.3.5 notwithstanding this amendment and restatement of the Letter Credit Agreement, and notwithstanding any future amendment,

supplement, restatement or replacement of this Agreement, any clause in the Security or any other Credit Document providing that if default is made in the payment of money due thereunder or in the observance of a covenant contained therein, the payment of other portions of the principal money may be accelerated shall remain in full force and effect, unamended, except as expressly provided in this Agreement or any such future document.

ARTICLE II

CREDIT A

2.1 Amount and Options

Upon and subject to the terms and conditions of this Agreement, the Lender agrees to provide as Credit A, a credit for the use of the Borrower at any time prior of the Maturity Date in respect of Credit A in the amount of Cdn. \$1,000,000.

The Borrower hereby acknowledges and agrees that all indebtedness of the Borrower to the Lender in existence as at the date of this Agreement under or in connection with an Agreement re Operating Credit Line made between the Borrower and the Lender dated October 4, 2007 and any L/Gs issued by the Lender shall constitute Outstanding Advances under Credit A. Subject to the restrictions contained in this Agreement the Borrower may receive Advances under Credit A from the Lender by any one or more of the following availment options (or any combination thereof):

- a) Prime Rate Advances; or
- b) by requesting that L/Gs be issued by the Lender for a period of up to 365 days.

2.2 Revolving Credit A

Credit A is a revolving credit and is subject to periodic review. The principal amount of any Advance under Credit A that is repaid may be reborrowed at any time and from time to time prior to the Maturity Date in respect of Credit A, subject to the terms of this Agreement and provided no Material Adverse Change with respect to the Borrower or Pending Event of Default or Event of Default has occurred and which is continuing.

2.3 Use of Credit A

Credit A shall only be used for general operating requirements of the Borrower.

2.4 Term and Repayment

Credit A shall be repaid in full and cancelled on the Maturity Date applicable to Credit A.

2.5 Interest and Fees

In respect of Advances under Credit A the Borrower agrees to pay the following to the Lender:

- (a) interest on Advances at the Prime Rate per annum, payable monthly in arrears on the 22nd (twenty-second) day of each and every month;
- (b) fees shall be payable in respect of each L/G issued by the Lender at a rate of 1% per annum (the L/G Fee Rate) subject to the Lenders minimum fee applicable from time to time (which minimum fee is \$200.00 on the date hereof). The L/G Fee Rate is subject to revision by the Lender at any time on written notice thereof by the Lender to the Borrower provided that, except for L/Gs which are renewed, such revision shall not affect the L/Gs issued prior to notice of such revision. The fee applicable to each L/G shall be calculated by multiplying the L/G Fee Rate by a fraction, the numerator of which is the greater of:

- i) the duration of the term of such L/G on the basis of the actual number of days to elapse from and including the date of issuance by the Lender up to and including the expiry date provided that time periods shall be based on increments of thirty (30) days or multiples thereof; and
- ii) thirty (30) days,

and the denominator of which is the number of days in the calendar year in question, and then multiplying the result by the face amount of such L/G.

ARTICLE III

CREDIT B

3.1 Amount and Terms

Upon and subject to the terms and conditions of this Agreement the Lender has established a non-revolving credit for the Borrower in the amount of \$6,301,308. The Borrower hereby acknowledges and agrees that as of the date of this Agreement the full amount of Credit B has been advanced by the Lender to the Borrower. The Outstanding Advances under Credit B shall be repaid in full on the Maturity Date in respect of Credit B.

3.2 Non-Revolving

Credit B is a non-revolving facility and any repayment under Credit B may not be reborrowed.

3.3 Interest

Interest shall accrue at the fixed rate of 7.52% per annum.

3.4 Repayment

The Borrower shall make monthly installments of principal and interest in the amount of \$48,201.37 on account of the Outstanding Advances under Credit B on the last day of each month until March 31st, 2011 upon which date the full balance of Outstanding Advances under Credit B shall be due and payable.

3.5 Prepayment

If prepayment is made by the Borrower, for any reason, of all or part of an Advance (the principal amount thereof being prepaid being the Prepayment Amount), the Borrower shall, in addition to any other amount then payable by the Borrower pursuant to the terms hereof (including, without limitation, accrued interest) in respect of the Prepayment Amount, pay to the Lender an amount, in Canadian Dollars, equal to the market to market value to the Lender if positive, of a notional fixed-to-floating interest rate Swap having the terms set out below. Such value shall be determined by the Lender as of the date on which the Advance is fully or partially prepaid (the Prepayment Date) and as if the Lender were the floating rate payer under such notional Swap:

- (a) both the fixed and floating rate payer payment dates shall be the same as the scheduled interest and principal payment dates of the Advance (the number of days commencing, and including, on such Payment Date to, but excluding, the next Payment Date being the ("Interest Period");
- (b) the fixed rate is the fixed rate of interest at which the Lender funded or hedged the Advance at the time the Advance was made;
- (c) the notional amount of the notional Swap is denominated in Canadian Dollars and is equal to the principal amount of the Prepayment Amount;
- (d) the date count fraction is the actual number of days in the Interest Period divided by three hundred and sixty five (365) unless otherwise specified herein or in the written notice issued by the Lender to the Borrower at the

time the Advance was drawn upon by which the Lender specified the fixed rate payable by the Borrower in respect of the Advance;

- (e) the term of the notional Swap is equal to the period commencing on, and including, the Prepayment Date to, but excluding, the schedule repayment date of the Advance; and
- (f) the floating rate is the floating rate of interest determined by the Lender as of the Prepayment Date that would be paid by the floating rate payer in respect of a Swap having the terms and conditions set out above on the rate for a period of time equal to the Interest Period which appears on Reuters Money 3,000 Service display page "CDOR" as of 10 a.m. (Toronto Time) on the Prepayment Date (interpolated, for valuation purposes, in respect of the first calculation period of the notional Swap, to reflect the number of remaining days in the current Interest Period).

ARTICLE IV

CREDIT C

4.1 Amount and Availment

Upon and subject to the terms and conditions of this Agreement the Lender agrees to provide as Credit C, a credit for the use by the Borrower at any time prior to the Maturity Date in respect of Credit C in the amount of \$5,200,000.00.

Subject to the restrictions contained in this Agreement the Borrower may receive Advances under Credit C by any one or more of the following availment options (or any combination thereof):

- (a) Prime Rate Advances;

- (b) Bankers' Acceptances; or
- (c) Fixed Rate Loans, subject to availability.

Prime Rate Advances, Bankers' Acceptances, and Fixed Rate Loans will not be issued with Maturity Dates later than the Maturity Date applicable to Credit C. Advances under Credit C shall be in minimum amounts of \$500,000 each and in multiples of \$500,000 or multiples as approved by the Lender and having terms of maturity of thirty (30), sixty (60), ninety (90), one hundred and twenty (120) or for one hundred and eighty (180) days without grace.

4.2 Non-Revolving Credit C

Credit C shall be non-revolving. For greater certainty, any amount repaid under Credit C may not be reborrowed.

4.3 Use of Credit C

Credit C shall be used by the Borrower to assist in financing construction of a natural gas pipeline to service the IGPC Ethanol Inc. ("IGPC") plant located in Aylmer, Ontario (IGPC Aylmer Plant).

4.4 Interest and Fees

In respect of Advances under Credit C, the Borrower agrees to pay the following:

- (a) interest on Prime Rate Advances at the Prime Rate payable monthly on the 22nd (twenty-second) day of each and every month;
- (b) in respect of each Bankers' Acceptance, a stamping fee equal to 1.50%, multiplied by the face amount of the Bankers' Acceptance with the product thereof further, multiplied by the number of days to maturity of the Bankers' Acceptance and divided by three hundred and sixty five (365),

payable at the time of acceptance, and subject to a minimum stamping fee of \$500.00 per availment;

- (c) in respect of any Fixed Rate Loan offered by the Lender, interest at the rate agreed between the Lender and the Borrower, payable monthly in arrears on the last day of each and every month.

4.5 Drawdown of Credit C

- (a) The Borrower may request multiple draws of Credit C during the Drawdown Period. Any portion of Credit C not advanced on or before October 15, 2008 shall be cancelled.
- (b) The first drawdown of Credit C will be to reimburse for CAPEX associated with the construction of the natural gas pipeline to service the IGPC Aylmer Plant less amounts funded by Aid-to-Construct as defined in and in accordance with the Pipeline Cost Recovery Agreement, as approved by the Lender.
- (c) All other drawdown requests of Credit C by the Borrower during the Drawdown Period shall be supported by engineering certificates in form and content satisfactory to the Lender.
- (d) The final drawdown request of Credit C may include non-construction cost amounts approved by the Lender.

4.6 Repayment

- (a) The obligations under Credit C shall become due and payable on the Maturity Date in respect of Credit C.
- (b) During the Drawdown Period interest on Outstanding Advances of Credit C shall be added to the principal amount of each Advance.

- (c) Subject to the obligations under Credit C becoming due and payable in accordance with paragraph (a) Outstanding Advances under Credit C shall be repaid in equal monthly installments of principal plus interest commencing on October 30, 2008 with a final payment of the balance of principal and interest then outstanding due on the Maturity Date. Monthly installments of principal will be based on an amortization period of the lesser of:
 - i) the period over which the capital costs are being charged back to IGPC, through their rates: and
 - ii) 25 years.

4.7 Voluntary Prepayments

- (a) in respect of Prime Rate Advances prepayment is permitted without penalty at any time in whole or in part. Prepayments shall be applied against installments in principal in inverse order of maturity.
- (b) in respect of Bankers' Acceptances prepayment is permitted without penalty only upon the maturity of the Bankers' Acceptance. Prepayment shall be applied against installments of principal in inverse order of maturity.
- (c) in respect of Fixed Rate Loans prepayment is permitted at any time in whole or in part upon payment of an amount equal to the greater of:
 - i) three (3) months simple interest at the rate applicable to the Fixed Rate Loan on the principal amount prepaid and;
 - ii) the amount, if any, by which interest at the rate applicable to the Fixed Rate Loan exceeds interest at the prevailing rate at the time

of prepayment calculated on the amount of the principal prepayment for the remaining term of the Fixed Rate Loan. The “prevailing rate at the time of prepayment” is defined as that rate at which the Lender would then lend to the Borrower, based on the same security, for the remaining term of the Fixed Rate Loan.

4.8 Mandatory Prepayments

- (a) On the receipt by the Borrower of any proceeds paid under the SOC GEN L/C, the Borrower shall prepay Outstanding Advances under Credit C in an amount equal to the amount of proceeds paid under the SOC GEN L/C.
- (b) The Borrower shall prepay the amount of any CAPEX disallowed as a result of:
 - i. an audit of capital expenditures as per annual financial audit;
 - ii. an Ontario Energy Board ruling; and
 - iii. a final review of CAPEX with IGPC in accordance with the Pipeline Cost Recovery Agreement.

ARTICLE V SECURITY

5.1 Security

The security in form and substance satisfactory to the Lender shall include the the following:

- (a) an operating credit line agreement of the Borrower in the Lender’s standard form;

- (b) a Bankers' Acceptance agreement of the Borrower in the Lender's standard form;
- (c) an assignment in form and content satisfactory to the Lender of all proceeds paid under the SOC GEN L/C, such assignment to be acknowledged by the Societe Generale (Canadian Branch) in accordance with USP 500;
- (d) a postponement in form and content satisfactory to the Lender from all of the holders of the Borrower's Class C shares whereby they postpone repayment of all loans and dividends due and owing by the Borrower to them and other rights to withdraw capital by them until all Outstanding Advances have been repaid in full;
- (e) a general assignment of book debts in the lender's standard form;
- (f) a general security agreement in the lender's standard form containing:
 - i) a first priority security interest over all machinery and equipment of the Borrower valued in excess of Cdn. \$100,000.00 (which is to be specifically identified on such general security agreement); and
 - ii) a first priority security interest over all of the other present and after acquired undertaking and Property of the Borrower.
- (g) a demand debenture of the Borrower in the principal amount of Cdn. \$15,000,000.00 containing a first fixed and floating charge over all of the Property of the Borrower;
- (h) security under Section 427 of the *Bank Act* ;

- (i) evidence of insurance covering fire (whether by accident or arson) theft, water damage, collapse, and all other perils and risks (including earthquakes) in respect of all of the Property of the Borrower for full replacement value with loss payable to the Lender as its interest may appear as a mortgagee and containing an Insurance Bureau of Canada mortgage clause or the Lender's standard form of mortgage clause and naming the Lender as an additional named insured;
- (j) evidence of comprehensive general liability and umbrella insurance for the Borrower in an aggregate amount of not less than Cdn. \$2,000,000.00 per occurrence with the Lender recorded as an additional named insured; and
- (k) such other documents as the Lender may reasonably require.

5.2 Obligations Secured by the Security

Without limiting or restricting any Credit Document, the Borrower agrees that the documents constituting the Security shall secure the following obligations:

- (a) the Obligations; and
- (b) the present and future debts, liabilities and obligations to the Lender (collectively, the "Other Secured Obligations") under or in connection with
 - (i) cash consolidation arrangements and credit cards, (ii) other transactions not made under this Agreement if it is agreed by the Borrower and the Lender that such debts, liabilities and obligations shall be secured and (iii) Swaps and other similar interest rate products, to provide for the exchange of floating interest rate obligations by the Borrower for fixed interest rate obligations.

If the Obligations have been indefeasibly paid in full, the Lender will release its interest in the Security upon receiving Collateral to secure the Other Secured Obligations, in an amount satisfactory to the Lender acting reasonably.

Other Secured Obligations shall continue to be secured by the Security notwithstanding the termination of this Agreement by reason of payment of the Credits, or for any other reason.

ARTICLE VI

DISBURSEMENT CONDITIONS

6.1 Disbursement Conditions for First Advance of Credit C

Under this Agreement the Lender shall have received the following, each in full force and effect and in form and content satisfactory to the Lender:

- (a) Audited financial statements for Fiscal Year ending September 30, 2007;
- (b) detailed construction budget;
- (c) formalized agreement re pipeline construction between the Borrower and IGPC;
- (d) written acknowledgement from the Borrower and IGPC that the "In Service Date" (as defined in the Pipeline Cost Recovery Agreement) shall have occurred;
- (e) evidence that construction and commissioning of the pipeline to the IGPC Aylmer Plant has been completed;

- (f) evidence that the proceeds received by the Borrower from the Aid-to-Construct (as defined in the Pipeline Cost Recovery Agreement) and under Credit C are sufficient to satisfy all amounts due in relation to the completion by the Borrower of the construction of the natural gas pipeline to the IGPC Aylmer Plant including any payments required to be made to Union Gas Limited in connection with the Union Gas Aid-to-Construct (as defined in the Pipeline Cost Recovery Agreement);
- (g) evidence that as of the date of each Advance under Credit C the Borrower shall not be entitled to reduce the SOC GEN L/C to an amount less than the total amount to be advanced under Credit C;
- (h) evidence that the Security referred to in Article V has been delivered and registered where required by the Lender;
- (i) certified copies of the Constatting Documents of the Borrower and a certificate of incumbency of the Borrower;
- (j) a certified copy of the corporate proceedings taken by the Borrower authorizing it to execute, deliver and perform its obligations under the Credit Documents to which it is a party;
- (k) evidence of the capital recovery period by which the CAPEX associated with the construction of the natural gas pipeline to the IGPC Aylmer Plant is charged back to IGPC. In the event that this condition is not met the period under section 4.6(c)(ii) will be deemed to be ten (10) years.
- (l) evidence of all applicable fees due and payable by the Borrower to the Lender have been paid In full;

- (m) the opinions of counsel for the Borrower addressed to the Lender and Harrison Pensa LLP substantially in the form of Schedule A hereto.

6.2 Disbursement Conditions for Subsequent Advances

At or before the time of any Advance under this Agreement, the Lender shall have received the following, each in full force and effect unless otherwise stated and in form and content satisfactory to the Lender acting reasonably:

- (a) a Compliance Certificate in the form of Schedule B hereto; and
- (b) all other documents reasonably required by the Lender to give effect to the terms of this Agreement.

6.3 Additional Disbursement Conditions for Advances by Way of L/G

The obligation of the Lender to make any Advances by way of L/G is subject to the further condition precedent that the Borrower has delivered an application and agreement for reimbursement with respect to each L/G in the Lender's standard form.

6.4 Disbursement Conditions to all Advances

The obligations of the Lender to make any Advance under this Agreement is subject to the conditions precedent that:

- (a) no Event of Default or Pending Event of Default has occurred and is continuing on the Drawdown Date, or would result from making the Advance;
- (b) there shall be no reason to believe that the Borrower will not be in compliance with all covenants contained in Section 9.2 at the end of its current fiscal quarter and was not in compliance with those covenants at the end of its immediately preceding fiscal quarter if it has not yet delivered its Compliance Certificate for that quarter; and

- (c) all other terms and conditions of this Agreement upon which the Borrower may obtain such Advance are fulfilled.

ARTICLE VII

ADVANCES

7.1 Prime Rate Advances and Fixed Rate Loans

Upon timely fulfillment of all applicable conditions as set forth in this Agreement, the Lender will make the requested amount of a Prime Rate Advance or Fixed Rate Loan available to the Borrower on the Drawdown Date requested by the Borrower by crediting the Designated Account with such amount. The Borrower shall pay interest to the Lender at the Branch of Account on any such Advances outstanding to it from time to time hereunder at the applicable rate of interest specified herein.

Interest on Prime Rate Advances and Fixed Rate Loans shall be payable monthly on each Interest Payment Date. All interest shall accrue from day to day and shall be payable in arrears for the actual number of days elapsed from and including the date of Advance or the previous date on which interest was payable, both before and after maturity, default and judgment, with interest on overdue interest at the same rate payable on demand.

Interest calculated with reference to the Prime Rate shall be calculated daily on the basis of a calendar year. The rate of interest which is calculated with reference to a period (the "deemed interest period") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

7.2 Evidence of Indebtedness

The Obligations of the Borrower resulting from the Prime Rate Advances and Fixed Rate Loans made by the Lender shall be evidenced by records maintained by the Lender. The Lender shall also maintain records relating to Bankers' Acceptances that it has accepted. The records maintained by the Lender shall constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Lender and all details relating thereto. The failure of the Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of the Borrower to pay amounts due hereunder to the Lender in accordance with this Agreement.

7.3 Conversions and Renewals

Subject to the other terms of this Agreement including, without limitation, terms applicable to the minimum amount of each Advance, if any, the Borrower may from time to time by irrevocable written notice to the Lender in the form of Schedule C hereto, convert all or any part of the outstanding amount of any Advance under any one of the Credits into another form of Advance permitted by this Agreement under the same Credit or renew all or any part of the outstanding amount of any Advance under any one of the Credits.

The written notice shall be given at least two Business Days prior to the date of any conversion.

Notices shall be given not later than noon (Toronto time) on the date for notice. If a notice is not given or made by that time, it shall be deemed to have been given or made on the next Business Day.

7.4 Notice of Advance

The Borrower shall give the Lender irrevocable written notice in the form of Schedule C hereto of any request for any Advance under the Credits.

The written notice when required by the provisions of this Section shall be given at least one (1) Business Day prior to the date of any Prime Rate Advance and Fixed Rate Loan and at least two (2) Business Days prior to an Advance by way of a Bankers' Acceptance and an Advance by way of L/G.

Notices shall be given not later than noon (Toronto time) on the date for notice. If a notice is not given or made by that time, it shall be deemed to have been given or made on the next Business Day.

7.5 Prepayments

The Borrower may only prepay Outstanding Advances without penalty or notice as permitted under this Agreement. Bankers' Acceptances may not be prepaid prior to their maturity dates.

The Borrower acknowledges that a prepayment is a payment made or proposed to be made on account of an Obligation prior to the maturity date of that Obligation whether or not the source of the prepayment is proceeds of the disposition of Property or otherwise.

7.6 Form of Bankers' Acceptances

To facilitate the acceptance of Bankers' Acceptances hereunder, the Borrower shall from time to time as required by the Lender, provide the Lender with an appropriate number of executed orders drawn in blank by the Borrower and satisfactory to the Lender. Any such order or Bankers' Acceptance may be dealt with by the Lender in a manner consistent with the Lender's normal practice with respect to such orders or Bankers' Acceptances and shall bind the Borrower as if issued by the Borrower. The Lender shall not be liable for its failure to accept a Bankers' Acceptance as required hereunder if the cause of such failure is, in whole or in part due to the failure of the Borrower to provide executed drafts to the Lender on a timely basis.

The receipt by the Lender of a request for an Advance by way of Bankers' Acceptances shall be the Lender's sufficient authority to complete, and the Lender shall, subject to the terms and conditions of this Agreement, complete the pre-signed forms of orders in accordance with such request and the orders so completed shall thereupon be deemed to have been presented for acceptance.

7.7 Sale of Bankers' Acceptances

In accordance with the Lender's normal practice and subject to the terms and conditions of this Agreement, the Lender shall arrange for the sale or distribution on each Drawdown Date of the Bankers' Acceptance issued by the Borrower. The Lender may purchase Bankers' Acceptances accepted by it.

The Borrower shall advise the Lender as soon as possible and in any event not later than noon (Toronto Time) on the Drawdown Date of the Advances required by the Borrower by way of Bankers' Acceptances. The Lender is hereby authorized to release each Bankers' Acceptance accepted by it to each purchaser thereof.

The Lender will make the net proceeds of the requested Advance by way of Bankers' Acceptances received by it available to the Borrower on the Drawdown Date by crediting the Designated Account with such amount. Notwithstanding any other provisions of this Agreement, Advances by way of Bankers' Acceptances are subject to market availability.

7.8 Size and Maturity of Bankers' Acceptances and Rollovers

Each Advance of Bankers' Acceptances shall be in an aggregate amount of not less than Cdn. \$500,000.00 and in whole multiples of Cdn. \$500,000.00 and each Bankers' Acceptance shall be in the amount of Cdn. \$500,000.00 or whole multiples thereof or any other amounts approved by the Lender. Each Bankers' Acceptance shall have a term of thirty (30) days or more up to one hundred eighty (180) days without grace after the date of acceptance of the order by the Lender subject to market availability, but no Bankers' Acceptance may mature on a date which is not a Business

Day or on a date which is later than the Maturity Date in respect of Credit C. The face amount at maturity of a Bankers' Acceptance, may be renewed as a Bankers' Acceptance or converted into another form of Advance permitted by this Agreement subject to the Borrower complying with the notice requirements of Section 7.4 hereof.

7.9 Issuance and Maturity of L/Gs

A request for an Advance by way of L/G shall include the details of the L/G to be issued. The Lender shall, with reasonable promptness, notify the Borrower of any comment concerning the form of the L/G requested by the Borrower and shall, if the Borrower is otherwise entitled to an Advance, issue the L/G to the Borrower at the Branch of Account (or as otherwise directed in writing by the Borrower and acceptable to the Lender) as soon as the Lender is satisfied with the form of L/G to be issued.

Each L/G issued under this Agreement shall have a term which is not more than 365 days after its issuance date or renewal date. A L/G may be renewed by the Borrower subject to complying with the terms of this Agreement applicable to an Advance by way of L/G.

7.10 Prohibited Use of Bankers' Acceptances and L/Gs

The Borrower shall not enter into any agreement or arrangement of any kind with any Person to whom Bankers' Acceptances or L/Gs have been delivered whereby the Borrower undertakes to replace such Bankers' Acceptances or L/Gs on a continuing basis with other Bankers' Acceptances or L/Gs, nor shall the Borrower directly or indirectly take, use or provide Bankers' Acceptances or L/Gs as security for loans or Advances from any other Person.

7.11 Payment of Bankers' Acceptances

The Borrower shall provide for the payment to the Lender at the Branch of Account of the full face amount of each Bankers' Acceptance on its date of maturity. Except for amounts which are paid from the proceeds of rollovers of a Bankers' Acceptance, any amount which the Lender pays to any Person on or after the date of

maturity of a Bankers' Acceptance in satisfaction thereof or which is owing to the Lender in respect of such Bankers' Acceptance on or after the date of maturity of such Bankers' Acceptance, shall be deemed to be a Prime Rate Advance to the Borrower under the Credit in respect of which such Bankers' Acceptance was outstanding. Interest shall be payable on all such Prime Rate Advances in accordance with the terms applicable to Prime Rate Advances under such Credit.

7.12 Payment of L/Gs

The Borrower shall provide for the payment to the Lender at the Branch of Account for the account of the Lender of the full face amount of each L/G (or the amount actually paid in the case of a partial payment) on the date on which the Lender makes a payment to the beneficiary of a L/G. Except for amounts which have been funded by the Borrower, any amount which the Lender pays to any Person in respect of a L/G in satisfaction or partial satisfaction thereof shall be deemed to be a Prime Rate Advance under Credit A. Interest shall be payable on all such Prime Rate Advances in accordance with the terms applicable to Prime Rate Advances under Credit A.

The obligation of the Borrower to reimburse the Lender for a payment to a beneficiary of a L/G shall be absolute and unconditional and shall not be reduced by any demand or other request for payment of a L/G (hereinafter in this section called a "Demand") paid or acted upon in good faith and in conformity with Canadian laws, regulations or customs applicable thereto or such Demand or request for payment being invalid, insufficient, fraudulent or forged, nor shall the Borrower's obligation be subject to any defence or be affected by any right of set-off, counterclaim or recoupment which the Borrower may now or hereafter have against the beneficiary, the Lender or any other Person for any reason whatsoever, including the fact that the Lender paid a Demand or Demands (if applicable) aggregating up to the amount of the L/G notwithstanding any contrary instructions from the Borrower to the Lender or the occurrence of any event including, but not limited to, the commencement of legal proceedings to prohibit payment by the Lender of a Demand. Any action, inaction or omission taken or suffered by the Lender under or in connection with a L/G or any Demand, if in good faith and in

conformity with Canadian laws, regulations or customs applicable thereto shall be binding on the Borrower and shall not place the Lender under any resulting liability to the Borrower. Without limiting the generality of the foregoing, the Lender may receive, accept, or pay as complying with the terms of the L/G, any Demand otherwise in order which may be signed by, or issued to, any administrator, executor, trustee in bankruptcy, receiver or other Person or entity acting as the representative or in place of, the beneficiary.

7.13 Waiver

The Borrower shall not claim from the Lender any days of grace for the payment at maturity of any Bankers' Acceptances presented and accepted by the Lender pursuant to this Agreement. The Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance shall be held by the Lender in its own right at the maturity thereof, and the doctrine of merger shall not apply to any Bankers' Acceptance that is at any time held by the Lender in its own right.

7.14 Degree of Care

Any executed orders to be used as Bankers' Acceptances which are delivered to the Lender shall be held in safekeeping with the same degree of care as if they were the Lender's own property, and shall be kept at the place at which such orders are ordinarily held by the Lender.

7.15 Indemnity

The Borrower shall indemnify and hold the Lender harmless from any loss or expense suffered or incurred by the Lender with respect to any Bankers' Acceptance dealt with by the Lender, but shall not be obliged to indemnify the Lender for any loss or expense caused by the negligence or wilful misconduct of the Lender.

7.16 Obligations Absolute

The obligations of the Borrower with respect to Bankers' Acceptances under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in

accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of any draft accepted by the Lender as a Bankers' Acceptance; or;
- (b) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Bankers' Acceptance, the Lender or any other person, whether in connection with this Agreement or otherwise.

7.17 Shortfall on Drawdowns, Rollovers and Conversions

The Borrower agrees that the difference between the amount of an Advance requested by the Borrower by way of Bankers' Acceptances and the net proceeds of the Bankers' Acceptances will not be funded by the Lender as part of that Advance. The Borrower agrees that:

- (a) the difference between the net proceeds of a Bankers' Acceptance and the amount required to pay a maturing Bankers' Acceptance if a Bankers' Acceptance is being rolled over; and
- (b) the difference between the net proceeds of a Bankers' Acceptance and the amount required to repay any Advance which is being converted to a Bankers' Acceptance;
- (c) shall be funded and paid by the Borrower from its own resources, by noon on the day of the Advance or may be advanced as a Prime Rate Advance under the Credits if the Borrower is otherwise entitled to an Advance under the Credits.

ARTICLE VIII

Representations and Warranties

8.1. Representations and Warranties

8.1.1. The Borrower represents and warrants to the Lender that:

- (a) the Borrower is a duly amalgamated and validly existing corporation, under its jurisdiction of amalgamation and the Borrower has the corporate power and authority to enter into and perform its obligations under any Credit Documents to which it is a party, to own its Property and to conduct the business in which it is currently engaged;
- (b) the Borrower holds all Permits required to enter into, perform and comply with its obligations under any Credit Documents to which it is a party, to own its Property and to conduct the business in which it is engaged, the Permits are in good standing in all material respects and the Borrower is in compliance with all material provisions of such Permits;
- (c) the entering into and the performance by the Borrower of the Credit Documents to which it is a party:
 - (i) have been duly authorized by all necessary corporate or other action on its part;
 - (ii) do not violate its Constatting Documents, any Requirement of Law, or any Contract to which it is a party and does not require the consent or concurrence of any person, other than those which have been obtained or which, if not obtained would not adversely affect the ability of the Borrower to perform its obligations under the Credit Documents to which it is a party;

- (d) the Constating Documents of the Borrower do not contain restrictions on the power of its directors to borrow money or obtain credit;
- (e) the Credit Documents to which the Borrower is a party have been duly executed and delivered by it and constitute legal, valid and binding obligations enforceable against it in accordance with their respective terms, subject to the availability of equitable remedies and the effect of bankruptcy, insolvency and similar laws affecting the rights of creditors generally;
- (f) as of the date of execution of this Agreement, except as disclosed in Schedule D hereto, there are no litigation, arbitration or administrative proceedings outstanding and there are no proceedings pending or, to the best of the knowledge of the Borrower, threatened, against the Borrower which could adversely affect the ability of the Borrower to perform its obligations under the Credit Documents to which it is a party;
- (g) no Event of Default or Pending Event of Default has occurred and is continuing;
- (h) the Borrower is not in violation of any term of its Constating Documents and is not in violation of any Permit or Requirement of Law or to the knowledge of the Borrower, Contract, which violation would materially and adversely affect the ability of the Borrower to perform its obligations under the Credit Documents to which it is a party, and the execution, delivery and performance of any Credit Documents to which the Borrower is a party will not result in any such violation;
- (i) all of the Borrower's monthly, quarterly and annual financial statements furnished to the Lender in connection with this Agreement and the Credit Documents, are complete and fairly present the financial position of

the subject thereof as of the dates referred to therein and have been prepared in accordance with GAAP;

- (j) no Property of the Borrower is subject to any Encumbrance except a Permitted Encumbrance and the Borrower is not in default in any material respect under any such Encumbrances or any of the Permitted Encumbrances relating to it or its Property;
- (k) to the knowledge of the Borrower after making all reasonable inquiries:
 - (i) there are no Hazardous Materials located on, above or below the surface of any land which the Borrower occupies or controls (except those being stored in compliance with applicable laws) or contained in the soil or water constituting such land; and
 - (ii) no release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials has occurred on or from such land which, in any such case, could materially and adversely affect the financial condition of the Borrower or the ability of the Borrower to perform its obligations under the Credit Documents to which it is a party;
- (l) the Borrower's business and Property is being operated in substantial compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of Hazardous Materials) and there are no breaches thereof and no enforcement actions in respect thereof are pending or, to the best of the knowledge of the Borrower, threatened, which, in any such case, could affect the ability of the Borrower to perform its obligations under the Credit Documents to which it is a party;

- (m) the Borrower is conducting its operations, business or activities in substantial compliance with all applicable laws and as permitted by, and in accordance with, its Constatting Documents;
- (n) as of the date of execution of this Agreement, the Borrower does not have credit facilities with other lenders;
- (o) the forecasts and budgets provided to the Lender by the Borrower have been prepared in good faith and disclose all relevant assumptions;
- (p) the Borrower has:
 - (i) delivered, or caused to be delivered, when due, all required income tax returns, sales, property, franchise and value-added tax returns and other tax returns to the appropriate governmental bodies;
 - (ii) withheld and collected all Taxes required to be withheld and collected by it and remitted such Taxes when due to the appropriate governmental bodies; and
 - (iii) no knowledge and is unaware of any assessment, appeal or claim, being asserted or processed against the Borrower with respect to the matters referred to in paragraphs (i) and (ii) above;
- (q) all pension plans maintained by the Borrower for its employees are fully funded in accordance with the provisions of such pension plans and all Requirements of Law related thereto;
- (r) Schedule E attached hereto fully and fairly describes the ownership of all of the Borrower's Capital Stock, and the jurisdictions in which any property of the Borrower is located.

8.1.2. Survival of Representations and Warranties

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Agreement shall survive the execution of this Agreement and all other Credit Documents and shall be deemed to be repeated each and every day while any of the Obligations under this Agreement are outstanding subject to modifications which may be made by the Borrower to the Lender in writing and accepted in writing by the Lender. The Lender shall be deemed to have relied upon such representations and warranties as a condition of making each Advance hereunder or continuing to extend the Credits hereunder.

ARTICLE IX

COVENANTS AND CONDITIONS

9.1. Positive Covenants

9.1.1. During the term of this Agreement, the Borrower shall:

- (a) duly and punctually pay the Obligations at the times and places and in the manner required by the terms thereof;
- (b) keep proper books of account and record, maintain its corporate status in all jurisdictions where it carries on business and operate its business and Property in accordance with sound business practice and in substantial compliance with all applicable Requirements of Law and Contracts, and promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition;
- (c) at all times during the business hours of the Borrower and with reasonable frequency upon reasonable prior written notice from the Lender to the Borrower and at all times and with reasonable frequency and without notice if an Event of Default shall have occurred, permit representatives of

the Lender to enter into or onto its Property, to inspect any of its Property and to examine its financial books, accounts and records and to discuss its financial condition with its senior officers and its auditors and the expense of all of which shall be paid by the Borrower;

- (d) keep insured with financially sound and reputable insurance companies all of its Property in amounts and against losses, including property damage, public liability and business interruption, to the extent that such Property and assets are usually insured by businesses comparable to the Borrower and cause the policies of insurance referred to above to contain an Insurance Bureau of Canada standard mortgage clause or standard mortgage clause of the Lender and other customary endorsements for the benefit of the Lender, all in a form acceptable to the Lender, and a provision that such policies will not be amended in any manner which is prejudicial to the Lender or be cancelled without thirty days' prior written notice being given to the Lender by the issuers thereof, and cause the Lender to be named as an additional insured with respect to public liability;
- (e) provide the Lender promptly with such evidence of the insurance as the Lender may from time to time reasonably require;
- (f) obtain, as and when required, all Permits and Contracts which are required to permit it to acquire, own, operate and maintain its business and Property and perform its obligations under the Credit Documents to which it is a party, and preserve and maintain all such Permits and Contracts as are necessary to operate and maintain its business and Property and perform such obligations;
- (g) pay all Taxes as they become due and payable unless they are being contested in good faith by appropriate legal proceedings and, with respect to Taxes which are overdue, make arrangements satisfactory to the

Lender regarding adequate provision for their payment (including the lodging of Collateral with the Lender if requested by the Lender acting reasonably);

- (h) promptly notify the Lender of the occurrence of any Event of Default or Pending Event of Default of which it becomes aware;
- (i) promptly notify the Lender on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance affecting the Borrower in respect of which there is a reasonable likelihood of a Material Adverse Change with respect to the Borrower, and from time to time provide the Lender with all information requested by the Lender concerning the status thereof;
- (j) promptly notify the Lender (including in the notification the intended action to be taken by the Borrower) upon:
 - (i) learning of any material claim, complaint, notice or order of an environmental nature affecting it;
 - (ii) learning of the existence of Hazardous Materials located on, above or below the surface of any land which it occupies or controls (except those being stored, used or otherwise handled in compliance with applicable Requirements of Law), or contained in the soil or water constituting such land which could result in a Material Adverse Change with respect to the Borrower;
 - (iii) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Materials that has occurred on or from such land which could result in a Material Adverse Change with respect to the Borrower;

- (iv) the occurrence of any change in business activity conducted by the Borrower which involves the use or handling of Hazardous Materials or wastes or increases the environmental liability of the Borrower in any material manner; and
- (v) the occurrence of any proposed change in the use or occupation of the Property of the Borrower which may cause a material adverse environmental impact;
- (k) conduct all environmental remedial activities which a Person acting in a commercially reasonable manner would perform in similar circumstances to meet its environmental responsibilities and pay for any environmental investigations, assessments or remedial activities with respect to any Property of the Borrower that the Lender may reasonably request;
- (l) promptly notify the Lender upon becoming aware of any proposed change or change in name or jurisdiction of incorporation of the Borrower or of any proposed change or change in the chief operating officer or chief financial officer of the Borrower;
- (m) conduct and maintain all of its operating accounts only with the Lender as long as any Obligations under this Agreement are outstanding; and
- (n) notify the Lender in writing at least thirty (30) days prior to any intended distribution referred to in Section 9.4.1(h) with full particulars of such intended distribution except if the intended distribution is of the regularly scheduled management fee referred to in Section 9.4.2(a).

9.1.2. If the Borrower notifies the Lender of any specified activity or change or provides the Lender with any information, in each case, pursuant to Section 10.1.1(j) or if the Lender receives any environmental information from other sources, which the

Lender in its sole discretion considers material and authentic, the Lender in its sole discretion acting reasonably, may decide that an adverse change in environmental condition of the Borrower or any of the Property or business activities of the Borrower has occurred which decision will constitute in the absence of manifest error, conclusive evidence of the adverse change. Following this decision being made by the Lender, the Lender shall notify the Borrower of the Lender's decision concerning the adverse change. Following a decision by the Lender of the occurrence of an adverse change, if the Lender decides, or is required, to incur expenses in compliance with, or to verify the Borrower's compliance with, applicable environmental or other regulations, and the Lender incurs such expenses, the Borrower shall indemnify the Lender in respect of, and pay, such reasonable expenses on demand. The payment will constitute further Prime Rate Advances under Credit A by the Lender to the Borrower under this Agreement.

9.2. Financial Covenants

9.2.1. During the term of this Agreement, the Borrower shall ensure:

- a) that its Debt to Tangible Net Worth Ratio does not exceed 3.0;
- b) that its Debt Service Coverage Ratio is maintained at all times at 1.25:1 or better;
- c) Credit A is to revolve to nil outstanding semi-annually on March 31st on November 30th;
- d) Annual CAPEX will not exceed \$1,300,000. Current CAPEX associated with the construction of the natural gas pipeline to the IGPC Aylmer Plant is excluded from this amount.

9.2.2. For the purposes of Section 9.2, the amounts used to determine whether the Debt to Tangible Net Worth Ratio is being maintained shall be the quarterly and yearly financial statements provided by the Borrower pursuant to this Agreement provided such statements are all in a form and content satisfactory to the Lender.

9.3. Reporting Requirements

9.3.1. During the term of this Agreement, the Borrower shall:

- a) within 90 days after the end of its Fiscal Year, cause to be prepared and deliver to the Lender, annual audited financial statements duly signed;
- b) concurrently with the delivery of its annual audited financial statements, cause to be prepared and deliver to the Lender annual cash flow projections and capital expenditure budget for the next Fiscal Year;
- c) within 45 days after the end of each quarter, cause to be prepared in accordance with GAAP and deliver to the Lender interim unaudited financial statements in form and content satisfactory to the Lender including a balance sheet, a statement of income and retained earnings, and a statement of changes in financial position approved and signed by the Chief Financial Officer of the Borrower;
- d) concurrently with the delivery of its quarterly interim unaudited financial statements, provide the Lender with a Compliance Certificate in the form annexed hereto as Schedule B.

9.3.2 If there is any material change in a subsequent period from the accounting policies, practices and calculation methods used by the Borrower in preparing its financial statements, or components thereof as compared to any previous period, the Borrower shall provide the Lender with all information which the Lender reasonably requires relating to the impact of any such material change on the

comparability of the reports provided to the Lender after any such material change, to previous reports.

9.4. Negative Covenants

9.4.1. During the term of this Agreement, the Borrower shall not, without the prior written consent of the Lender:

- a) sell, lease, alienate or otherwise dispose of the whole or any substantial part of its Property, except in the ordinary course of business and except as permitted pursuant to this Agreement;
- b) amend its Constatling Documents, consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing ownership or capital structure, liquidate, wind-up or dissolve itself or restructure itself, or permit any such liquidation, winding-up, dissolution or restructuring, except:
 - (i) as permitted pursuant to this Agreement; and
 - (ii) with respect to an amendment to its Constatling Documents to change its name provided that it provides the Lender with at least thirty days written notice prior to the date the change in name becomes effective;
- c) create, incur, assume, cause or permit to exist any Encumbrance upon or in respect of any of its Property (except in each case, Permitted Encumbrances);
- d) except as may be permitted under this Agreement, create, incur, assume any debt or permit any debt to remain outstanding other than:

- (i) the Obligations;
 - (ii) unsecured Current Liabilities which are not the result of borrowings including, without limitation, accounts payable and accruals;
 - (iii) Debt incurred in respect of; Permitted Encumbrances
 - (iv) Deferred Taxes; and
 - (v) obligations and liabilities of the Borrower pursuant to contracts and agreements entered into by the Borrower in the ordinary course of its business, including without limitation leases of real property;
- e) effect any material change in the general nature of its business;
 - f) guarantee, endorse, otherwise become liable for or under, the debt of, or provide a guarantee or financial assistance, comfort or support in any form to, or for the benefit of, any Person;
 - g) use any of the Credits for a purpose other than permitted under this Agreement;
 - h) pay royalties, management fees, dividends, issue bonus on Capital Stock, redeem or purchase Capital Stock, make loans, advances or other distributions of funds to its shareholders, management, or Affiliates without the prior written consent of the Lender;
 - i) permit any change in the corporate structure that would result in any Change in Control of the Borrower;

- j) do anything, or permit anything to be done, to adversely affect the ranking or validity of the Security;
- k) change its Fiscal Year-end; or
- l) change its auditors other than to a firm of internationally recognized chartered accountants.

9.4.2. If an event which is an Event of Default or Pending Event of Default has occurred and the event is the failure to make a payment of principal or interest under this Agreement, the Borrower shall not, without the Lender's prior written consent, be entitled to make any distribution referred to and otherwise permitted under Section 9.4.1(h) notwithstanding that the Event of Default or Pending Event of Default resulting from the occurrence of the event has been cured and is not, at the time of the proposed distribution, continuing unless the event referred to in this Section 9.4.2 which occurred has been cured for at least the period of 90 consecutive days immediately prior to the date of the proposed distribution.

ARTICLE X

DEFAULT

10.1 Events of Default

Each of the following events shall constitute an Event of Default under this Agreement:

- a) the Borrower fails to comply with any Ontario Energy Board ruling;
- b) the failure of Societe Generale (Canadian Branch) to renew the SOC GEN L/C within 30 days of expiration;

- c) the Borrower or any Person that is a party to any of the Credit Documents makes any representation or warranty under any of the Credit Documents which is, in any material respect, incorrect or incomplete when made or deemed to be made and the circumstances giving rise to the representation or warranty being so incorrect or incomplete are not, within ten (10) days of the Borrower becoming aware thereof, changed so that the representations and warranties made are no longer so incorrect or incomplete; or
- d) the Borrower ceases or threatens to cease to carry on its business or admits its inability, or fails, to pay its debts generally as they become due; or
- e) the Borrower permits any default or event to occur, or is in default, under one or more agreements or instruments relating to any of its indebtedness and, as a result thereof, the date on which any such indebtedness exceeding Cdn. \$50,000 becomes due, is or has accelerated; or
- f) the Borrower becomes bankrupt (voluntarily or involuntarily), or becomes subject to any proceeding seeking liquidation, arrangement, monitorship, relief of creditors or the appointment of a receiver or trustee over, any of its Property, and such proceeding, if instituted against the Borrower is not contested diligently, in good faith and on a timely basis and dismissed or stayed within 60 days of its commencement or issuance; or
- g) any of the Security is withdrawn in whole or in part, or is invalidated by any act, regulation or governmental action or is determined to be invalid by a court or other judicial entity; or
- h) a final judgment, order, writ of execution, garnishment or attachment or similar process for an amount in excess of Cdn. \$50,000 is issued or

levied against any of the Property of the Borrower and such judgment, writ, execution, garnishment, attachment or similar process is not released, bonded, satisfied, discharged, vacated or stayed within ten (10) days after its entry, commencement or levy; or

- i) there is a breach of any of the provisions of this Agreement, or any of the provisions of the Credit Documents including the Security and such breach remains unremedied for a period of ten (10) days after written notice by the Lender to the Borrower; or
- j) there is a Change in Control with respect to the Borrower; or
- k) the Borrower's financial statements are qualified in any material respect which is unacceptable to the Lender; or
- l) there is in the Lender's opinion a Material Adverse Change with respect to the Borrower.

10.2 Acceleration and Termination of Rights

If any Event of Default occurs and is continuing, the Lender shall not be under any further obligation to make Advances or to accept drafts or bills of exchange as Bankers' Acceptances or issue L/Gs and the Lender may give written notice to the Borrower (i) declaring the Lender's obligations to make Advances to be terminated, whereupon the same shall forthwith terminate, (ii) declaring the Obligations or any of them to be forthwith due and payable, whereupon they shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, and/or (iii) demanding that the Borrower deposit forthwith with the Lender for the Lender's benefit Collateral equal to the full principal amount at maturity of all Bankers' Acceptances and L/Gs, then outstanding for the Borrower's account.

Notwithstanding the preceding paragraph, if the Borrower becomes a bankrupt (voluntarily or involuntarily), or institutes, or becomes subject to, any proceeding seeking liquidation, rearrangement, monitorship, relief of debtors or creditors or the appointment of a receiver or trustee over any part of its Property, then without prejudice to the other rights of the Lender as a result of any such event, without any notice or action of any kind by the Lender, and without presentment, demand or protest, the Lender's obligation to make Advances shall immediately terminate, the Obligations shall immediately become due and payable and the Borrower shall be obligated to deposit forthwith with the Lender for the Lender's benefit Collateral equal to the full principal amount of maturity of all Banker's Acceptances and L/Gs then outstanding for the Borrower's account.

10.3 Payment of Bankers' Acceptances and L/Gs

Immediately upon the occurrence of any event obligating the Borrower to deposit Collateral with the Lender under Section 10.2, the Borrower shall, without necessity of further act or evidence, be and become thereby unconditionally obligated to deposit forthwith with the Lender Collateral equal to the full principal amount at maturity of all Bankers' Acceptances and L/Gs then outstanding for the Borrower's account and the Borrower hereby unconditionally promises and agrees to deposit with the Lender immediately upon such demand Collateral in the amount so demanded. The Borrower authorizes the Lender to debit its account with the amount required for Collateral to pay such L/Gs and to pay Bankers' Acceptances, notwithstanding that such Bankers' Acceptances may be held by the Lender in its own right at maturity. Amounts paid to the Lender pursuant to such a demand in respect of Bankers' Acceptances and L/Gs shall be held as Collateral applied against, and shall reduce the obligations of the Borrower to pay amounts then or thereafter payable under Bankers' Acceptances and L/Gs at the times the amounts become payable thereunder.

The Borrower shall be entitled to receive interest on cash held as Collateral in accordance with Section 11.13.

10.4 Remedies

Upon the making of a declaration contemplated by Section 10.2, the Lender may take such action or proceedings as it in its sole discretion deems expedient to enforce payment of the Obligations, all without any additional notice, presentment, demand, protest or other formality, all of which are hereby expressly waived by the Borrower.

10.5 Perform Obligations

If an Event of Default has occurred and is continuing and if the Borrower has failed to perform any of its covenants or agreements in the Credit Documents, the Lender, may perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Credit Documents.

10.6 Third Parties

No Person dealing with the Lender or any agent of the Lender shall be concerned to inquire whether the powers which the Lender is purporting to exercise have become exercisable, or whether any Obligations remain outstanding.

10.7 Remedies Cumulative

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted by the Lender shall be deemed not to be a waiver of any subsequent default.

10.8 Set-Off or Compensation

In addition to and not in limitation of any rights now or hereafter granted under applicable law, if repayment of the Obligations or any of them is accelerated pursuant to Section 10.2, the Lender may at any time and from time to time without further notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lender to or for the credit of or the account of the Borrower, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Headings and Table of Contents

The headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

11.2 Accounting Terms

Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under GAAP.

11.3 Capitalized Terms

All capitalized terms used in any of the Credit Documents (other than this Agreement) which are defined in this Agreement shall have the meaning defined herein unless otherwise defined in such Credit Document.

11.4 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Should this Agreement fail to provide for any relevant matter, the validity, legality or enforceability of this Agreement shall not thereby be affected.

11.5 Number and Gender

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa, words importing any gender include all genders and references to agreements and other contractual instruments shall be deemed to include all present or future amendments, supplements, restatements or replacements thereof or thereto.

11.6 Amendment, Supplement or Waiver

No amendment, supplement or waiver of any provision of the Credit Documents, including without limitation this Agreement, nor any consent to any departure by the Borrower therefrom, shall in any event be effective unless it is in writing, makes express reference to the provision affected thereby and is signed by the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver or act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or breach by the Borrower of any provision of the Credit Documents or the rights resulting therefrom.

11.7 Governing Law

Each of the Credit Documents, except for those which expressly provide otherwise, shall be conclusively deemed to be a contract made under, and shall for all purposes be governed by and construed in accordance with, the laws of the Province of

Ontario and the laws of Canada applicable in Ontario. Each party to this Agreement hereby irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of Ontario and all courts competent to hear appeals therefrom.

11.8 This Agreement to Govern

In the event of any conflict between a provision of this Agreement and a provision of any other Credit Document, whether such Credit Document is entered into prior to or after this Agreement is entered into by the parties, the provision of this Agreement shall prevail and the provision of such other Credit Document will be deemed to be amended to the extent necessary to eliminate such conflict. The Borrower acknowledges that, subject as hereinafter provided, specific provisions of the Credit Documents, which are not also provided for in this Agreement, are in addition to and not in substitution for the provisions of this Agreement. Without limiting the generality of the foregoing, notwithstanding the interest rate, fees, principal amount, or time of payment or repayment in any other Credit Document, the interest rate, fees, principal amount and time of payment applicable to the Credits shall be the interest rate, fees, amount and time provided for in this Agreement. Notwithstanding events of default set out in any other Credit Document, if the Events of Default set out in this Agreement conflict with the events of default in another such Credit Document, or if there are events of default in another Credit Document (except Credit Documents evidencing or relating to Credit C) that are not provided for in the Events of Default set out in this Agreement (such events of default in other Credit Documents being the "Superseded Events"), the Events of Default set out in this Agreement shall be those applicable to the Credits and the Superseded Events shall not apply.

Notwithstanding any provisions set out in a Credit Document which does not contain any events of default (except Credit Documents evidencing or relating to Credit C), the Lender shall not be entitled to exercise any of its rights and remedies under that Credit Document until an Event of Default set out in this Agreement has occurred and is continuing.

Further, if any act or omission of the Borrower is permitted under this Agreement but is prohibited under another Credit Document, such act or omission shall be permitted in accordance with the terms of this Agreement.

In addition to the foregoing, the terms of each of the Credit Documents, whether entered into prior to or after this Agreement is entered into by the parties, are hereby amended to the extent necessary to reflect the following:

- (a) to the extent that the creation of a security interest under the Credit Document would constitute a breach or permit the acceleration or termination of any agreement, right, licence or permit of the Borrower (each, a "Restricted Asset"), without the consent of another party, such security interest shall not attach to the Restricted Asset but the Borrower shall hold its interest in the Restricted Asset in trust for the Lender, and shall assign such Restricted Asset to the Lender or as it may direct immediately upon obtaining the consent of the other party;
- (b) until a security interest under the Credit Documents shall have become enforceable, the grant of any security interest in any intellectual property of the Borrower shall not in any way affect the Borrower's rights to commercially exploit such intellectual property, defend it, enforce the Borrower's rights in it against third parties in any court or claim and be entitled to receive, subject to Encumbrances in favour of the Lender, any damages with respect to any infringement of it;
- (c) any security interest under the Credit Documents shall not extend or apply to the last day of the term of any lease or sublease or any agreement for a lease or sublease now held or hereafter acquired by the Borrower in respect of real property, but the Borrower shall stand possessed of any such last day upon trust to assign and dispose of it as the Lender may direct.

11.9 Permitted Encumbrances

The designation of an Encumbrance as a Permitted Encumbrance is not, and shall not be deemed to be as between the Lender and other Persons (except the Borrower), an acknowledgment by the Lender that the Encumbrance shall have priority over the claims of the Lender against the Borrower or other Person, or the Borrower's or other Person's Property.

11.10 Currency

All amounts expressed in this Agreement in terms of money shall refer to Canadian Dollars.

11.11 Expenses and Indemnity

All statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to the Lender by the Borrower under this Agreement shall be supplied without cost to the Lender. The Borrower shall pay on demand all reasonable third party costs and expenses of the Lender (including, without limitation, the reasonable fees and expenses of counsel for the Lender on a solicitor and his own client basis), incurred in connection with (i) the preparation, execution, delivery, administration, periodic review and enforcement of the Credit Documents; (ii) any syndication of the Credits; (iii) obtaining advice as to its rights and responsibilities in connection with the Credits and the Credit Documents; (iv) other matters relating to the Credits. Such costs and expenses shall be payable whether or not an Advance is made under this Agreement and may be charged to the Borrower's deposit account when incurred or submitted. The Lender agrees with reasonable promptness to provide the Borrower with reasonable details of such costs and expenses.

The Borrower shall indemnify the Lender against any liability, obligation, loss or expense which it may sustain or incur as a consequence of (i) any representation or warranty made herein by the Borrower or in a Credit Document by any other Person (other than by the Lender), which was incorrect at the time it was made or deemed to

have been made, (ii) a default by the Borrower in the payment of any sum due from it (irrespective of whether an Advance is deemed to be made to the Borrower to pay the amount that the Borrower has failed to pay), including, but not limited to, all sums (whether in respect of principal, interest or any other amount) paid or payable to lenders of funds borrowed by the Lender in order to fund the amount of any such unpaid amount to the extent the Lender is not reimbursed pursuant to any other provisions of this Agreement, (iii) the failure of the Borrower to complete any Advance or make any payment after notice therefore has been given under this Agreement, (iv) any other default by the Borrower hereunder. A certificate of the Lender as to the amount of any such liability, obligation loss or expense shall be *prima facie* evidence as to the amount thereof, in the absence of manifest error.

In addition, the Borrower shall indemnify the Lender and its directors, officers, employees and representatives from and against any and all actions, proceedings, claims, losses, damages, liabilities, expenses and obligations of any kind that may be incurred by or asserted against any of them as a result of or in connection with the Credits, other than through the gross negligence or wilful misconduct of the Lender or such other Persons.

The agreements in this Section 11.11 shall survive the termination of this Agreement and repayment of the Obligations.

11.12 Increased Costs etc.

If after the date hereof the introduction of or any change in or in the interpretation of, or any change in its application to the Borrower of, any law or any regulation or guideline from any central bank or other governmental authority (whether or not having the force of law), including but not limited to any reserve or special deposit requirement or any Tax (other than Excluded Taxes and withholding Taxes imposed under the *Income Tax Act* (Canada)) or any capital requirement has, due to the Lender's compliance therewith the effect, directly or indirectly, of (i) increasing the cost to the Lender of performing its obligations hereunder; (ii) reducing any amount received or

receivable by the Lender hereunder (other than a reduction resulting from a higher rate of income Tax or other special Tax relating to the Lender's income in general) or its effective return hereunder or on its capital; or (iii) causing the Lender to make any payment or to forego any return based on any amount received or receivable by the Lender hereunder, then upon demand from time to time the Borrower shall pay such amount as shall compensate the Lender for any such cost, reduction, payment or foregone return that is not fully offset by an increase in the applicable interest rate or rates or fees hereunder. Any certificate of a Lender in respect of the foregoing will be *prima facie* evidence of the foregoing, except for manifest error, provided that the Lender determines the amounts owing to it in good faith and provides a detailed description of its calculation of the amounts owing to it.

If the Lender demands compensation under this Section 11.12, the Borrower may at any time, upon at least four Business Days' prior notice to that Lender, which notice shall be irrevocable (i) cancel all or any portion of the unutilized amount of any of the Credits without payment thereupon of any fee and (ii) prepay in full, (subject to the imposition of a reasonable penalty for prepayment if prepayment is not otherwise permitted herein) the then outstanding Obligations under this Agreement owing to the Lender, including all compensation to the date of repayment. The unutilized portion of Credits shall thereupon be cancelled.

11.13 Interest on Miscellaneous Amounts

If the Borrower fails to pay any amount payable hereunder (other than principal, interest thereon or interest upon interest which is payable as otherwise provided in this Agreement) on the due date, the Borrower shall, on demand, pay interest on such overdue amount to the Lender from and including such due date up to but excluding the date of actual payment, both before and after demand, default or judgment, at a rate of interest per annum equal to the Prime Rate plus 2% per annum compounded monthly.

If the Borrower deposits with the Lender cash as Collateral pursuant to a requirement under this Agreement, the Lender shall pay the Borrower interest on the

cash while it continues to be held as Collateral at the rate offered by the Lender from time to time for deposits in the relevant currency of comparable size and term.

11.14 Address for Notice

Notices provided for in this Agreement or in the Credit Documents shall, notwithstanding other notice provisions in the Credit Documents, be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by facsimile, charges prepaid, at or to the applicable addresses or facsimile numbers, as the case may be, set opposite the party's name and signatures in this Agreement or at or to such other address or addresses or facsimile number or numbers as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by facsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

11.15 Time of the Essence

Time shall be of the essence in this Agreement.

11.16 Further Assurances

The Borrower shall, at the request of the Lender, acting reasonably, do all such further acts and execute and deliver all such further documents as may be necessary or desirable in order to fully perform and carry out the purpose and intent of the Credit Documents.

11.17 Term of Agreement

Except as otherwise provided herein, this Agreement shall remain in full force and effect until the indefeasible payment and performance in full of all of the Obligations under the Credit Documents.

11.18 Payments on Business Day

Whenever any payment or performance under the Credit Documents would otherwise be due on a day other than a Business Day, such payment or performance shall be made on the following Business Day, unless the following Business Day is in a different calendar month, in which case the payment shall be made on the preceding Business Day.

11.19 Counterparts and Facsimile

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. For the purposes of this Section 12.20, the delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver an original copy of this Agreement as soon as possible after delivering the facsimile copy.

11.20 Entire Agreement

This Agreement together with the other Credit Documents constitutes the entire agreement between the parties hereto concerning the matters addressed in this Agreement, and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

11.21 Successors and Assigns

The Credit Documents shall be binding upon and enure to the benefit of the Lender, the Borrower and their respective successors and assigns;

11.22 Assignment

The Borrower shall not assign any rights or obligations with respect to this Agreement or any of the other Credit Documents without the prior written consent of the Lender.

The Lender may assign any of its rights and obligations with respect to this Agreement or any of the other Credit Documents to any Person at any time.

11.23 Date of Agreement

This Agreement may be referred to as being dated on the date first appearing in this Agreement notwithstanding the actual date of execution.

11.24 Discharge

Upon payment and performance in full of all Obligations and all Other Secured Obligations and upon the Lender having no obligations under this Agreement or otherwise, the Lender shall at the request and expense of the Borrower, execute and deliver to the Borrower such releases and discharges of the security interests under the Security as the Borrower may reasonably request.

IN WITNESS OF WHICH, the parties have executed this Agreement as of the 9th day of October, 2008.

Address For Notice

THE BANK OF NOVA SCOTIA

By: 

Name: Glen Farrow

Title: Senior Credit Solutions Manager

By: 

Name: PATRICK NOONAN

Title: SENIOR CLIENT MANAGER

Attention:

Fax No.:

We have authority to bind the Bank

NATURAL RESOURCE GAS LIMITED

Attention:

Fax No.:

with a copy to:

By: NR

Name: MARK BLISSON

Title: PRESIDENT.

By: _____

Name:

Title:

Attention:

Fax No.:

We have authority to bind the Corporation

963775_6

NR

SCHEDULES

<u>SCHEDULE</u>	<u>NAME</u>
Schedule A	- Borrower's Counsel Opinion
Schedule B	- Compliance Certificate
Schedule C	- Advance and Conversion Notice
Schedule D	- Litigation
Schedule E	- Ownership Structure

SCHEDULE “A”
BORROWER’S COUNSEL’S OPINION

July ●, 2008

The Bank of Nova Scotia
One London Place
255 Queens Avenue,
London, ON
N6A 5R8

Dear Sir:

Re: Credit Facilities in Favour of Natural Resource Gas Limited

We have acted as counsel to Natural Resource Gas Limited (the “**Borrower**”) in connection with an amended and restated credit agreement dated [DATE] (the “**Credit Agreement**”) between the Borrower and The Bank of Nova Scotia (the “**Lender**”). This opinion is being provided to you pursuant to Section 6.1(m) of the Credit Agreement.

We have participated in the preparation of and have examined executed copies of the following documents:

- (a) the Credit Agreement;
- (b) an assignment from the Borrower in favour of the Lender of all proceeds paid under the Irrevocable Standby Letter of Credit No. CT08S0L0043-B established by Societe Generale (Canada Branch);
- (c) a postponement from all of the holders of the Borrower’s Class C shares;
- (d) an operating credit line agreement made by the Borrower in favour of the Lender dated October 4, 2007;
- (e) a general security agreement made by the Borrower in favour of the Lender dated March 10, 2006;

- (f) a general assignment of book debts made by the Borrower in favour of the Lender dated March 10, 2006;
- (g) a \$15,000,000 demand debenture of the Borrower in favour of the Lender dated March 11, 2006.

The documents listed above are collectively referred to as the “**Security Documents**”.

We have also examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of (i) the certificate and articles of amalgamation of the Borrower, (ii) the by-laws of the Borrower, (iii) certain resolutions of the directors of the Borrower relating to the Security Documents, and (vi) a certificate of status with respect to the Borrower provided by the governmental authority of Ontario dated July ●, 2008. We have relied exclusively upon these documents without independent investigation for the purpose of providing our opinions expressed below.

As to certain questions of fact material to our opinions, we have also examined and relied upon a certificate of a representative of the Borrower, a copy of which has been delivered to you (the “**Officers’ Certificates**”).

In our examination of all documents we have assumed that:

- (a) all individuals had the requisite legal capacity;
- (b) all signatures are genuine;
- (c) all documents submitted to us as originals are complete and authentic and all photostatic, certified, notarial, facsimile or other copies conform to the originals;
- (d) all facts set forth in the official public records, indices and filing systems and all certificates and documents supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate;
- (e) all facts set forth in the Officer’s Certificates are true and accurate;

- (f) each of the Security Documents has been duly authorized, executed on behalf of the Borrower and constitutes a legal, valid and binding agreement enforceable against the Borrower in accordance with its terms;
- (g) value has been given by the Lender to the Borrower; and
- (h) the property and assets subject to the security interests created by the Security Documents do not include consumer goods (as defined in the *Personal Property Security Act* (Ontario) (the “PPSA”)).

Our opinion is expressed only with respect to the laws of the Province of Ontario and the laws of Canada applicable in Ontario in effect on the date of this opinion.

Based upon the foregoing and subject to the assumptions set forth above and the qualifications set forth below, we are of the opinion that:

1. The Borrower (i) is a corporation amalgamated and existing under the laws of the Province of Ontario, and (ii) has the corporate power to enter into and perform its obligations under the Security Documents.
2. The execution and delivery of and performance by the Borrower of each of the Security Documents and the consummation of the transactions contemplated by them have been authorized by all necessary corporate action on the part of the Borrower.
3. The execution and delivery of and performance by the Borrower of the Security Documents do not constitute or result in a violation or a breach of or a default under:
 - (a) its certificate and articles of amalgamation or by-laws; or
 - (b) any law, rule or regulation having the force of law applicable in Ontario.
4. No authorization, consent or approval of, or filing, registration, qualification, notarizing or recording with any governmental authority having jurisdiction in Ontario is required in

connection with the execution and delivery of or performance by the Borrower of the Security Documents.

5. The Security Documents to which each is a party have been duly executed and delivered by the Borrower.
6. Each of the Security Documents constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

The opinions expressed above are subject to the following qualifications:

- (a) the enforceability of the Security Documents may be limited by bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditor's rights;
- (b) a court may exercise discretion in the granting of equitable remedies such as specific performance and injunction;
- (c) the enforceability of the Security Documents may be limited by general principles of law and equity relating to the conduct of the Lender prior to execution of or in the administration or performance of the Security Documents, including, without limitation, (i) undue influence, unconscionability, duress, misrepresentation and deceit, (ii) estoppel and waiver, (iii) laches, and (iv) reasonableness and good faith in the exercise of discretionary powers;
- (d) the Lender may be required to give the Borrower a reasonable time to repay following a demand for payment prior to taking any action to enforce right of repayment or before exercising any of the rights and remedies expressed to be exercisable by the Lender in any of the Security Documents;
- (e) no opinion is expressed as to the title of the Borrower to any property or as to the rank or priority of any security interest created by the Security Documents;

- (f) we express no opinion as to the creation or perfection of any security interest nor have we effected any registrations in any property or assets of the Borrower;
- (g) the PPSA, the *Registry Act* (Ontario) and the *Land Titles Act* (Ontario) impose certain obligations on secured creditors which cannot be varied by contract. The legislation may also affect the enforcement of certain rights and remedies under the Security Documents to the extent that these rights and remedies are inconsistent with or contrary to the legislation;
- (h) a court may decline to accept the factual and legal determinations of a party notwithstanding that a contract or instrument provides that the determinations of that party shall be conclusive;
- (i) a court might not allow the Lender to exercise rights to accelerate the performance of obligations or otherwise seek the enforcement of the Security Documents based upon the occurrence of a default deemed immaterial;
- (j) no opinion is given as to the enforceability of any provision of the Security Documents providing for the severance of illegal or unenforceable provisions from the remaining provisions of the Security Documents;
- (k) a receiver or receiver and manager appointed pursuant to the provisions of any Security Document may, for certain purposes, be treated by a court as being the agent of the secured party and not solely the agent of the debtor (and the secured party may not be deemed to be acting as the agent and attorney of the debtor in making such appointment), notwithstanding any agreement to the contrary;
- (l) we express no opinion as to the enforceability of any provision of a Security Document that is inconsistent with any provision of any other Security Document except, where that inconsistency is addressed by a paramountcy clause, the paramountcy clause would be enforceable;

- (m) the recoverability of costs and expenses may be limited to those a court considers to be reasonably incurred and the court has the discretion to determine by whom and to what extent costs and expenses incidental to court proceedings shall be paid;
- (n) the fixed and specific mortgages and charges expressed to be created by the demand debenture in the principal amount of \$15 million (the “Debenture”) may not be effective in respect of any property or assets which were not owned by the Borrower on the date the Debenture was delivered or which were not described in the Debenture with sufficient particularity, with the result that such collateral will only be subject to the floating charge constituted thereby;
- (o) rights of indemnification and contribution or waiver thereof may be limited under applicable law;
- (p) any provision of the Security Documents that provides for a forfeiture of a deposit or any other property or which provides for a particular calculation of damages upon breach may not be enforceable if it is interpreted by a court to be a penalty or if the court determines that relief from forfeiture is appropriate;
- (q) pursuant to the provisions of section 8 of the *Interest Act* (Canada), no fine, penalty or rate of interest may be exacted on any arrears of principal or interest secured by a mortgage on real property that has the effect of increasing the charge on the arrears beyond the rate of interest payable on principal money not in arrears;
- (r) we express no opinion as to the enforceability of any provision of any of the Security Documents:
 - (i) which purports to waive any or all defences which might be available to, or constitute a discharge of the liability of, the Borrower;

- (ii) to the extent it purports to exculpate the Lender or any receiver, manager or receiver manager from liability in respect of acts or omissions which may be illegal, fraudulent or involve wilful misconduct; and
- (iii) which states that modifications, amendments or waivers are not binding unless in writing.

This opinion is solely for the benefit of the addressees and not for the benefit of any other person. It is rendered solely in connection with the transaction to which it relates. It may not be quoted, in whole or in part, or otherwise referred to or used for any other purpose without our prior written consent. We assume no obligation to update this opinion.

Yours truly,

SCHEDULE “B”
COMPLIANCE CERTIFICATE

TO: The Bank of Nova Scotia

The undersigned (the “Borrower”) hereby refers to the Amended and Restated Credit Agreement dated as of [DATE] between Natural Resource Gas Limited as Borrower and The Bank of Nova Scotia, (as amended, supplemented, restated or replaced from time to time the “Credit Agreement”). All capitalized terms used in this Certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

1. The Borrower hereby certifies that:
 - (a) The representations and warranties made in Section 8.1 of the Credit Agreement are true on and as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (b) No Pending Event of Default or Event of Default has occurred and is continuing on the date hereof.
2. The Borrower hereby certifies that as at the end of the Borrower’s fiscal [specify quarter or year] ending [specify date]:
 - (a) the Debt to Tangible Net Worth Ratio of the Borrower was • to 1.00; and
 - (b) the Debt Service Coverage Ratio of the Borrower was • .
3. The Borrower hereby certifies that since the date of the Credit Agreement there has been no change in the business activity of any of its Subsidiaries.
4. Attached as Appendix A hereto are descriptions of the calculations and particulars of the Borrower’s Debt, EBITDA and Tangible Net Worth referred to in paragraph 2 hereof.

DATED this 21st day of August, 2008.

NATURAL RESOURCE GAS LIMITED

By: _____

Name:

Title:

I have authority to bind the Corporation

SCHEDULE "C"
REQUEST FOR ADVANCE [ROLLOVER or CONVERSION (specify)]

TO: The Bank of Nova Scotia

The undersigned (the "Borrower") hereby refers to the Amended and Restated Credit Agreement dated as of **[DATE]** between Natural Resource Gas Limited, as Borrower and The Bank of Nova Scotia, as Lender, (as amended, supplemented, restated or replaced from time to time the "Credit Agreement"). All capitalized terms used in this Request and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

Notice is hereby given pursuant to Section 7.4 of the Credit Agreement that the Borrower hereby requests that:

- (a) an Advance be made in the form of [specify kind of Advance(s) and specify the Credit(s) under which the Advance is made];
- (b) the aggregate principal amount of the Advance shall be [insert amount for each Advance requested and in the case of a Bankers' Acceptance Advance, indicate the terms and maturity dates and in the case of a L/G Advance state the following: the Advance is to be by way of L/G, the proposed form of which is attached to this Request];
- (c) the Drawdown Date shall be [insert date];
- (d) the proceeds of the Advance (other than in the case of an L/G) be deposited in the Designated Account;
- (e) [if a Rollover is requested, specify the type and amount of Advance to be rolled over and particulars of Advance requested];
- (f) [if a Conversion is requested, specify type and amount to be converted and particulars of Advance requested.]

The Borrower hereby confirms as follows:

- (g) the representation and warranties made in Section 8.1 of the Credit Agreement are true and on and as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof;
- (h) no Pending Event of Default or Event of Default has occurred and is continuing on the date hereof or will result from the Advance(s) [or Rollover or Conversion] requested herein;
- (i) the Borrower will immediately notify you if it becomes aware of the occurrence of any event which would mean that the statements in the immediately preceding paragraphs (a) and (b) would not be true if made on the Drawdown Date;
- (j) all conditions precedent set out in Sections 6.1 with respect to the first Advance of Credit C and Sections 6.2, 6.3 (if an L/G), and 6.4 (with respect to all Advances) of the Credit Agreement have been fulfilled.

DATED this 21st day of August 2008.

NATURAL RESOURCE GAS LIMITED

By: _____

Name: _____

Title: _____

(I have authority to bind the Corporation)

SCHEDULE "D"

LITIGATION DETAILS

[NTD: Need Updated Information]

[illegible]

SCHEDULE “E”

OWNERSHIP STRUCTURE OF NATURAL RESOURCE GAS LIMITED

- A. The following is the ownership structure of the Borrower:

[NTD: Need Updated Information]

- B. The Borrower's Property is located at **[NTD: Need Updated Information]**

- 13. Has the final reconciliation with IGPC been agreed to with IGPC? If not when does NRG anticipate resolving this matter?**

RESPONSE

No, the final reconciliation with IGPC has not been agreed. Timing of resolution is not yet known. However, NRG has made and continues to make every effort to meet with IGPC to resolve the issues.

14. What was the total cost of the construction of the IGPC pipeline? What was the amount of the aid-to-construct? What is the amount of the Letter of Credit provided by IGPC to NRG? Has this Letter of Credit been reduced from its original amount? Are there terms in the Pipeline Cost Recovery Agreement or Letter of Credit regarding reductions in the amount of the Letter of Credit?

RESPONSE

For the total cost of construction and amount of aid-to-construct, please refer to the Attachment to NRG's response to OEB IR 11. With respect to the Letter of Credit, the amount is \$5,214,173, and the terms of the Letter of Credit are outlined in the Pipeline Cost Recovery Agreement under Article VII.

- 15. Please provide a copy of the economic analysis performed both prior to construction (as filed in the leave to construct) and after construction (based upon actual costs) as provided for other main extension projects.**

RESPONSE

Please see economic evaluation filed with the leave-to-construct application (EB-2006-0243).

DESCRIPTION: IGPC Ethanol Plant

Costs **\$ 9,100,001**

NPV of Costs **\$8,499,908**

NPV of Revenue plus Tax Shield **\$4,709,573**

Aid to Construction **\$3,790,335**

Benefit/Cost Ratio **0.554**

Pipeline Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
6"	\$ 8,600,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,600,001
4"	-	-	-	-	-	-	-	-
3"	-	-	-	-	-	-	-	-
2"	-	-	-	-	-	-	-	-
1.25"	-	-	-	-	-	-	-	-
1"	-	-	-	-	-	-	-	-
1/2"	-	-	-	-	-	-	-	-
Total Pipeline Costs	8,600,001	-	-	-	-	-	-	8,600,001
Service Costs	-	-	-	-	-	-	-	-
Meters & Regulators	500,000	-	-	-	-	-	-	500,000
less Class 49 Pipelines	-	-	-	-	-	-	-	-
Class 1 Equipment	9,100,001	-	-	-	-	-	-	9,100,001
Class 49 Equipment	-	-	-	-	-	-	-	-
Project Costs	\$ 9,100,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,100,001

Tax Shield

PV of tax shield = **\$ 1,149,564** **Class 1** **Class 49**
\$ -

Formula based on the following:

$$\text{Tax shield} = \frac{(\text{UCC} \times \text{tax rate} \times \text{CCA rate})}{(\text{CCA rate} + \text{discount rate})} \times \frac{(2 + \text{discount rate})}{2 \times (1 + \text{disc. rate})}$$

Customer Additions

	Annual						
Rate Class	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-
Industrial- Rate 1	-	-	-	-	-	-	-
IND - 4	-	-	-	-	-	-	-
Seasonal	-	-	-	-	-	-	-
Industrial - Rate 3 - Firm	1	-	-	-	-	-	-
Industrial - Rate 3 - Interruptible	-	-	-	-	-	-	-
(FIRM CD - M*3)	108,188	-	-	-	-	-	-
Total	1	-	-	-	-	-	-

Sales Volumes (m*3)

	Annual						
Rate Class	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-
Industrial- Rate 1	-	-	-	-	-	-	-
IND - 4	-	-	-	-	-	-	-
Seasonal	-	-	-	-	-	-	-
Industrial - Rate 3 - Firm	33,416,618	-	-	-	-	-	-
Industrial - Rate 3 - Interruptible	-	-	-	-	-	-	-
Total	33,416,618	-	-	-	-	-	-

Gas Sales Revenues (\$)

Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial	-	-	-	-	-	-	-
Industrial- Rate 1	-	-	-	-	-	-	-
IND - 4	-	-	-	-	-	-	-
Seasonal	-	-	-	-	-	-	-
Industrial - Rate 3 - Firm	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774
Industrial - Rate 3 - Interruptible	-	-	-	-	-	-	-
Total Revenue	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774	1,246,774
Less							
M9 Delivery Costs	422,217	422,217	422,217	422,217	422,217	422,217	422,217
O&M Expense	38,000	38,000	38,000	38,000	38,000	38,000	38,000
Capital Tax	25,935	25,935	25,935	25,935	25,935	25,935	25,935
Property Taxes	58,405	58,405	58,405	58,405	58,405	58,405	58,405
Add							
Fixed Revenue	334,029	334,029	334,029	334,029	334,029	334,029	334,029
Pre-Tax Revenue	1,036,245	1,036,245	1,036,245	1,036,245	1,036,245	1,036,245	1,036,245
Less: Income Tax	374,292	374,292	374,292	374,292	374,292	374,292	374,292
Net Revenue	\$ 661,954	\$ 661,954	\$ 661,954	\$ 661,954	\$ 661,954	\$ 661,954	\$ 661,954

661,954

Natural Resource Gas Limited
Variables Used to Calculate Cost of Pipeline Additions

PROPERTY TAX ASSESSMENT RATES

6"	2.05	80.71	Steel
4"	0.00	0	
3"	0.00	0	
2"	0.00	0	
	0.00	0	

Average rate	0.025362
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RATE 3

CUSTOMER CHARGE	\$ 150.00
FIRM CD PER M*3	\$ 0.255904
FIRM COMMODITY	\$ 0.037310
INT COMMODITY	\$ 0.060992

FEDERAL CAPITAL TAX RATE	0
PROV. CAPITAL TAX RATE	0.00285

			Allocation	Cost of Debt/Capital
		LT DEBT	66.21%	8.31%
DISCOUNT RATE	7.06%	DEMAND L	0.00%	0.00%
CLASS 1 CCA RATE	4.00%	ST DEBT	-8.21%	6.00%
CLASS 49 CCA RATE	8.00%	EQUITY	42.00%	9.20%
MARGINAL TAX RATE	36.12%		100.00%	7.06%

COST OF GAS (UNION M9 DELIVERY CHARGE)	Residential \$ 0.005450	Commercial \$ 0.005450	Industrial (R1 and R4) \$ 0.005450	Seasonal \$ 0.005450	Contract \$ 0.005450	Demand \$ 0.184938
	METERS/ REGS/ COST EACH	SERVICES COST EACH	USE PER CUSTOMER (M*3)	SELLING PRICE PER M*3	O & M EXPENSE PER CUST	

IND - RATE 3	500,000	-	\$ -	\$ 38,000
--------------	---------	---	------	-----------

DESCRIPTION: IGPC Ethanol Plant
Planned for fiscal: 2008
Date of last test:
Nature of Project (MA, MR): Facility Expansion

<u>MATERIALS</u>	<u>Quantity</u>	<u>Price</u>	<u>Amount</u>
6" P.E. Pipe	28,532.00 m @	\$ 266.74 =	7,610,619.47
4" P.E. Pipe	- m @	=	0.00
3" P.E. Pipe	- m @	=	0.00
2" P.E. Pipe	- m @	=	0.00
1.25" P.E. Pipe	- m @	=	0.00
1" P.E. Pipe	- m @	=	0.00
1/2" P.E. Pipe	- m @	=	0.00
Other			
Tracer Wire	28,532.00 m @	\$ - =	0.00
		\$	<u>7,610,619.47</u>

TOTAL		7,610,619.47
Contingency	13.00%	989,380.53
TOTAL JOB		<u>8,600,000.00</u>
COST PER METER		<u>301.42</u>
		<u>0.55</u>

Customer Additions

<u>Rate Class</u>	<u>Total Potential</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>TOTAL</u>
Residential	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-
Industrial- Rate 1	-	-	-	-	-	-	-
IND - RATE 4	-	-	-	-	-	-	-
Seasonal	-	-	-	-	-	-	-
Industrial - Rate 3 - Firm	1	1	-	-	-	-	1
Industrial - Rate 3 - Interruptible	-	-	-	-	-	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

- 16. Why was the pipeline included in the 2009 Audited Financial Statement and not 2008 given the pipeline was operational in July 2008 and that NRG was billing IGPC since July 15, 2008 for the full contracted deliveries?**

RESPONSE

The first full month of gas flow took place on October 1, 2008. That is when NRG brought the pipeline into its fixed assets and depreciation commenced.

- 17. Do the amounts included in the total cost of construction of the IGPC pipeline include costs associated with the emergency motion in June 2007 or the motion convened by the Board in Aylmer in the winter of 2008? If so, please provide such amounts.**

RESPONSE

Yes. For the June 2007 motion, the costs were \$52,725.54 and for the winter 2008 motion, the costs were \$82,553.84.

18. Please complete the table below in respect of the IGPC Pipeline:

Item	Amount Gross before Aid-to- Construct Calculation	Amount Net after Aid-to- Construct Calculation
Construction Contract		
Customer Meter Station		
Materials (pipe, valves, fittings, anodes)		
Engineering & Design		
Land Purchase		
Legal		
Regulatory Costs (OEB)		
Project Management (NRG, Ayerswood)		
Union Gas Ltd (re: upstream pipeline)		
Interest During Construction		
Other (please specify)		
Total		

RESPONSE

Please see Attachment.

Attachment to IGPC 18
Cost of Pipeline - Detailed Schedule

	Total Costs	NRG Paid Directly to 3rd Party	Payable by NRG (Contingencies)	IGPC Paid Directly to 3rd Party
Pipe				
Lakeside Steel Corporation	863,420	-	-	863,420
Sub-total	863,420	-	-	863,420
Custody Transfer Station				
Prime Contract	884,003	-	-	884,003
Lakeside Process Control Maintenance Contract	-	-	-	-
Custody Transfer Station Spare Parts	-	-	-	-
Sub-total	884,003	-	-	884,003
Construction Material				
C.R. Wall & Co. Inc.	34,539	34,539	-	-
COMCO Pipe & Supply Company	35,696	35,696	-	-
KTI Limited	22,587	22,587	-	-
Sub-total	92,822	92,822	-	-
Prime Contract				
Prime Contract - Somerville (Note 1)	3,180,642	3,180,642	-	-
Bell Canada	2,576	2,576	-	-
Black & McDonald	823	823	-	-
Wellmaster Pipe & Supply Inc	11	11	-	-
Fastenal	141	141	-	-
Union Gas Limited	3,980	3,980	-	-
Sub-total	3,188,173	3,188,173	-	-
Project Management/Customer Liaison				
Pre December 2007	130,125	130,125	-	-
December 07	11,136	11,136	-	-
January 08	25,001	25,001	-	-
February 08	21,535	21,535	-	-
March 08	34,810	34,810	-	-
April 08	18,143	18,143	-	-
May 08	13,865	13,865	-	-
June 08	31,565	31,565	-	-
July 08	24,928	24,928	-	-
August 08	25,075	25,075	-	-
September 08	21,535	21,535	-	-
October 08	22,568	22,568	-	-
Aug-Oct 08	8,300	8,300	-	-
Ayerswood Development	9,360	9,360	-	-
Sub-total	397,945	397,945	-	-
Design, Drafting, Procurement, Testing				
MIG Engineering - Project Services	199,673	199,673	-	-
MIG Engineering - Approved Change Orders	115,135	115,135	-	-
AUE Utility Engineering	474,855	474,855	-	-
TSSA	750	750	-	-
Ayerswood Development Corporation	402	402	-	-
Corrosion Protection	3,714	3,714	-	-
Sub-total	794,530	794,530	-	-
Environmental				
Stantec Consulting Ltd.	26,329	26,329	-	-
Senes Consultants Ltd.	51,030	13,547	-	37,483
Canadian Pacific Railway	650	650	-	-
Catfish Creek Conservation Authority	100	100	-	-
Kettle Creek Conservation Authority	500	500	-	-
The Corporation of the County of Elgin	-	-	-	-
The Township of Malahide	1,160	1,160	-	-
Upper Thames Conservation Authority	-	-	-	-
The Municipality of Thames Centre	150	150	-	-
Sub-total	79,919	42,436	-	37,483

	Total Costs	NRG Paid Directly to 3rd Party	Payable by NRG (Contingencies)	IGPC Paid Directly to 3rd Party
Regulatory				
OEB Administrative Penalty	140,000		140,000	-
Ogilvy Renault	335,304	305,304	30,000	-
Aiken & Associates	7,718	7,718	-	-
Harrison Pensa	25,609	25,609	-	-
L'Observateur	1,935	1,935	-	-
Martin Malette	292	292	-	-
The London Free Press	7,585	7,585	-	-
Viva Voce Reporting Ltd.	2,195	2,195	-	-
A.S.A.P. Reporting Services	7,476	7,476	-	-
Lenczner Slaght Royce	440,517	384,429	56,088	-
Manitoulin Transport Inc.	-	-	-	-
Helix Courier Limited	198	198	-	-
Purolator	468	468	-	-
Neal, Pallett & Townsend	7,369	7,369	-	-
EB-2006-0243 Cost Award	12,562	12,562	-	-
Sub-total	989,228	763,140	226,088	-
Survey				
FKS Land Surveyors	72,118	72,118	-	-
Sub-total	72,118	72,118	-	-
Non-Destructive Testing				
MIG Engineering Ltd.	211,809	211,809	-	-
Sub-total	211,809	211,809	-	-
Finance Fees				
Harrison Pensa LLP	29,295	29,295	-	-
Belanger, Cassino & Coulston	1,929	1,929	-	-
Bank of Nova Scotia - Commitment Fee	10,400	10,400	-	-
Societe Generale	6,518	6,518	-	-
Sub-total	48,142	48,142	-	-
Land Rights				
Union Gas Limited	12,105	12,105	-	-
Sub-total	12,105	12,105	-	-
Interest				
Interest	190,605	190,605	-	-
Disbursements	26,468	26,468	-	-
Total	217,073	217,073	-	-

19. Do the costs of the IGPC pipeline identified above include:
- (a) Any amounts related to security deposits paid to municipalities or conservation authorities? Have those deposits been returned? If not, why not?
 - (b) The \$140,000 administrative penalty imposed by the Ontario Energy Board?
 - (c) Any maintenance contract for the customer station or pipeline?
 - (d) Any amounts related to spare parts?
 - (e) Any amounts related to the dispute with ratepayers regarding NRG's security deposit policy?
 - (f) The costs of the NRG's auditor?
 - (g) Any contingency costs or costs not yet actually realized?
 - (h) Any costs associated with the Statement of Claim issued by NRG against IGPC in the amount of approximately \$20,000,000?
 - (i) Any costs associated with appeals of Ontario Energy Board Decisions?

RESPONSE

- (a) All refundable deposits have been returned and are not included in the cost of the pipeline.
- (b) The \$140,000 penalty is included as part of Regulatory costs because it was assessed by the OEB and forms part of the cost of the pipeline.
- (c) No.
- (d) No.
- (e) No.
- (f) No. There were costs included from Neal, Pallett & Townsend (the same firm that performs NRG's audit) but the costs did not relate to our audit but instead related to issues with respect to the Pipeline Cost Recovery Agreement and other considerations relating to the construction of the pipeline.
- (g) Yes. There are approximately \$86,000 contingency for anticipated future legal expenses.
- (h) No.

(i) The appeal to Divisional Court from the June 2007 motion is included. The appeal to Divisional Court of the Aylmer franchise is not.

- 20. If the answer to any of 19 (a) thru (i) is “Yes”, please provide the amount and rationale for its inclusion?**

RESPONSE

Where the answer is “Yes”, a rationale has been included in the response to IGPC IR 19.

21. What hourly rate was NRG charged by Ayerswood for project management? Was this price based upon the actual costs of Ayerswood? If not, on what is it based?
- (a) Was the project manager an employee of NRG, Ayerswood or both or some other entity? If another entity, please specify
 - (b) What hourly rate did NRG charge to IGPC in respect of project management? How was this rate determined?
 - (c) Please specify whether the number of hours on which the hourly rate was charged was determined by daily timesheet, an estimate, an allocation or some other method. Please provide copies of the daily timesheet or other computations as applicable, which support the invoices of the project manager to NRG

RESPONSE

- (a) Mark Bristoll was an employee of NRG
- (b) The hourly rate of \$295 was determined to be the market rate for a comparable senior executive with similar qualifications (i.e., construction experience, CA designation) providing consulting for a particular project. The amount was comparative to the actual wages plus overhead.
- (c) We have already provided IGPC with the detail of the hours expended and appropriate documentation.

- 22. Please provide a detailed breakdown of the calculation of the interest included in the cost of the pipeline construction. Please be specific with the description and timing of the cost and the period during which interest was payable.**

RESPONSE

Please see Attachment.

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Monday, June 12, 2006	Jun-06	0.50	\$295.00	\$ 147.50	\$ 147.50	-	6.00%	2.00%	8.00%	0.06	0.06
Wednesday, June 14, 2006	Jun-06	5.00	\$295.00	\$ 1,475.00	\$ 1,622.50	2	6.00%	2.00%	8.00%	2.13	2.20
Tuesday, June 20, 2006	Jun-06	5.00	\$295.00	\$ 1,475.00	\$ 3,097.50	6	6.00%	2.00%	8.00%	1.36	3.56
Thursday, June 22, 2006	Jun-06	3.50	\$295.00	\$ 1,032.50	\$ 4,130.00	2	6.00%	2.00%	8.00%	20.84	24.39
Jun-06 Total				\$ 4,130.00						24.39	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Saturday, July 15, 2006	Jul-06	0.10	\$295.00	\$	29.50	23	6.00%	2.00%	8.00%	3.67	28.06
Wednesday, July 19, 2006	Jul-06	1.00	\$295.00	\$	295.00	4	6.00%	2.00%	8.00%	1.96	30.03
Friday, July 21, 2006	Jul-06	0.50	\$295.00	\$	147.50	2	6.00%	2.00%	8.00%	32.49	62.52
Jul-06 Total				\$	472.00					38.12	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, August 22, 2006	Aug-06	0.75	\$295.00	\$ 221.25	\$ 4,823.25	32	6.00%	2.00%	8.00%	1.07	63.59
Wednesday, August 23, 2006	Aug-06	0.75	\$295.00	\$ 221.25	\$ 5,044.50	1	6.00%	2.00%	8.00%	-	63.59
Wednesday, August 23, 2006	Aug-06	0.10	\$295.00	\$ 29.50	\$ 5,074.00	-	6.00%	2.00%	8.00%	2.25	65.84
Friday, August 25, 2006	Aug-06	12.00	\$295.00	\$ 3,540.00	\$ 8,614.00	2	6.00%	2.00%	8.00%	13.32	79.16
Aug-06 Total				\$ 4,012.00						16.64	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Friday, September 01, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 8,909.00	7	6.00%	2.00%	8.00%	7.88	87.04
Tuesday, September 05, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 9,204.00	4	6.00%	2.00%	8.00%	-	87.04
Tuesday, September 05, 2006	Sep-06	0.20	\$295.00	\$ 59.00	\$ 9,263.00	-	6.00%	2.00%	8.00%	-	87.04
Tuesday, September 05, 2006	Sep-06	0.20	\$295.00	\$ 59.00	\$ 9,322.00	-	6.00%	2.00%	8.00%	2.06	89.10
Wednesday, September 06, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 9,617.00	1	6.00%	2.00%	8.00%	2.13	91.23
Thursday, September 07, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 9,912.00	1	6.00%	2.00%	8.00%	-	91.23
Thursday, September 07, 2006	Sep-06	0.50	\$295.00	\$ 147.50	\$ 10,059.50	-	6.00%	2.00%	8.00%	2.22	93.45
Friday, September 08, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 10,354.50	1	6.00%	2.00%	8.00%	-	93.45
Friday, September 08, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 10,649.50	-	6.00%	2.00%	8.00%	-	93.45
Friday, September 08, 2006	Sep-06	12.00	\$295.00	\$ 3,540.00	\$ 14,189.50	-	6.00%	2.00%	8.00%	12.52	105.97
Tuesday, September 12, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 14,484.50	4	6.00%	2.00%	8.00%	-	105.97
Tuesday, September 12, 2006	Sep-06	5.00	\$295.00	\$ 1,475.00	\$ 15,959.50	-	6.00%	2.00%	8.00%	3.52	109.49
Wednesday, September 13, 2006	Sep-06	0.50	\$295.00	\$ 147.50	\$ 16,107.00	1	6.00%	2.00%	8.00%	3.55	113.05
Thursday, September 14, 2006	Sep-06	0.25	\$295.00	\$ 73.75	\$ 16,180.75	1	6.00%	2.00%	8.00%	-	113.05
Thursday, September 14, 2006	Sep-06	0.30	\$295.00	\$ 88.50	\$ 16,269.25	-	6.00%	2.00%	8.00%	14.36	127.41
Monday, September 18, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 16,564.25	4	6.00%	2.00%	8.00%	-	127.41
Monday, September 18, 2006	Sep-06	0.25	\$295.00	\$ 73.75	\$ 16,638.00	-	6.00%	2.00%	8.00%	7.35	134.76
Wednesday, September 20, 2006	Sep-06	5.00	\$295.00	\$ 1,475.00	\$ 18,113.00	2	6.00%	2.00%	8.00%	-	134.76
Wednesday, September 20, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 18,408.00	-	6.00%	2.00%	8.00%	-	134.76
Wednesday, September 20, 2006	Sep-06	0.50	\$295.00	\$ 147.50	\$ 18,555.50	-	6.00%	2.00%	8.00%	-	134.76
Wednesday, September 20, 2006	Sep-06	5.00	\$295.00	\$ 1,475.00	\$ 20,030.50	-	6.00%	2.00%	8.00%	17.68	152.44
Sunday, September 24, 2006	Sep-06	2.00	\$295.00	\$ 590.00	\$ 20,620.50	4	6.00%	2.00%	8.00%	-	152.44
Sunday, September 24, 2006	Sep-06	1.50	\$295.00	\$ 442.50	\$ 21,063.00	-	6.00%	2.00%	8.00%	4.65	157.09
Monday, September 25, 2006	Sep-06	3.00	\$295.00	\$ 885.00	\$ 21,948.00	1	6.00%	2.00%	8.00%	-	157.09
Monday, September 25, 2006	Sep-06	4.00	\$295.00	\$ 1,180.00	\$ 23,128.00	-	6.00%	2.00%	8.00%	5.10	162.19
Tuesday, September 26, 2006	Sep-06	5.00	\$295.00	\$ 1,475.00	\$ 24,603.00	1	6.00%	2.00%	8.00%	5.43	167.62
Wednesday, September 27, 2006	Sep-06	6.00	\$295.00	\$ 1,770.00	\$ 26,373.00	1	6.00%	2.00%	8.00%	11.63	179.25
Friday, September 29, 2006	Sep-06	1.00	\$295.00	\$ 295.00	\$ 26,668.00	2	6.00%	2.00%	8.00%	-	179.25
Friday, September 29, 2006	Sep-06	3.25	\$295.00	\$ 958.75	\$ 27,626.75	-	6.00%	2.00%	8.00%	30.47	209.73
Sep-06 Total				\$ 19,012.75						130.57	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Wednesday, October 04, 2006	Oct-06	2.50	\$295.00	\$ 737.50	\$ 28,364.25	5	6.00%	2.00%	8.00%	6.26	215.99
Thursday, October 05, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 28,659.25	1	6.00%	2.00%	8.00%	-	215.99
Thursday, October 05, 2006	Oct-06	0.05	\$295.00	\$ 14.75	\$ 28,674.00	-	6.00%	2.00%	8.00%	-	215.99
Thursday, October 05, 2006	Oct-06	0.10	\$295.00	\$ 29.50	\$ 28,703.50	-	6.00%	2.00%	8.00%	-	215.99
Thursday, October 05, 2006	Oct-06	0.10	\$295.00	\$ 29.50	\$ 28,733.00	-	6.00%	2.00%	8.00%	6.34	222.33
Friday, October 06, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 29,028.00	1	6.00%	2.00%	8.00%	-	222.33
Friday, October 06, 2006	Oct-06	3.00	\$295.00	\$ 885.00	\$ 29,913.00	-	6.00%	2.00%	8.00%	26.42	248.75
Tuesday, October 10, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 30,208.00	4	6.00%	2.00%	8.00%	-	248.75
Tuesday, October 10, 2006	Oct-06	2.00	\$295.00	\$ 590.00	\$ 30,798.00	-	6.00%	2.00%	8.00%	-	248.75
Tuesday, October 10, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 31,093.00	-	6.00%	2.00%	8.00%	13.74	262.49
Thursday, October 12, 2006	Oct-06	1.50	\$295.00	\$ 442.50	\$ 31,535.50	2	6.00%	2.00%	8.00%	-	262.49
Thursday, October 12, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 31,830.50	-	6.00%	2.00%	8.00%	7.03	269.53
Friday, October 13, 2006	Oct-06	0.50	\$295.00	\$ 147.50	\$ 31,978.00	1	6.00%	2.00%	8.00%	-	269.53
Friday, October 13, 2006	Oct-06	2.00	\$295.00	\$ 590.00	\$ 32,568.00	-	6.00%	2.00%	8.00%	14.39	283.92
Sunday, October 15, 2006	Oct-06	0.20	\$295.00	\$ 59.00	\$ 32,627.00	2	6.00%	2.00%	8.00%	14.43	298.35
Tuesday, October 17, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 32,922.00	2	6.00%	2.00%	8.00%	21.84	320.19
Friday, October 20, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 33,217.00	3	6.00%	2.00%	8.00%	-	320.19
Friday, October 20, 2006	Oct-06	-	\$295.00	\$ -	\$ 33,217.00	-	6.00%	2.00%	8.00%	29.40	349.59
Tuesday, October 24, 2006	Oct-06	1.00	\$295.00	\$ 295.00	\$ 33,512.00	4	6.00%	2.00%	8.00%	-	349.59
Tuesday, October 24, 2006	Oct-06	1.50	\$295.00	\$ 442.50	\$ 33,954.50	-	6.00%	2.00%	8.00%	22.56	372.15
Friday, October 27, 2006	Oct-06	0.10	\$295.00	\$ 29.50	\$ 33,984.00	3	6.00%	2.00%	8.00%	-	372.15
Friday, October 27, 2006	Oct-06	2.00	\$295.00	\$ 590.00	\$ 34,574.00	-	6.00%	2.00%	8.00%	30.64	402.79
Tuesday, October 31, 2006	Oct-06	0.75	\$295.00	\$ 221.25	\$ 34,795.25	4	6.00%	2.00%	8.00%	7.71	410.50
Oct-06 Total											200.78

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Wednesday, November 01, 2006	Nov-06	0.25	\$295.00	\$	73.75	1	6.00%	2.00%	8.00%	15.46	425.97
Friday, November 03, 2006	Nov-06	-	\$295.00	\$	-	2	6.00%	2.00%	8.00%	15.47	441.44
Sunday, November 05, 2006	Nov-06	1.00	\$295.00	\$	295.00	2	6.00%	2.00%	8.00%	-	441.44
Sunday, November 05, 2006	Nov-06	0.30	\$295.00	\$	88.50	-	6.00%	2.00%	8.00%	31.29	472.73
Thursday, November 09, 2006	Nov-06	0.75	\$295.00	\$	221.25	4	6.00%	2.00%	8.00%	7.88	480.61
Friday, November 10, 2006	Nov-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	23.84	504.45
Monday, November 13, 2006	Nov-06	0.20	\$295.00	\$	59.00	3	6.00%	2.00%	8.00%	-	504.45
Monday, November 13, 2006	Nov-06	0.20	\$295.00	\$	59.00	-	6.00%	2.00%	8.00%	7.98	512.42
Tuesday, November 14, 2006	Nov-06	0.30	\$295.00	\$	88.50	1	6.00%	2.00%	8.00%	8.00	520.42
Wednesday, November 15, 2006	Nov-06	0.10	\$295.00	\$	29.50	1	6.00%	2.00%	8.00%	-	520.42
Wednesday, November 15, 2006	Nov-06	1.00	\$295.00	\$	295.00	-	6.00%	2.00%	8.00%	8.07	528.49
Thursday, November 16, 2006	Nov-06	6.00	\$295.00	\$	1,770.00	1	6.00%	2.00%	8.00%	-	528.49
Thursday, November 16, 2006	Nov-06	1.00	\$295.00	\$	295.00	-	6.00%	2.00%	8.00%	8.52	537.02
Friday, November 17, 2006	Nov-06	1.50	\$295.00	\$	442.50	1	6.00%	2.00%	8.00%	25.87	562.89
Monday, November 20, 2006	Nov-06	0.50	\$295.00	\$	147.50	3	6.00%	2.00%	8.00%	8.66	571.55
Tuesday, November 21, 2006	Nov-06	1.50	\$295.00	\$	442.50	1	6.00%	2.00%	8.00%	8.76	580.31
Wednesday, November 22, 2006	Nov-06	0.30	\$295.00	\$	88.50	1	6.00%	2.00%	8.00%	-	580.31
Wednesday, November 22, 2006	Nov-06	0.25	\$295.00	\$	73.75	-	6.00%	2.00%	8.00%	8.80	589.10
Thursday, November 23, 2006	Nov-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	589.10
Thursday, November 23, 2006	Nov-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	8.87	597.98
Friday, November 24, 2006	Nov-06	3.00	\$295.00	\$	885.00	1	6.00%	2.00%	8.00%	27.20	625.18
Monday, November 27, 2006	Nov-06	0.10	\$295.00	\$	29.50	3	6.00%	2.00%	8.00%	-	625.18
Monday, November 27, 2006	Nov-06	2.00	\$295.00	\$	590.00	-	6.00%	2.00%	8.00%	-	625.18
Monday, November 27, 2006	Nov-06	2.00	\$295.00	\$	590.00	-	6.00%	2.00%	8.00%	9.34	634.51
Tuesday, November 28, 2006	Nov-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	634.51
Tuesday, November 28, 2006	Nov-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	9.41	643.92
Wednesday, November 29, 2006	Nov-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	9.48	653.40
Thursday, November 30, 2006	Nov-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	653.40
Thursday, November 30, 2006	Nov-06	3.00	\$295.00	\$	885.00	-	6.00%	2.00%	8.00%	-	653.40
Thursday, November 30, 2006	Nov-06	2.00	\$295.00	\$	590.00	-	6.00%	2.00%	8.00%	9.87	663.27
Nov-06 Total											252.77

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Friday, December 01, 2006	Dec-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	663.27
Friday, December 01, 2006	Dec-06	1.00	\$295.00	\$	295.00	-	6.00%	2.00%	8.00%	-	663.27
Friday, December 01, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	-	663.27
Friday, December 01, 2006	Dec-06	0.20	\$295.00	\$	59.00	-	6.00%	2.00%	8.00%	-	663.27
Friday, December 01, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	-	663.27
Friday, December 01, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	-	663.27
Sunday, December 03, 2006	Dec-06	0.30	\$295.00	\$	88.50	2	6.00%	2.00%	8.00%	20.06	683.33
Monday, December 04, 2006	Dec-06	5.00	\$295.00	\$	1,475.00	1	6.00%	2.00%	8.00%	10.06	693.39
Monday, December 04, 2006	Dec-06	2.00	\$295.00	\$	590.00	-	6.00%	2.00%	8.00%	-	693.39
Monday, December 04, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	-	693.39
Tuesday, December 05, 2006	Dec-06	0.75	\$295.00	\$	221.25	1	6.00%	2.00%	8.00%	10.52	703.90
Tuesday, December 05, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	-	6.00%	2.00%	8.00%	-	703.90
Tuesday, December 05, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	11.35	715.25
Wednesday, December 06, 2006	Dec-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	715.25
Wednesday, December 06, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	-	715.25
Wednesday, December 06, 2006	Dec-06	1.00	\$295.00	\$	295.00	-	6.00%	2.00%	8.00%	11.49	726.74
Thursday, December 07, 2006	Dec-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	726.74
Thursday, December 07, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	-	6.00%	2.00%	8.00%	12.33	739.07
Friday, December 08, 2006	Dec-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	49.59	788.67
Tuesday, December 12, 2006	Dec-06	0.10	\$295.00	\$	29.50	4	6.00%	2.00%	8.00%	-	788.67
Tuesday, December 12, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	-	6.00%	2.00%	8.00%	13.19	801.86
Wednesday, December 13, 2006	Dec-06	5.00	\$295.00	\$	1,475.00	1	6.00%	2.00%	8.00%	27.04	828.89
Friday, December 15, 2006	Dec-06	0.10	\$295.00	\$	29.50	2	6.00%	2.00%	8.00%	-	828.89
Friday, December 15, 2006	Dec-06	2.00	\$295.00	\$	590.00	-	6.00%	2.00%	8.00%	27.32	856.21
Sunday, December 17, 2006	Dec-06	1.00	\$295.00	\$	295.00	2	6.00%	2.00%	8.00%	13.73	869.94
Monday, December 18, 2006	Dec-06	16.00	\$295.00	\$	4,720.00	1	6.00%	2.00%	8.00%	-	869.94
Monday, December 18, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	-	6.00%	2.00%	8.00%	15.54	885.49
Tuesday, December 19, 2006	Dec-06	2.00	\$295.00	\$	590.00	1	6.00%	2.00%	8.00%	15.68	901.16
Wednesday, December 20, 2006	Dec-06	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	-	901.16
Wednesday, December 20, 2006	Dec-06	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	31.50	932.67
Friday, December 22, 2006	Dec-06	0.50	\$295.00	\$	147.50	2	6.00%	2.00%	8.00%	15.79	948.46
Saturday, December 23, 2006	Dec-06	0.10	\$295.00	\$	29.50	1	6.00%	2.00%	8.00%	79.00	1,027.46
Thursday, December 28, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	5	6.00%	2.00%	8.00%	16.59	1,044.05
Friday, December 29, 2006	Dec-06	12.00	\$295.00	\$	3,540.00	1	6.00%	2.00%	8.00%	86.86	1,130.91
Dec-06 Total											467.64

Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Wednesday, January 03, 2007	Jan-07	0.20	\$295.00	\$ 59.00	\$ 78,278.25	5	6.00%	2.00%	8.00%	-	1,130.91
Wednesday, January 03, 2007	Jan-07	0.20	\$295.00	\$ 59.00	\$ 78,337.25	-	6.00%	2.00%	8.00%	-	1,130.91
Wednesday, January 03, 2007	Jan-07	0.10	\$295.00	\$ 29.50	\$ 78,366.75	-	6.00%	2.00%	8.00%	34.85	1,165.76
Friday, January 05, 2007	Jan-07	1.50	\$295.00	\$ 442.50	\$ 78,809.25	2	6.00%	2.00%	8.00%	17.53	1,183.29
Saturday, January 06, 2007	Jan-07	0.10	\$295.00	\$ 29.50	\$ 78,838.75	1	6.00%	2.00%	8.00%	17.54	1,200.83
Sunday, January 07, 2007	Jan-07	3.00	\$295.00	\$ 885.00	\$ 79,723.75	1	6.00%	2.00%	8.00%	17.74	1,218.57
Monday, January 08, 2007	Jan-07	0.10	\$295.00	\$ 29.50	\$ 79,753.25	1	6.00%	2.00%	8.00%	35.49	1,254.06
Wednesday, January 10, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 80,048.25	2	6.00%	2.00%	8.00%	-	1,254.06
Wednesday, January 10, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 80,343.25	-	6.00%	2.00%	8.00%	17.88	1,271.94
Thursday, January 11, 2007	Jan-07	0.30	\$295.00	\$ 88.50	\$ 80,431.75	1	6.00%	2.00%	8.00%	17.91	1,289.85
Friday, January 12, 2007	Jan-07	2.00	\$295.00	\$ 590.00	\$ 81,021.75	1	6.00%	2.00%	8.00%	54.12	1,343.98
Monday, January 15, 2007	Jan-07	0.10	\$295.00	\$ 29.50	\$ 81,051.25	3	6.00%	2.00%	8.00%	-	1,343.98
Monday, January 15, 2007	Jan-07	0.15	\$295.00	\$ 44.25	\$ 81,095.50	-	6.00%	2.00%	8.00%	18.07	1,362.04
Tuesday, January 16, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 81,390.50	1	6.00%	2.00%	8.00%	36.28	1,398.32
Thursday, January 18, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 81,685.50	2	6.00%	2.00%	8.00%	18.21	1,416.53
Friday, January 19, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 81,980.50	1	6.00%	2.00%	8.00%	18.28	1,434.81
Saturday, January 20, 2007	Jan-07	2.00	\$295.00	\$ 590.00	\$ 82,570.50	1	6.00%	2.00%	8.00%	55.24	1,490.04
Tuesday, January 23, 2007	Jan-07	2.00	\$295.00	\$ 590.00	\$ 83,160.50	3	6.00%	2.00%	8.00%	18.55	1,508.60
Wednesday, January 24, 2007	Jan-07	3.00	\$295.00	\$ 885.00	\$ 84,045.50	1	6.00%	2.00%	8.00%	18.75	1,527.35
Thursday, January 25, 2007	Jan-07	0.25	\$295.00	\$ 73.75	\$ 84,119.25	1	6.00%	2.00%	8.00%	-	1,527.35
Thursday, January 25, 2007	Jan-07	0.20	\$295.00	\$ 59.00	\$ 84,178.25	-	6.00%	2.00%	8.00%	-	1,527.35
Thursday, January 25, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 84,473.25	-	6.00%	2.00%	8.00%	18.85	1,546.20
Friday, January 26, 2007	Jan-07	4.00	\$295.00	\$ 1,180.00	\$ 85,653.25	1	6.00%	2.00%	8.00%	-	1,546.20
Friday, January 26, 2007	Jan-07	0.10	\$295.00	\$ 29.50	\$ 85,682.75	-	6.00%	2.00%	8.00%	57.36	1,603.56
Monday, January 29, 2007	Jan-07	2.25	\$295.00	\$ 663.75	\$ 86,346.50	3	6.00%	2.00%	8.00%	-	1,603.56
Monday, January 29, 2007	Jan-07	1.00	\$295.00	\$ 295.00	\$ 86,641.50	-	6.00%	2.00%	8.00%	19.34	1,622.90
Tuesday, January 30, 2007	Jan-07	0.20	\$295.00	\$ 59.00	\$ 86,700.50	1	6.00%	2.00%	8.00%	19.36	1,642.26
Wednesday, January 31, 2007	Jan-07	0.30	\$295.00	\$ 88.50	\$ 86,789.00	1	6.00%	2.00%	8.00%	-	1,642.26
Wednesday, January 31, 2007	Jan-07	2.00	\$295.00	\$ 590.00	\$ 87,379.00	-	6.00%	2.00%	8.00%	-	1,642.26
Wednesday, January 31, 2007	Jan-07	3.00	\$295.00	\$ 885.00	\$ 88,264.00	-	6.00%	2.00%	8.00%	19.71	1,661.96
Jan-07 Total					\$ 10,044.75					531.05	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Thursday, February 01, 2007	Feb-07	0.20	\$295.00	\$	59.00	1	6.00%	2.00%	8.00%	-	1,661.96
Thursday, February 01, 2007	Feb-07	0.10	\$295.00	\$	29.50	-	6.00%	2.00%	8.00%	217.02	1,878.98
Monday, February 12, 2007	Feb-07	0.30	\$295.00	\$	88.50	11	6.00%	2.00%	8.00%	-	1,878.98
Monday, February 12, 2007	Feb-07	0.20	\$295.00	\$	59.00	-	6.00%	2.00%	8.00%	19.81	1,898.79
Tuesday, February 13, 2007	Feb-07	0.10	\$295.00	\$	29.50	1	6.00%	2.00%	8.00%	-	1,898.79
Tuesday, February 13, 2007	Feb-07	0.20	\$295.00	\$	59.00	-	6.00%	2.00%	8.00%	39.67	1,938.46
Thursday, February 15, 2007	Feb-07	0.10	\$295.00	\$	29.50	2	6.00%	2.00%	8.00%	19.85	1,958.30
Friday, February 16, 2007	Feb-07	1.00	\$295.00	\$	295.00	1	6.00%	2.00%	8.00%	59.75	2,018.06
Monday, February 19, 2007	Feb-07	1.00	\$295.00	\$	295.00	3	6.00%	2.00%	8.00%	119.97	2,138.02
Sunday, February 25, 2007	Feb-07	0.20	\$295.00	\$	59.00	6	6.00%	2.00%	8.00%	80.14	2,218.16
Feb-07 Total				\$	1,003.00					556.20	

Natural Resource Gas Limited

Mar-07 Total

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Thursday, April 05, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 95,550.50	6	6.00%	2.00%	8.00%	302.23	3,245.89
Thursday, April 19, 2007	Apr-07	12.00	\$295.00	\$ 3,540.00	\$ 99,090.50	14	6.00%	2.00%	8.00%	-	3,245.89
Thursday, April 19, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 99,120.00	-	6.00%	2.00%	8.00%	22.44	3,268.32
Friday, April 20, 2007	Apr-07	2.00	\$295.00	\$ 590.00	\$ 99,710.00	1	6.00%	2.00%	8.00%	-	3,268.32
Friday, April 20, 2007	Apr-07	3.00	\$295.00	\$ 885.00	\$ 100,595.00	-	6.00%	2.00%	8.00%	-	3,268.32
Friday, April 20, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 100,624.50	-	6.00%	2.00%	8.00%	68.31	3,336.64
Monday, April 23, 2007	Apr-07	2.00	\$295.00	\$ 590.00	\$ 101,214.50	3	6.00%	2.00%	8.00%	-	3,336.64
Monday, April 23, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,244.00	-	6.00%	2.00%	8.00%	-	3,336.64
Monday, April 23, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,273.50	-	6.00%	2.00%	8.00%	22.93	3,359.56
Tuesday, April 24, 2007	Apr-07	1.00	\$295.00	\$ 295.00	\$ 101,568.50	1	6.00%	2.00%	8.00%	-	3,359.56
Tuesday, April 24, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,598.00	-	6.00%	2.00%	8.00%	23.00	3,382.57
Wednesday, April 25, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,627.50	1	6.00%	2.00%	8.00%	-	3,382.57
Wednesday, April 25, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,657.00	-	6.00%	2.00%	8.00%	-	3,382.57
Wednesday, April 25, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,686.50	-	6.00%	2.00%	8.00%	46.06	3,428.63
Friday, April 27, 2007	Apr-07	0.50	\$295.00	\$ 147.50	\$ 101,834.00	2	6.00%	2.00%	8.00%	69.21	3,497.84
Monday, April 30, 2007	Apr-07	0.10	\$295.00	\$ 29.50	\$ 101,863.50	3	6.00%	2.00%	8.00%	23.09	3,520.93
Apr-07 Total											577.28

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, May 01, 2007	May-07	0.10	\$295.00	\$	29.50	1	6.00%	2.00%	8.00%	46.21	3,567.14
Thursday, May 03, 2007	May-07	0.10	\$295.00	\$	29.50	2	6.00%	2.00%	8.00%	-	3,567.14
Thursday, May 03, 2007	May-07	0.50	\$295.00	\$	147.50	-	6.00%	2.00%	8.00%	92.61	3,659.75
Monday, May 07, 2007	May-07	1.00	\$295.00	\$	295.00	4	6.00%	2.00%	8.00%	371.81	4,031.57
Wednesday, May 23, 2007	May-07	1.00	\$295.00	\$	295.00	16	6.00%	2.00%	8.00%	23.38	4,054.95
Thursday, May 24, 2007	May-07	0.50	\$295.00	\$	147.50	1	6.00%	2.00%	8.00%	23.42	4,078.37
Friday, May 25, 2007	May-07	0.10	\$295.00	\$	29.50	1	6.00%	2.00%	8.00%	70.30	4,148.67
Monday, May 28, 2007	May-07	0.20	\$295.00	\$	59.00	3	6.00%	2.00%	8.00%	656.93	4,805.61
May-07 Total				\$	1,032.50					1,284.67	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

	Date	Month	Hours	Rate	Cost	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Monday, June 25, 2007	Jun-07	1.00	\$295.00	\$	295.00	\$103,191.00	28	6.00%	2.00%	8.00%	23.67	4,829.28	
Tuesday, June 26, 2007	Jun-07	2.00	\$295.00	\$	590.00	\$103,781.00	1	6.00%	2.00%	8.00%	23.80	4,853.08	
Wednesday, June 27, 2007	Jun-07	0.10	\$295.00	\$	29.50	\$103,810.50	1	6.00%	2.00%	8.00%	-	4,853.08	
Thursday, June 27, 2007	Jun-07	0.10	\$295.00	\$	29.50	\$103,840.00	-	6.00%	2.00%	8.00%	-	4,853.08	
Friday, June 27, 2007	Jun-07	0.10	\$295.00	\$	29.50	\$103,869.50	-	6.00%	2.00%	8.00%	23.83	4,876.91	
Saturday, June 28, 2007	Jun-07	-	\$295.00	\$	-	\$103,869.50	1	6.00%	2.00%	8.00%	-	4,876.91	
Sunday, June 28, 2007	Jun-07	2.00	\$295.00	\$	590.00	\$104,459.50	-	6.00%	2.00%	8.00%	-	4,876.91	
Monday, June 28, 2007	Jun-07	1.00	\$295.00	\$	295.00	\$104,754.50	-	6.00%	2.00%	8.00%	24.03	4,900.94	
Tuesday, June 29, 2007	Jun-07	0.50	\$295.00	\$	147.50	\$104,902.00	1	6.00%	2.00%	8.00%	-	4,900.94	
Wednesday, June 29, 2007	Jun-07	0.50	\$295.00	\$	147.50	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Thursday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Friday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Saturday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Sunday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Monday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Tuesday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Wednesday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Thursday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Friday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Saturday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Sunday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$105,049.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Monday, June 29, 2007	Jun-07	14.00	\$295.00	\$	4,130.00	\$109,179.50	-	6.00%	2.00%	8.00%	-	4,900.94	
Tuesday, June 29, 2007	Jun-07	-	\$295.00	\$	-	\$109,179.50	-	6.00%	2.00%	8.00%	25.00	4,925.94	
Wednesday, June 30, 2007	Jun-07	-	\$295.00	\$	-	\$109,179.50	1	6.00%	2.00%	8.00%	-	4,925.94	
Thursday, June 30, 2007	Jun-07	-	\$295.00	\$	-	\$109,179.50	-	6.00%	2.00%	8.00%	-	4,925.94	
Friday, June 30, 2007	Jun-07	-	\$295.00	\$	-	\$109,179.50	-	6.00%	2.00%	8.00%	-	4,925.94	
Saturday, June 30, 2007	Jun-07	5.00	\$295.00	\$	1,475.00	\$110,654.50	-	6.00%	2.00%	8.00%	-	4,925.94	
Sunday, June 30, 2007	Jun-07	1.00	\$295.00	\$	295.00	\$110,949.50	-	6.00%	2.00%	8.00%	25.40	4,951.34	
Monday, June 30, 2007	Jun-07	-	\$295.00	\$	8,053.50	\$110,949.50	-	6.00%	2.00%	8.00%	145.74	4,951.34	
Jun-07 Total													

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Sunday, July 01, 2007	Jul-07	3.00	\$295.00	\$ 885.00	\$111,834.50	1	6.00%	2.00%	8.00%	25.60	4,976.94
Monday, July 02, 2007	Jul-07	5.00	\$295.00	\$ 1,475.00	\$113,309.50	1	6.00%	2.00%	8.00%	25.93	5,002.86
Tuesday, July 03, 2007	Jul-07	0.20	\$295.00	\$ 59.00	\$113,368.50	1	6.00%	2.00%	8.00%	-	5,002.86
Tuesday, July 03, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,398.00	-	6.00%	2.00%	8.00%	-	5,002.86
Tuesday, July 03, 2007	Jul-07	-	\$295.00	\$ -	\$113,398.00	-	6.00%	2.00%	8.00%	-	5,002.86
Tuesday, July 03, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,427.50	-	6.00%	2.00%	8.00%	25.96	5,028.82
Wednesday, July 04, 2007	Jul-07	0.30	\$295.00	\$ 88.50	\$113,516.00	1	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	1.00	\$295.00	\$ 295.00	\$113,811.00	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,840.50	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,870.00	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,899.50	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,929.00	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$113,958.50	-	6.25%	2.00%	8.25%	-	5,028.82
Wednesday, July 04, 2007	Jul-07	0.50	\$295.00	\$ 147.50	\$114,106.00	-	6.25%	2.00%	8.25%	26.93	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,135.50	1	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,165.00	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,194.50	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,224.00	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,253.50	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,283.00	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,312.50	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,342.00	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,371.50	-	6.25%	2.00%	8.25%	-	5,055.75
Thursday, July 05, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,401.00	-	6.25%	2.00%	8.25%	27.00	5,082.75
Friday, July 06, 2007	Jul-07	0.50	\$295.00	\$ 147.50	\$114,548.50	1	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,578.00	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,607.50	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,637.00	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,666.50	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,696.00	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,725.50	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,755.00	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,784.50	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,814.00	-	6.25%	2.00%	8.25%	-	5,082.75
Friday, July 06, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,843.50	-	6.25%	2.00%	8.25%	81.32	5,164.07
Monday, July 09, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,873.00	3	6.25%	2.00%	8.25%	-	5,164.07
Monday, July 09, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,902.50	-	6.25%	2.00%	8.25%	-	5,164.07
Monday, July 09, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,932.00	-	6.25%	2.00%	8.25%	27.15	5,191.21
Tuesday, July 10, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,961.50	1	6.25%	2.00%	8.25%	27.16	5,218.37
Wednesday, July 11, 2007	Jul-07	0.10	\$295.00	\$ 29.50	\$114,991.00	1	6.25%	2.00%	8.25%	-	5,218.37

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Wednesday, July 11, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,020.50	-	6.25%	2.00%	8.25%	5,218.37
Wednesday, July 11, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,050.00	-	6.25%	2.00%	8.25%	5,272.74
Friday, July 13, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,079.50	2	6.25%	2.00%	8.25%	5,272.74
Friday, July 13, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,109.00	-	6.25%	2.00%	8.25%	5,354.37
Monday, July 16, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,138.50	3	6.25%	2.00%	8.25%	5,381.60
Tuesday, July 17, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,168.00	1	6.25%	2.00%	8.25%	5,408.85
Wednesday, July 18, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,197.50	1	6.25%	2.00%	8.25%	5,408.85
Wednesday, July 18, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,227.00	-	6.25%	2.00%	8.25%	5,408.85
Wednesday, July 18, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,256.50	-	6.25%	2.00%	8.25%	5,436.13
Thursday, July 19, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,315.50	1	6.25%	2.00%	8.25%	5,463.42
Friday, July 20, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,345.00	1	6.25%	2.00%	8.25%	5,463.42
Friday, July 20, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,374.50	-	6.25%	2.00%	8.25%	5,463.42
Friday, July 20, 2007	Jul-07	0.30	\$295.00	\$	88.50	\$115,463.00	-	6.25%	2.00%	8.25%	5,545.42
Monday, July 23, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,492.50	3	6.25%	2.00%	8.25%	5,545.42
Monday, July 23, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$115,522.00	-	6.25%	2.00%	8.25%	5,572.79
Tuesday, July 24, 2007	Jul-07	3.00	\$295.00	\$	885.00	\$116,407.00	1	6.25%	2.00%	8.25%	5,572.79
Tuesday, July 24, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$116,436.50	-	6.25%	2.00%	8.25%	5,572.79
Tuesday, July 24, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$116,466.00	-	6.25%	2.00%	8.25%	5,600.37
Wednesday, July 25, 2007	Jul-07	0.20	\$295.00	\$	59.00	\$116,525.00	1	6.25%	2.00%	8.25%	5,765.99
Tuesday, July 31, 2007	Jul-07	0.10	\$295.00	\$	29.50	\$116,554.50	6	6.25%	2.00%	8.25%	5,765.99
Tuesday, July 31, 2007	Jul-07	1.00	\$295.00	\$	295.00	\$116,849.50	-	6.25%	2.00%	8.25%	5,821.42
Jul-07 Total					\$ 5,900.00					870.08	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Thursday, August 02, 2007	Aug-07	3.00	\$295.00	\$ 885.00	\$117,734.50	2	6.25%	2.00%	8.25%	-	5,821.42
Thursday, August 02, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$117,764.00	-	6.25%	2.00%	8.25%	139.67	5,961.09
Tuesday, August 07, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$117,793.50	5	6.25%	2.00%	8.25%	83.92	6,045.01
Friday, August 10, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$117,823.00	3	6.25%	2.00%	8.25%	111.99	6,157.00
Tuesday, August 14, 2007	Aug-07	5.00	\$295.00	\$ 1,475.00	\$119,298.00	4	6.25%	2.00%	8.25%	28.36	6,185.35
Wednesday, August 15, 2007	Aug-07	0.20	\$295.00	\$ 59.00	\$119,357.00	1	6.25%	2.00%	8.25%	28.38	6,213.73
Thursday, August 16, 2007	Aug-07	0.50	\$295.00	\$ 147.50	\$119,504.50	1	6.25%	2.00%	8.25%	28.42	6,242.15
Friday, August 17, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$119,534.00	1	6.25%	2.00%	8.25%	142.14	6,384.29
Wednesday, August 22, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$119,563.50	5	6.25%	2.00%	8.25%	56.94	6,441.22
Friday, August 24, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$119,593.00	2	6.25%	2.00%	8.25%	-	6,441.22
Friday, August 24, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$119,622.50	-	6.25%	2.00%	8.25%	-	6,441.22
Friday, August 24, 2007	Aug-07	0.10	\$295.00	\$ 29.50	\$119,652.00	-	6.25%	2.00%	8.25%	28.50	6,469.73
Saturday, August 25, 2007	Aug-07	2.00	\$295.00	\$ 590.00	\$120,242.00	1	6.25%	2.00%	8.25%	458.25	6,927.97
Aug-07 Total				\$ 3,392.50						1,106.55	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Monday, September 10, 2007	Sep-07	0.10	\$295.00	\$	29.50	16	6.25%	2.00%	8.25%	28.75	6,956.72
Tuesday, September 11, 2007	Sep-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	57.53	7,014.25
Thursday, September 13, 2007	Sep-07	5.00	\$295.00	\$	1,475.00	2	6.25%	2.00%	8.25%	-	7,014.25
Thursday, September 13, 2007	Sep-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	7,014.25
Thursday, September 13, 2007	Sep-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.13	7,043.38
Friday, September 14, 2007	Sep-07	2.00	\$295.00	\$	590.00	1	6.25%	2.00%	8.25%	-	7,043.38
Friday, September 14, 2007	Sep-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	292.77	7,336.15
Monday, September 24, 2007	Sep-07	0.10	\$295.00	\$	29.50	10	6.25%	2.00%	8.25%	29.35	7,365.50
Tuesday, September 25, 2007	Sep-07	0.20	\$295.00	\$	59.00	1	6.25%	2.00%	8.25%	29.37	7,394.86
Wednesday, September 26, 2007	Sep-07	0.50	\$295.00	\$	147.50	1	6.25%	2.00%	8.25%	-	7,394.86
Wednesday, September 26, 2007	Sep-07	0.50	\$295.00	\$	147.50	-	6.25%	2.00%	8.25%	29.44	7,424.31
Thursday, September 27, 2007	Sep-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	7,424.31
Thursday, September 27, 2007	Sep-07	0.30	\$295.00	\$	88.50	-	6.25%	2.00%	8.25%	-	7,424.31
Thursday, September 27, 2007	Sep-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,424.31
Thursday, September 27, 2007	Sep-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.49	7,453.80
Friday, September 28, 2007	Sep-07	0.20	\$295.00	\$	59.00	1	6.25%	2.00%	8.25%	118.04	7,571.84
Sep-07 Total											643.87

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, October 02, 2007	Oct-07	0.10	\$295.00	\$	29.50	4	6.25%	2.00%	8.25%	-	7,571.84
Tuesday, October 02, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.55	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,601.39
Wednesday, October 03, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.59	7,630.97
Thursday, October 04, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	7,630.97
Thursday, October 04, 2007	Oct-07	0.50	\$295.00	\$	147.50	-	6.25%	2.00%	8.25%	-	7,630.97
Thursday, October 04, 2007	Oct-07	0.50	\$295.00	\$	147.50	-	6.25%	2.00%	8.25%	-	7,630.97
Thursday, October 04, 2007	Oct-07	0.50	\$295.00	\$	147.50	-	6.25%	2.00%	8.25%	-	7,630.97
Thursday, October 04, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,630.97
Thursday, October 04, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,630.97
Friday, October 05, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.72	7,660.69
Friday, October 05, 2007	Oct-07	0.30	\$295.00	\$	88.50	1	6.25%	2.00%	8.25%	-	7,660.69
Tuesday, October 09, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	119.00	7,779.69
Tuesday, October 09, 2007	Oct-07	0.10	\$295.00	\$	29.50	4	6.25%	2.00%	8.25%	-	7,779.69
Tuesday, October 09, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,779.69
Tuesday, October 09, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,779.69
Tuesday, October 09, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,779.69
Monday, October 15, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	178.82	7,958.51
Tuesday, October 16, 2007	Oct-07	0.10	\$295.00	\$	29.50	6	6.25%	2.00%	8.25%	29.85	7,988.36
Tuesday, October 16, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	7,988.36
Tuesday, October 16, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,988.36
Tuesday, October 16, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	7,988.36
Tuesday, October 16, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.88	8,018.24
Wednesday, October 17, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	8,018.24
Wednesday, October 17, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	29.90	8,048.15
Thursday, October 18, 2007	Oct-07	1.50	\$295.00	\$	442.50	1	6.25%	2.00%	8.25%	-	8,048.15
Thursday, October 18, 2007	Oct-07	3.00	\$295.00	\$	885.00	-	6.25%	2.00%	8.25%	30.21	8,078.36
Friday, October 19, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	8,078.36
Friday, October 19, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,078.36
Friday, October 19, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,078.36
Monday, October 22, 2007	Oct-07	0.10	\$295.00	\$	29.50	3	6.25%	2.00%	8.25%	90.71	8,169.07
Monday, October 22, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,169.07
Wednesday, October 24, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	60.54	8,229.61
Wednesday, October 24, 2007	Oct-07	0.40	\$295.00	\$	118.00	2	6.25%	2.00%	8.25%	-	8,229.61
Wednesday, October 24, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,229.61
Thursday, October 25, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	30.33	8,259.94
Thursday, October 25, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	8,259.94
Thursday, October 25, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,259.94
Thursday, October 25, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	121.49	8,381.43
Monday, October 29, 2007	Oct-07	0.50	\$295.00	\$	147.50	4	6.25%	2.00%	8.25%	-	8,381.43

Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Monday, October 29, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,381.43
Monday, October 29, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,381.43
Monday, October 29, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,381.43
Monday, October 29, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	30.46	8,411.89
Tuesday, October 30, 2007	Oct-07	-	\$295.00	\$	-	1	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	-	\$295.00	\$	-	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	-	\$295.00	\$	-	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,411.89
Tuesday, October 30, 2007	Oct-07	0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	30.54	8,442.43
Wednesday, October 31, 2007	Oct-07	0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	30.55	8,472.98
Oct-07 Total					3,628.50					901.15	

Natural Resource Gas Limited

Date				Cumulative				Interest				Cumulative	
		Month		Hours	Rate	Cost	Cost	Days	Prime	Premium	Rate	Interest	Interest
Thursday, November 01, 2007	Nov-07			0.10	\$295.00	\$	29.50	1	6.25%	2.00%	8.25%	-	8,472.98
Thursday, November 01, 2007	Nov-07			2.00	\$295.00	\$	590.00	-	6.25%	2.00%	8.25%	-	8,472.98
Thursday, November 01, 2007	Nov-07			0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,472.98
Thursday, November 01, 2007	Nov-07			-	\$295.00	\$	-	-	6.25%	2.00%	8.25%	-	8,472.98
Thursday, November 01, 2007	Nov-07			0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	30.73	8,503.71
Friday, November 02, 2007	Nov-07			0.20	\$295.00	\$	59.00	1	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.20	\$295.00	\$	59.00	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%	-	8,503.71
Friday, November 02, 2007	Nov-07			0.10	\$295.00	\$	29.50	-	6.25%	2.00%	8.25%		

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Cumulative					Interest			Cumulative
Date	Month	Hours	Rate	Cost	Days	Prime	Premium	Interest
Thursday, November 08, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	31.22
Friday, November 09, 2007	Nov-07	0.20	\$295.00	\$ 59.00	1	6.25%	2.00%	-
Friday, November 09, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	-
Friday, November 09, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	-
Friday, November 09, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	-
Friday, November 09, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	-
Friday, November 09, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.25%	2.00%	-
Monday, November 12, 2007	Nov-07	0.10	\$295.00	\$ 29.50	3	6.00%	2.00%	93.81
Monday, November 12, 2007	Nov-07	0.20	\$295.00	\$ 59.00	-	6.00%	2.00%	-
Monday, November 12, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Tuesday, November 13, 2007	Nov-07	0.10	\$295.00	\$ 29.50	1	6.00%	2.00%	30.37
Tuesday, November 13, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Tuesday, November 13, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Tuesday, November 13, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Tuesday, November 13, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Wednesday, November 14, 2007	Nov-07	0.10	\$295.00	\$ 29.50	1	6.00%	2.00%	30.40
Thursday, November 15, 2007	Nov-07	0.10	\$295.00	\$ 29.50	1	6.00%	2.00%	30.41
Thursday, November 15, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Friday, November 16, 2007	Nov-07	0.10	\$295.00	\$ 29.50	1	6.00%	2.00%	30.43
Tuesday, November 20, 2007	Nov-07	0.10	\$295.00	\$ 29.50	4	6.00%	2.00%	121.79
Friday, November 23, 2007	Nov-07	0.10	\$295.00	\$ 29.50	3	6.00%	2.00%	91.44
Tuesday, November 27, 2007	Nov-07	0.10	\$295.00	\$ 29.50	4	6.00%	2.00%	122.03
Thursday, November 29, 2007	Nov-07	0.10	\$295.00	\$ 29.50	2	6.00%	2.00%	61.08
Thursday, November 29, 2007	Nov-07	0.10	\$295.00	\$ 29.50	-	6.00%	2.00%	-
Nov-07 Total				\$ 3,392.50				152.83
				\$				1,011.94

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, December 04, 2007	Dec-07	8.00	\$295.00	\$ 2,360.00	\$132,484.50	5	6.00%	2.00%	8.00%	31.12	9,516.04
Wednesday, December 05, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$132,632.00	1	6.00%	2.00%	8.00%	-	9,516.04
Wednesday, December 05, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$132,779.50	-	6.00%	2.00%	8.00%	-	9,516.04
Wednesday, December 05, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$132,927.00	-	6.00%	2.00%	8.00%	-	9,516.04
Wednesday, December 05, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,074.50	-	6.00%	2.00%	8.00%	31.25	9,547.30
Thursday, December 06, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,222.00	1	6.00%	2.00%	8.00%	31.29	9,578.59
Friday, December 07, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,369.50	1	6.00%	2.00%	8.00%	-	9,578.59
Friday, December 07, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,517.00	-	6.00%	2.00%	8.00%	-	9,578.59
Friday, December 07, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,664.50	-	6.00%	2.00%	8.00%	-	9,578.59
Friday, December 07, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$133,812.00	-	6.00%	2.00%	8.00%	125.71	9,704.30
Tuesday, December 11, 2007	Dec-07	1.00	\$295.00	\$ 295.00	\$134,107.00	4	6.00%	2.00%	8.00%	-	9,704.30
Tuesday, December 11, 2007	Dec-07	1.00	\$295.00	\$ 295.00	\$134,402.00	-	6.00%	2.00%	8.00%	63.17	9,767.47
Thursday, December 13, 2007	Dec-07	1.00	\$295.00	\$ 295.00	\$134,697.00	2	6.00%	2.00%	8.00%	158.32	9,925.79
Tuesday, December 18, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$134,844.50	5	6.00%	2.00%	8.00%	-	9,925.79
Tuesday, December 18, 2007	Dec-07	1.00	\$295.00	\$ 295.00	\$135,139.50	-	6.00%	2.00%	8.00%	-	9,925.79
Tuesday, December 18, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$135,287.00	-	6.00%	2.00%	8.00%	31.83	9,957.62
Wednesday, December 19, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$135,434.50	1	6.00%	2.00%	8.00%	-	9,957.62
Wednesday, December 19, 2007	Dec-07	1.50	\$295.00	\$ 442.50	\$135,877.00	-	6.00%	2.00%	8.00%	-	9,957.62
Wednesday, December 19, 2007	Dec-07	1.50	\$295.00	\$ 442.50	\$136,319.50	-	6.00%	2.00%	8.00%	-	9,957.62
Wednesday, December 19, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$136,467.00	-	6.00%	2.00%	8.00%	-	9,957.62
Wednesday, December 19, 2007	Dec-07	1.00	\$295.00	\$ 295.00	\$136,762.00	-	6.00%	2.00%	8.00%	32.16	9,989.77
Thursday, December 20, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$136,909.50	1	6.00%	2.00%	8.00%	-	9,989.77
Thursday, December 20, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,057.00	-	6.00%	2.00%	8.00%	-	9,989.77
Thursday, December 20, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,204.50	-	6.00%	2.00%	8.00%	-	9,989.77
Thursday, December 20, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,352.00	-	6.00%	2.00%	8.00%	32.29	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,499.50	1	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	-	\$295.00	\$ -	\$137,647.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,794.50	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$137,942.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,089.50	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,237.00	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,384.50	-	6.00%	2.00%	8.00%	-	10,022.07
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,532.00	-	6.00%	2.00%	8.00%	-	10,022.07

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Friday, December 21, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,679.50	-	6.00%	2.00%	8.00%	195.55	10,217.62
Thursday, December 27, 2007	Dec-07	0.50	\$295.00	\$ 147.50	\$138,827.00	6	6.00%	2.00%	8.00%	-	10,217.62
Thursday, December 27, 2007	Dec-07	1.50	\$295.00	\$ 442.50	\$139,269.50	-	6.00%	2.00%	8.00%	32.76	10,250.38
Friday, December 28, 2007	Dec-07	2.25	\$295.00	\$ 663.75	\$139,933.25	1	6.00%	2.00%	8.00%	32.92	10,283.30
Saturday, December 29, 2007	Dec-07	2.00	\$295.00	\$ 590.00	\$140,523.25	1	6.00%	2.00%	8.00%	66.11	10,349.41
Monday, December 31, 2007	Dec-07	2.50	\$295.00	\$ 737.50	\$141,260.75	2	6.00%	2.00%	8.00%	-	10,349.41
Dec-07 Total				\$ 11,136.25						864.48	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, January 01, 2008	Jan-08	0.50	\$295.00	\$ 147.50	\$141,408.25	-	6.00%	2.00%	8.00%	33.26	10,382.67
Wednesday, January 02, 2008	Jan-08	4.50	\$295.00	\$ 1,327.50	\$142,735.75	1	6.00%	2.00%	8.00%	33.56	10,416.23
Thursday, January 03, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$143,915.75	1	6.00%	2.00%	8.00%	33.83	10,450.06
Friday, January 04, 2008	Jan-08	-	\$295.00	-	\$143,915.75	1	6.00%	2.00%	8.00%	33.83	10,483.89
Saturday, January 05, 2008	Jan-08	3.00	\$295.00	\$ 885.00	\$144,800.75	1	6.00%	2.00%	8.00%	34.03	10,517.93
Sunday, January 06, 2008	Jan-08	0.50	\$295.00	\$ 147.50	\$144,948.25	1	6.00%	2.00%	8.00%	34.07	10,552.00
Monday, January 07, 2008	Jan-08	5.00	\$295.00	\$ 1,475.00	\$146,423.25	1	6.00%	2.00%	8.00%	34.41	10,586.41
Tuesday, January 08, 2008	Jan-08	2.00	\$295.00	\$ 590.00	\$147,013.25	1	6.00%	2.00%	8.00%	34.54	10,620.95
Wednesday, January 09, 2008	Jan-08	3.50	\$295.00	\$ 1,032.50	\$148,045.75	1	6.00%	2.00%	8.00%	34.78	10,655.72
Thursday, January 10, 2008	Jan-08	2.50	\$295.00	\$ 737.50	\$148,783.25	1	6.00%	2.00%	8.00%	34.95	10,690.67
Friday, January 11, 2008	Jan-08	6.00	\$295.00	\$ 1,770.00	\$150,553.25	1	6.00%	2.00%	8.00%	35.34	10,726.01
Saturday, January 12, 2008	Jan-08	-	\$295.00	-	\$150,553.25	1	6.00%	2.00%	8.00%	35.35	10,761.36
Sunday, January 13, 2008	Jan-08	-	\$295.00	-	\$150,553.25	1	6.00%	2.00%	8.00%	35.36	10,796.72
Monday, January 14, 2008	Jan-08	1.50	\$295.00	\$ 442.50	\$150,995.75	1	6.00%	2.00%	8.00%	35.46	10,832.18
Tuesday, January 15, 2008	Jan-08	1.50	\$295.00	\$ 442.50	\$151,438.25	1	6.00%	2.00%	8.00%	35.57	10,867.74
Wednesday, January 16, 2008	Jan-08	2.00	\$295.00	\$ 590.00	\$152,028.25	1	6.00%	2.00%	8.00%	35.70	10,903.45
Thursday, January 17, 2008	Jan-08	-	\$295.00	-	\$152,028.25	1	6.00%	2.00%	8.00%	35.71	10,939.16
Friday, January 18, 2008	Jan-08	2.25	\$295.00	\$ 663.75	\$152,692.00	1	6.00%	2.00%	8.00%	35.86	10,975.02
Saturday, January 19, 2008	Jan-08	-	\$295.00	-	\$152,692.00	1	6.00%	2.00%	8.00%	35.87	11,010.90
Sunday, January 20, 2008	Jan-08	-	\$295.00	-	\$152,692.00	1	6.00%	2.00%	8.00%	35.88	11,046.78
Monday, January 21, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$153,872.00	1	6.00%	2.00%	8.00%	36.15	11,082.92
Tuesday, January 22, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$155,052.00	1	6.00%	2.00%	8.00%	36.41	11,119.34
Wednesday, January 23, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$156,232.00	1	5.75%	2.00%	7.75%	35.53	11,154.87
Thursday, January 24, 2008	Jan-08	6.00	\$295.00	\$ 1,770.00	\$158,002.00	1	5.75%	2.00%	7.75%	35.92	11,190.79
Friday, January 25, 2008	Jan-08	3.50	\$295.00	\$ 1,032.50	\$159,034.50	1	5.75%	2.00%	7.75%	36.14	11,226.93
Saturday, January 26, 2008	Jan-08	-	\$295.00	-	\$159,034.50	1	5.75%	2.00%	7.75%	36.15	11,263.08
Sunday, January 27, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$160,214.50	1	5.75%	2.00%	7.75%	36.41	11,299.49
Monday, January 28, 2008	Jan-08	7.00	\$295.00	\$ 2,065.00	\$162,279.50	1	5.75%	2.00%	7.75%	36.86	11,336.35
Tuesday, January 29, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$163,459.50	1	5.75%	2.00%	7.75%	37.11	11,373.46
Wednesday, January 30, 2008	Jan-08	4.00	\$295.00	\$ 1,180.00	\$164,639.50	1	5.75%	2.00%	7.75%	37.37	11,410.83
Thursday, January 31, 2008	Jan-08	5.50	\$295.00	\$ 1,622.50	\$166,262.00	1	5.75%	2.00%	7.75%	37.73	11,448.56
Jan-08 Total										1,099.15	

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Friday, February 01, 2008	Feb-08	3.00	\$295.00	\$ 885.00	\$167,147.00	1	5.75%	2.00%	7.75%	37.92	11,486.48
Saturday, February 02, 2008	Feb-08	-	\$295.00	\$ -	\$167,147.00	1	5.75%	2.00%	7.75%	37.93	11,524.41
Sunday, February 03, 2008	Feb-08	-	\$295.00	\$ -	\$167,147.00	1	5.75%	2.00%	7.75%	37.94	11,562.34
Monday, February 04, 2008	Feb-08	1.50	\$295.00	\$ 442.50	\$167,589.50	1	5.75%	2.00%	7.75%	38.04	11,600.38
Tuesday, February 05, 2008	Feb-08	3.50	\$295.00	\$ 1,032.50	\$168,622.00	1	5.75%	2.00%	7.75%	38.27	11,638.65
Wednesday, February 06, 2008	Feb-08	-	\$295.00	\$ -	\$168,622.00	1	5.75%	2.00%	7.75%	38.27	11,676.92
Thursday, February 07, 2008	Feb-08	1.00	\$295.00	\$ 295.00	\$168,917.00	1	5.75%	2.00%	7.75%	38.35	11,715.27
Friday, February 08, 2008	Feb-08	0.50	\$295.00	\$ 147.50	\$169,064.50	1	5.75%	2.00%	7.75%	38.38	11,753.65
Saturday, February 09, 2008	Feb-08	-	\$295.00	\$ -	\$169,064.50	1	5.75%	2.00%	7.75%	38.39	11,792.05
Sunday, February 10, 2008	Feb-08	-	\$295.00	\$ -	\$169,064.50	1	5.75%	2.00%	7.75%	38.40	11,830.45
Monday, February 11, 2008	Feb-08	6.50	\$295.00	\$ 1,917.50	\$170,982.00	1	5.75%	2.00%	7.75%	38.82	11,869.27
Tuesday, February 12, 2008	Feb-08	4.50	\$295.00	\$ 1,327.50	\$172,309.50	1	5.75%	2.00%	7.75%	39.11	11,908.37
Wednesday, February 13, 2008	Feb-08	3.00	\$295.00	\$ 885.00	\$173,194.50	1	5.75%	2.00%	7.75%	39.30	11,947.67
Thursday, February 14, 2008	Feb-08	5.50	\$295.00	\$ 1,622.50	\$174,817.00	1	5.75%	2.00%	7.75%	39.66	11,987.33
Friday, February 15, 2008	Feb-08	6.50	\$295.00	\$ 1,917.50	\$176,734.50	1	5.75%	2.00%	7.75%	40.07	12,027.40
Saturday, February 16, 2008	Feb-08	-	\$295.00	\$ -	\$176,734.50	1	5.75%	2.00%	7.75%	40.08	12,067.48
Sunday, February 17, 2008	Feb-08	0.50	\$295.00	\$ 147.50	\$176,882.00	1	5.75%	2.00%	7.75%	40.12	12,107.60
Monday, February 18, 2008	Feb-08	1.00	\$295.00	\$ 295.00	\$177,177.00	1	5.75%	2.00%	7.75%	40.19	12,147.79
Tuesday, February 19, 2008	Feb-08	2.00	\$295.00	\$ 590.00	\$177,767.00	1	5.75%	2.00%	7.75%	40.32	12,188.11
Wednesday, February 20, 2008	Feb-08	4.50	\$295.00	\$ 1,327.50	\$179,094.50	1	5.75%	2.00%	7.75%	40.61	12,228.73
Thursday, February 21, 2008	Feb-08	6.50	\$295.00	\$ 1,917.50	\$181,012.00	1	5.75%	2.00%	7.75%	41.03	12,269.76
Friday, February 22, 2008	Feb-08	6.00	\$295.00	\$ 1,770.00	\$182,782.00	1	5.75%	2.00%	7.75%	41.42	12,311.18
Saturday, February 23, 2008	Feb-08	2.00	\$295.00	\$ 590.00	\$183,372.00	1	5.75%	2.00%	7.75%	41.55	12,352.72
Sunday, February 24, 2008	Feb-08	2.50	\$295.00	\$ 737.50	\$184,109.50	1	5.75%	2.00%	7.75%	41.71	12,394.44
Monday, February 25, 2008	Feb-08	3.00	\$295.00	\$ 885.00	\$184,994.50	1	5.75%	2.00%	7.75%	41.91	12,436.35
Tuesday, February 26, 2008	Feb-08	2.00	\$295.00	\$ 590.00	\$185,584.50	1	5.75%	2.00%	7.75%	42.05	12,478.40
Wednesday, February 27, 2008	Feb-08	4.50	\$295.00	\$ 1,327.50	\$186,912.00	1	5.75%	2.00%	7.75%	42.34	12,520.73
Thursday, February 28, 2008	Feb-08	3.00	\$295.00	\$ 885.00	\$187,797.00	1	5.75%	2.00%	7.75%	42.53	12,563.27
Friday, February 29, 2008	Feb-08	-	\$295.00	\$ -	\$187,797.00	1	5.75%	2.00%	7.75%	42.54	12,605.81
Feb-08 Total											1,157.25
				\$ 21,535.00							

Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Saturday, March 01, 2008	Mar-08	0.50	\$295.00	\$ 147.50	\$187,944.50	1	5.75%	2.00%	7.75%	42.58	12,648.39
Sunday, March 02, 2008	Mar-08	1.00	\$295.00	\$ 295.00	\$188,239.50	1	5.75%	2.00%	7.75%	42.65	12,691.04
Monday, March 03, 2008	Mar-08	6.50	\$295.00	\$ 1,917.50	\$190,157.00	1	5.75%	2.00%	7.75%	43.07	12,734.12
Tuesday, March 04, 2008	Mar-08	4.50	\$295.00	\$ 1,327.50	\$191,484.50	1	5.25%	2.00%	7.25%	40.56	12,774.68
Wednesday, March 05, 2008	Mar-08	9.00	\$295.00	\$ 2,655.00	\$194,139.50	1	5.25%	2.00%	7.25%	41.10	12,815.78
Thursday, March 06, 2008	Mar-08	7.00	\$295.00	\$ 2,065.00	\$196,204.50	1	5.25%	2.00%	7.25%	41.52	12,857.30
Friday, March 07, 2008	Mar-08	8.50	\$295.00	\$ 2,507.50	\$198,712.00	1	5.25%	2.00%	7.25%	42.02	12,899.32
Saturday, March 08, 2008	Mar-08	0.50	\$295.00	\$ 147.50	\$198,859.50	1	5.25%	2.00%	7.25%	42.06	12,941.38
Sunday, March 09, 2008	Mar-08	3.00	\$295.00	\$ 885.00	\$199,744.50	1	5.25%	2.00%	7.25%	42.25	12,983.63
Monday, March 10, 2008	Mar-08	9.50	\$295.00	\$ 2,802.50	\$202,547.00	1	5.25%	2.00%	7.25%	42.81	13,026.44
Tuesday, March 11, 2008	Mar-08	8.50	\$295.00	\$ 2,507.50	\$205,054.50	1	5.25%	2.00%	7.25%	43.32	13,069.76
Wednesday, March 12, 2008	Mar-08	8.00	\$295.00	\$ 2,360.00	\$207,414.50	1	5.25%	2.00%	7.25%	43.79	13,113.55
Thursday, March 13, 2008	Mar-08	7.50	\$295.00	\$ 2,212.50	\$209,627.00	1	5.25%	2.00%	7.25%	44.24	13,157.79
Friday, March 14, 2008	Mar-08	7.50	\$295.00	\$ 2,212.50	\$211,839.50	1	5.25%	2.00%	7.25%	44.69	13,202.49
Saturday, March 15, 2008	Mar-08	1.00	\$295.00	\$ 295.00	\$212,134.50	1	5.25%	2.00%	7.25%	44.76	13,247.24
Sunday, March 16, 2008	Mar-08	1.00	\$295.00	\$ 295.00	\$212,429.50	1	5.25%	2.00%	7.25%	44.83	13,292.07
Monday, March 17, 2008	Mar-08	5.00	\$295.00	\$ 1,475.00	\$213,904.50	1	5.25%	2.00%	7.25%	45.13	13,337.20
Tuesday, March 18, 2008	Mar-08	5.00	\$295.00	\$ 1,475.00	\$215,379.50	1	5.25%	2.00%	7.25%	45.43	13,382.63
Wednesday, March 19, 2008	Mar-08	3.00	\$295.00	\$ 885.00	\$216,264.50	1	5.25%	2.00%	7.25%	45.61	13,428.24
Thursday, March 20, 2008	Mar-08	7.50	\$295.00	\$ 2,212.50	\$218,477.00	1	5.25%	2.00%	7.25%	46.06	13,474.31
Friday, March 21, 2008	Mar-08	-	\$295.00	\$ -	\$218,477.00	1	5.25%	2.00%	7.25%	46.07	13,520.38
Saturday, March 22, 2008	Mar-08	-	\$295.00	\$ -	\$218,477.00	1	5.25%	2.00%	7.25%	46.08	13,566.46
Sunday, March 23, 2008	Mar-08	-	\$295.00	\$ -	\$218,477.00	1	5.25%	2.00%	7.25%	46.09	13,612.55
Monday, March 24, 2008	Mar-08	1.50	\$295.00	\$ 442.50	\$218,919.50	1	5.25%	2.00%	7.25%	46.19	13,658.74
Tuesday, March 25, 2008	Mar-08	1.50	\$295.00	\$ 442.50	\$219,362.00	1	5.25%	2.00%	7.25%	46.28	13,705.02
Wednesday, March 26, 2008	Mar-08	3.50	\$295.00	\$ 1,032.50	\$220,394.50	1	5.25%	2.00%	7.25%	46.50	13,751.52
Thursday, March 27, 2008	Mar-08	2.50	\$295.00	\$ 737.50	\$221,132.00	1	5.25%	2.00%	7.25%	46.65	13,798.18
Friday, March 28, 2008	Mar-08	2.50	\$295.00	\$ 737.50	\$221,869.50	1	5.25%	2.00%	7.25%	46.81	13,844.99
Saturday, March 29, 2008	Mar-08	-	\$295.00	\$ -	\$221,869.50	1	5.25%	2.00%	7.25%	46.82	13,891.81
Sunday, March 30, 2008	Mar-08	0.50	\$295.00	\$ 147.50	\$222,017.00	1	5.25%	2.00%	7.25%	46.86	13,938.67
Monday, March 31, 2008	Mar-08	2.00	\$295.00	\$ 590.00	\$222,607.00	1	5.25%	2.00%	7.25%	46.99	13,985.65
Mar-08 Total											1,379.85
											\$ 34,810.00

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Tuesday, April 01, 2008	Apr-08	3.00	\$295.00	\$ 885.00	\$223,492.00	1	5.25%	2.00%	7.25%	47.17	14,032.82
Wednesday, April 02, 2008	Apr-08	2.50	\$295.00	\$ 737.50	\$224,229.50	1	5.25%	2.00%	7.25%	47.33	14,080.15
Thursday, April 03, 2008	Apr-08	2.00	\$295.00	\$ 590.00	\$224,819.50	1	5.25%	2.00%	7.25%	47.45	14,127.60
Friday, April 04, 2008	Apr-08	2.00	\$295.00	\$ 590.00	\$225,409.50	1	5.25%	2.00%	7.25%	47.58	14,175.18
Saturday, April 05, 2008	Apr-08	-	\$295.00	\$ -	\$225,409.50	1	5.25%	2.00%	7.25%	47.59	14,222.77
Sunday, April 06, 2008	Apr-08	-	\$295.00	\$ -	\$225,409.50	1	5.25%	2.00%	7.25%	47.60	14,270.37
Monday, April 07, 2008	Apr-08	2.00	\$295.00	\$ 590.00	\$225,999.50	1	5.25%	2.00%	7.25%	47.72	14,318.09
Tuesday, April 08, 2008	Apr-08	4.50	\$295.00	\$ 1,327.50	\$227,327.00	1	5.25%	2.00%	7.25%	48.00	14,366.09
Wednesday, April 09, 2008	Apr-08	3.00	\$295.00	\$ 885.00	\$228,212.00	1	5.25%	2.00%	7.25%	48.18	14,414.27
Thursday, April 10, 2008	Apr-08	4.00	\$295.00	\$ 1,180.00	\$229,392.00	1	5.25%	2.00%	7.25%	48.43	14,462.70
Friday, April 11, 2008	Apr-08	2.00	\$295.00	\$ 590.00	\$229,982.00	1	5.25%	2.00%	7.25%	48.55	14,511.26
Saturday, April 12, 2008	Apr-08	-	\$295.00	\$ -	\$229,982.00	1	5.25%	2.00%	7.25%	48.56	14,559.82
Sunday, April 13, 2008	Apr-08	-	\$295.00	\$ -	\$229,982.00	1	5.25%	2.00%	7.25%	48.57	14,608.39
Monday, April 14, 2008	Apr-08	3.50	\$295.00	\$ 1,032.50	\$231,014.50	1	5.25%	2.00%	7.25%	48.79	14,657.18
Tuesday, April 15, 2008	Apr-08	3.00	\$295.00	\$ 885.00	\$231,899.50	1	5.25%	2.00%	7.25%	48.97	14,706.15
Wednesday, April 16, 2008	Apr-08	3.50	\$295.00	\$ 1,032.50	\$232,932.00	1	5.25%	2.00%	7.25%	49.19	14,755.34
Thursday, April 17, 2008	Apr-08	2.50	\$295.00	\$ 737.50	\$233,669.50	1	5.25%	2.00%	7.25%	49.34	14,804.69
Friday, April 18, 2008	Apr-08	3.50	\$295.00	\$ 1,032.50	\$234,702.00	1	5.25%	2.00%	7.25%	49.56	14,854.25
Saturday, April 19, 2008	Apr-08	0.50	\$295.00	\$ 147.50	\$234,849.50	1	5.25%	2.00%	7.25%	49.60	14,903.85
Sunday, April 20, 2008	Apr-08	-	\$295.00	\$ -	\$234,849.50	1	5.25%	2.00%	7.25%	49.61	14,953.45
Monday, April 21, 2008	Apr-08	3.50	\$295.00	\$ 1,032.50	\$235,882.00	1	5.25%	2.00%	7.25%	49.82	15,003.28
Tuesday, April 22, 2008	Apr-08	3.00	\$295.00	\$ 885.00	\$236,767.00	1	5.25%	2.00%	7.25%	50.01	15,053.29
Wednesday, April 23, 2008	Apr-08	2.50	\$295.00	\$ 737.50	\$237,504.50	1	4.75%	2.00%	6.75%	46.71	15,099.99
Thursday, April 24, 2008	Apr-08	1.00	\$295.00	\$ 295.00	\$237,799.50	1	4.75%	2.00%	6.75%	46.77	15,146.76
Friday, April 25, 2008	Apr-08	4.00	\$295.00	\$ 1,180.00	\$238,979.50	1	4.75%	2.00%	6.75%	47.00	15,193.76
Saturday, April 26, 2008	Apr-08	-	\$295.00	\$ -	\$238,979.50	1	4.75%	2.00%	6.75%	47.00	15,240.76
Sunday, April 27, 2008	Apr-08	-	\$295.00	\$ -	\$238,979.50	1	4.75%	2.00%	6.75%	47.01	15,287.78
Monday, April 28, 2008	Apr-08	3.00	\$295.00	\$ 885.00	\$239,864.50	1	4.75%	2.00%	6.75%	47.19	15,334.96
Tuesday, April 29, 2008	Apr-08	0.50	\$295.00	\$ 147.50	\$240,012.00	1	4.75%	2.00%	6.75%	47.22	15,382.18
Wednesday, April 30, 2008	Apr-08	2.50	\$295.00	\$ 737.50	\$240,749.50	1	4.75%	2.00%	6.75%	47.37	15,429.55
Apr-08 Total											1,443.90
				\$ 18,142.50							

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Thursday, May 01, 2008	May-08	2.00	\$295.00	\$ 590.00	\$241,339.50	1	4.75%	2.00%	6.75%	47.48	15,477.03
Friday, May 02, 2008	May-08	0.50	\$295.00	\$ 147.50	\$241,487.00	1	4.75%	2.00%	6.75%	47.52	15,524.56
Saturday, May 03, 2008	May-08	-	\$295.00	\$ -	\$241,487.00	1	4.75%	2.00%	6.75%	47.53	15,572.08
Sunday, May 04, 2008	May-08	-	\$295.00	\$ -	\$241,487.00	1	4.75%	2.00%	6.75%	47.54	15,619.62
Monday, May 05, 2008	May-08	0.50	\$295.00	\$ 147.50	\$241,634.50	1	4.75%	2.00%	6.75%	47.57	15,667.20
Tuesday, May 06, 2008	May-08	1.00	\$295.00	\$ 295.00	\$241,929.50	1	4.75%	2.00%	6.75%	47.64	15,714.84
Wednesday, May 07, 2008	May-08	1.00	\$295.00	\$ 295.00	\$242,224.50	1	4.75%	2.00%	6.75%	47.70	15,762.54
Thursday, May 08, 2008	May-08	2.50	\$295.00	\$ 737.50	\$242,962.00	1	4.75%	2.00%	6.75%	47.85	15,810.38
Friday, May 09, 2008	May-08	2.50	\$295.00	\$ 737.50	\$243,699.50	1	4.75%	2.00%	6.75%	48.29	15,858.67
Saturday, May 10, 2008	May-08	8.00	\$295.00	\$ 2,360.00	\$245,322.00	1	4.75%	2.00%	6.75%	48.30	15,906.97
Sunday, May 11, 2008	May-08	-	\$295.00	\$ -	\$245,322.00	1	4.75%	2.00%	6.75%	48.34	15,955.31
Monday, May 12, 2008	May-08	0.50	\$295.00	\$ 147.50	\$245,469.50	1	4.75%	2.00%	6.75%	48.37	16,003.68
Tuesday, May 13, 2008	May-08	0.50	\$295.00	\$ 147.50	\$245,617.00	1	4.75%	2.00%	6.75%	48.44	16,052.12
Wednesday, May 14, 2008	May-08	1.00	\$295.00	\$ 295.00	\$245,912.00	1	4.75%	2.00%	6.75%	48.58	16,100.70
Thursday, May 15, 2008	May-08	2.50	\$295.00	\$ 737.50	\$246,649.50	1	4.75%	2.00%	6.75%	48.92	16,149.62
Friday, May 16, 2008	May-08	6.00	\$295.00	\$ 1,770.00	\$248,419.50	1	4.75%	2.00%	6.75%	49.12	16,198.74
Saturday, May 17, 2008	May-08	3.50	\$295.00	\$ 1,032.50	\$249,452.00	1	4.75%	2.00%	6.75%	49.13	16,247.87
Sunday, May 18, 2008	May-08	-	\$295.00	\$ -	\$249,452.00	1	4.75%	2.00%	6.75%	49.14	16,297.00
Monday, May 19, 2008	May-08	-	\$295.00	\$ -	\$249,452.00	1	4.75%	2.00%	6.75%	49.15	16,346.15
Tuesday, May 20, 2008	May-08	2.50	\$295.00	\$ 737.50	\$250,189.50	1	4.75%	2.00%	6.75%	49.29	16,395.44
Wednesday, May 21, 2008	May-08	2.00	\$295.00	\$ 590.00	\$250,779.50	1	4.75%	2.00%	6.75%	49.41	16,444.85
Thursday, May 22, 2008	May-08	3.50	\$295.00	\$ 1,032.50	\$251,812.00	1	4.75%	2.00%	6.75%	49.61	16,494.46
Friday, May 23, 2008	May-08	2.00	\$295.00	\$ 590.00	\$252,402.00	1	4.75%	2.00%	6.75%	49.73	16,544.18
Saturday, May 24, 2008	May-08	-	\$295.00	\$ -	\$252,402.00	1	4.75%	2.00%	6.75%	49.74	16,593.92
Sunday, May 25, 2008	May-08	-	\$295.00	\$ -	\$252,402.00	1	4.75%	2.00%	6.75%	49.75	16,643.67
Monday, May 26, 2008	May-08	-	\$295.00	\$ -	\$252,402.00	1	4.75%	2.00%	6.75%	49.76	16,693.42
Tuesday, May 27, 2008	May-08	0.50	\$295.00	\$ 147.50	\$252,549.50	1	4.75%	2.00%	6.75%	49.79	16,743.21
Wednesday, May 28, 2008	May-08	1.50	\$295.00	\$ 442.50	\$252,992.00	1	4.75%	2.00%	6.75%	49.88	16,793.10
Thursday, May 29, 2008	May-08	4.00	\$295.00	\$ 1,180.00	\$254,172.00	1	4.75%	2.00%	6.75%	50.11	16,843.21
Friday, May 30, 2008	May-08	1.50	\$295.00	\$ 442.50	\$254,614.50	1	4.75%	2.00%	6.75%	50.20	16,893.41
Saturday, May 31, 2008	May-08	-	\$295.00	\$ -	\$254,614.50	1	4.75%	2.00%	6.75%	50.21	16,943.62
May-08 Total											1,514.07
				\$ 13,865.00							

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Sunday, June 01, 2008	Jun-08	-	\$295.00	\$ -	\$254,614.50	1	4.75%	2.00%	6.75%	50.22	16,993.84
Monday, June 02, 2008	Jun-08	1.00	\$295.00	\$ 295.00	\$254,909.50	1	4.75%	2.00%	6.75%	50.28	17,044.12
Tuesday, June 03, 2008	Jun-08	8.00	\$295.00	\$ 2,360.00	\$257,269.50	1	4.75%	2.00%	6.75%	50.73	17,094.85
Wednesday, June 04, 2008	Jun-08	3.50	\$295.00	\$ 1,032.50	\$258,302.00	1	4.75%	2.00%	6.75%	50.93	17,145.78
Thursday, June 05, 2008	Jun-08	11.00	\$295.00	\$ 3,245.00	\$261,547.00	1	4.75%	2.00%	6.75%	51.54	17,197.32
Friday, June 06, 2008	Jun-08	3.00	\$295.00	\$ 885.00	\$262,432.00	1	4.75%	2.00%	6.75%	51.71	17,249.03
Saturday, June 07, 2008	Jun-08	-	\$295.00	\$ -	\$262,432.00	1	4.75%	2.00%	6.75%	51.72	17,300.75
Sunday, June 08, 2008	Jun-08	-	\$295.00	\$ -	\$262,432.00	1	4.75%	2.00%	6.75%	51.73	17,352.48
Monday, June 09, 2008	Jun-08	9.50	\$295.00	\$ 2,802.50	\$265,234.50	1	4.75%	2.00%	6.75%	52.26	17,404.74
Tuesday, June 10, 2008	Jun-08	5.50	\$295.00	\$ 1,622.50	\$266,857.00	1	4.75%	2.00%	6.75%	52.57	17,457.31
Wednesday, June 11, 2008	Jun-08	4.00	\$295.00	\$ 1,180.00	\$268,037.00	1	4.75%	2.00%	6.75%	52.80	17,510.11
Thursday, June 12, 2008	Jun-08	4.50	\$295.00	\$ 1,327.50	\$269,364.50	1	4.75%	2.00%	6.75%	53.05	17,563.16
Friday, June 13, 2008	Jun-08	4.00	\$295.00	\$ 1,180.00	\$270,544.50	1	4.75%	2.00%	6.75%	53.28	17,616.44
Saturday, June 14, 2008	Jun-08	-	\$295.00	\$ -	\$270,544.50	1	4.75%	2.00%	6.75%	53.29	17,669.73
Sunday, June 15, 2008	Jun-08	-	\$295.00	\$ -	\$270,544.50	1	4.75%	2.00%	6.75%	53.30	17,723.03
Monday, June 16, 2008	Jun-08	10.00	\$295.00	\$ 2,950.00	\$273,494.50	1	4.75%	2.00%	6.75%	53.86	17,776.89
Tuesday, June 17, 2008	Jun-08	3.00	\$295.00	\$ 885.00	\$274,379.50	1	4.75%	2.00%	6.75%	54.03	17,830.92
Wednesday, June 18, 2008	Jun-08	3.50	\$295.00	\$ 1,032.50	\$275,412.00	1	4.75%	2.00%	6.75%	54.23	17,885.15
Thursday, June 19, 2008	Jun-08	2.50	\$295.00	\$ 737.50	\$276,149.50	1	4.75%	2.00%	6.75%	54.38	17,939.52
Friday, June 20, 2008	Jun-08	3.00	\$295.00	\$ 885.00	\$277,034.50	1	4.75%	2.00%	6.75%	54.55	17,994.07
Saturday, June 21, 2008	Jun-08	-	\$295.00	\$ -	\$277,034.50	1	4.75%	2.00%	6.75%	54.56	18,048.63
Sunday, June 22, 2008	Jun-08	0.50	\$295.00	\$ 147.50	\$277,182.00	1	4.75%	2.00%	6.75%	54.60	18,103.23
Monday, June 23, 2008	Jun-08	2.00	\$295.00	\$ 590.00	\$277,772.00	1	4.75%	2.00%	6.75%	54.72	18,157.95
Tuesday, June 24, 2008	Jun-08	4.00	\$295.00	\$ 1,180.00	\$278,952.00	1	4.75%	2.00%	6.75%	54.94	18,212.89
Wednesday, June 25, 2008	Jun-08	1.50	\$295.00	\$ 442.50	\$279,394.50	1	4.75%	2.00%	6.75%	55.04	18,267.93
Thursday, June 26, 2008	Jun-08	9.50	\$295.00	\$ 2,802.50	\$282,197.00	1	4.75%	2.00%	6.75%	55.57	18,323.49
Friday, June 27, 2008	Jun-08	9.50	\$295.00	\$ 2,802.50	\$284,999.50	1	4.75%	2.00%	6.75%	56.09	18,379.59
Saturday, June 28, 2008	Jun-08	-	\$295.00	\$ -	\$284,999.50	1	4.75%	2.00%	6.75%	56.10	18,435.69
Sunday, June 29, 2008	Jun-08	-	\$295.00	\$ -	\$284,999.50	1	4.75%	2.00%	6.75%	56.11	18,491.81
Monday, June 30, 2008	Jun-08	4.00	\$295.00	\$ 1,180.00	\$286,179.50	1	4.75%	2.00%	6.75%	56.34	18,548.15
Jun-08 Total											1,604.53
											31,565.00

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Cumulative				Interest				Cumulative Interest	
		Hours	Rate	Cost	Cost	Days	Prime	Premium	Rate		Interest
Tuesday, July 01, 2008	Jul-08	-	\$295.00	\$ -	\$286,179.50	1	4.75%	2.00%	6.75%	56.35	18,604.50
Wednesday, July 02, 2008	Jul-08	6.50	\$295.00	\$ 1,917.50	\$288,097.00	1	4.75%	2.00%	6.75%	56.72	18,661.22
Thursday, July 03, 2008	Jul-08	6.00	\$295.00	\$ 1,770.00	\$289,867.00	1	4.75%	2.00%	6.75%	57.06	18,718.28
Friday, July 04, 2008	Jul-08	2.50	\$295.00	\$ 737.50	\$290,604.50	1	4.75%	2.00%	6.75%	57.20	18,775.48
Saturday, July 05, 2008	Jul-08	-	\$295.00	\$ -	\$290,604.50	1	4.75%	2.00%	6.75%	57.21	18,832.70
Sunday, July 06, 2008	Jul-08	-	\$295.00	\$ -	\$290,604.50	1	4.75%	2.00%	6.75%	57.22	18,889.92
Monday, July 07, 2008	Jul-08	2.00	\$295.00	\$ 590.00	\$291,194.50	1	4.75%	2.00%	6.75%	57.34	18,947.27
Tuesday, July 08, 2008	Jul-08	3.00	\$295.00	\$ 885.00	\$292,079.50	1	4.75%	2.00%	6.75%	57.52	19,004.78
Wednesday, July 09, 2008	Jul-08	4.50	\$295.00	\$ 1,327.50	\$293,407.00	1	4.75%	2.00%	6.75%	57.77	19,062.56
Thursday, July 10, 2008	Jul-08	4.50	\$295.00	\$ 1,327.50	\$294,734.50	1	4.75%	2.00%	6.75%	58.03	19,120.59
Friday, July 11, 2008	Jul-08	1.50	\$295.00	\$ 442.50	\$295,177.00	1	4.75%	2.00%	6.75%	58.12	19,178.71
Saturday, July 12, 2008	Jul-08	0.50	\$295.00	\$ 147.50	\$295,324.50	1	4.75%	2.00%	6.75%	58.16	19,236.87
Sunday, July 13, 2008	Jul-08	-	\$295.00	\$ -	\$295,324.50	1	4.75%	2.00%	6.75%	58.17	19,295.05
Monday, July 14, 2008	Jul-08	2.50	\$295.00	\$ 737.50	\$296,062.00	1	4.75%	2.00%	6.75%	58.32	19,353.37
Tuesday, July 15, 2008	Jul-08	2.00	\$295.00	\$ 590.00	\$296,652.00	1	4.75%	2.00%	6.75%	58.44	19,411.81
Wednesday, July 16, 2008	Jul-08	5.00	\$295.00	\$ 1,475.00	\$298,127.00	1	4.75%	2.00%	6.75%	58.72	19,470.53
Thursday, July 17, 2008	Jul-08	2.50	\$295.00	\$ 737.50	\$298,864.50	1	4.75%	2.00%	6.75%	58.87	19,529.40
Friday, July 18, 2008	Jul-08	3.50	\$295.00	\$ 1,032.50	\$299,897.00	1	4.75%	2.00%	6.75%	59.07	19,588.47
Saturday, July 19, 2008	Jul-08	-	\$295.00	\$ -	\$299,897.00	1	4.75%	2.00%	6.75%	59.08	19,647.55
Sunday, July 20, 2008	Jul-08	-	\$295.00	\$ -	\$299,897.00	1	4.75%	2.00%	6.75%	59.09	19,706.65
Monday, July 21, 2008	Jul-08	3.00	\$295.00	\$ 885.00	\$300,782.00	1	4.75%	2.00%	6.75%	59.27	19,765.92
Tuesday, July 22, 2008	Jul-08	4.50	\$295.00	\$ 1,327.50	\$302,109.50	1	4.75%	2.00%	6.75%	59.52	19,825.44
Wednesday, July 23, 2008	Jul-08	3.50	\$295.00	\$ 1,032.50	\$303,142.00	1	4.75%	2.00%	6.75%	59.73	19,885.17
Thursday, July 24, 2008	Jul-08	1.50	\$295.00	\$ 442.50	\$303,584.50	1	4.75%	2.00%	6.75%	59.82	19,944.99
Friday, July 25, 2008	Jul-08	3.50	\$295.00	\$ 1,032.50	\$304,617.00	1	4.75%	2.00%	6.75%	60.02	20,005.01
Saturday, July 26, 2008	Jul-08	-	\$295.00	\$ -	\$304,617.00	1	4.75%	2.00%	6.75%	60.03	20,065.04
Sunday, July 27, 2008	Jul-08	-	\$295.00	\$ -	\$304,617.00	1	4.75%	2.00%	6.75%	60.04	20,125.09
Monday, July 28, 2008	Jul-08	7.00	\$295.00	\$ 2,065.00	\$306,682.00	1	4.75%	2.00%	6.75%	60.44	20,185.52
Tuesday, July 29, 2008	Jul-08	9.50	\$295.00	\$ 2,802.50	\$309,484.50	1	4.75%	2.00%	6.75%	60.97	20,246.49
Wednesday, July 30, 2008	Jul-08	2.50	\$295.00	\$ 737.50	\$310,222.00	1	4.75%	2.00%	6.75%	61.11	20,307.60
Thursday, July 31, 2008	Jul-08	3.00	\$295.00	\$ 885.00	\$311,107.00	1	4.75%	2.00%	6.75%	61.29	20,368.89
Jul-08 Total											1,820.74

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Aug-08 Total

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Monday, September 01, 2008	Sep-08	-	\$295.00	\$ -	\$336,182.00	1	4.75%	2.00%	6.75%	66.31	22,423.95
Tuesday, September 02, 2008	Sep-08	4.00	\$295.00	\$ 1,180.00	\$337,362.00	1	4.75%	2.00%	6.75%	66.54	22,490.48
Wednesday, September 03, 2008	Sep-08	2.00	\$295.00	\$ 590.00	\$337,952.00	1	4.75%	2.00%	6.75%	66.66	22,557.14
Thursday, September 04, 2008	Sep-08	4.00	\$295.00	\$ 1,180.00	\$339,132.00	1	4.75%	2.00%	6.75%	66.89	22,624.03
Friday, September 05, 2008	Sep-08	2.00	\$295.00	\$ 590.00	\$339,722.00	1	4.75%	2.00%	6.75%	67.01	22,691.04
Saturday, September 06, 2008	Sep-08	-	\$295.00	\$ -	\$339,722.00	1	4.75%	2.00%	6.75%	67.02	22,758.06
Sunday, September 07, 2008	Sep-08	-	\$295.00	\$ -	\$339,722.00	1	4.75%	2.00%	6.75%	67.03	22,825.09
Monday, September 08, 2008	Sep-08	2.00	\$295.00	\$ 590.00	\$340,312.00	1	4.75%	2.00%	6.75%	67.16	22,892.25
Tuesday, September 09, 2008	Sep-08	1.50	\$295.00	\$ 442.50	\$340,754.50	1	4.75%	2.00%	6.75%	67.25	22,959.50
Wednesday, September 10, 2008	Sep-08	1.50	\$295.00	\$ 442.50	\$341,197.00	1	4.75%	2.00%	6.75%	67.34	23,026.84
Thursday, September 11, 2008	Sep-08	1.50	\$295.00	\$ 442.50	\$341,639.50	1	4.75%	2.00%	6.75%	67.44	23,094.28
Friday, September 12, 2008	Sep-08	2.50	\$295.00	\$ 737.50	\$342,377.00	1	4.75%	2.00%	6.75%	67.59	23,161.87
Saturday, September 13, 2008	Sep-08	-	\$295.00	\$ -	\$342,377.00	1	4.75%	2.00%	6.75%	67.60	23,229.47
Sunday, September 14, 2008	Sep-08	-	\$295.00	\$ -	\$342,377.00	1	4.75%	2.00%	6.75%	67.61	23,297.08
Monday, September 15, 2008	Sep-08	1.00	\$295.00	\$ 295.00	\$342,672.00	1	4.75%	2.00%	6.75%	67.68	23,364.76
Tuesday, September 16, 2008	Sep-08	-	\$295.00	\$ -	\$342,672.00	1	4.75%	2.00%	6.75%	67.69	23,432.45
Wednesday, September 17, 2008	Sep-08	1.00	\$295.00	\$ 295.00	\$342,967.00	1	4.75%	2.00%	6.75%	67.76	23,500.21
Thursday, September 18, 2008	Sep-08	1.50	\$295.00	\$ 442.50	\$343,409.50	1	4.75%	2.00%	6.75%	67.85	23,568.06
Friday, September 19, 2008	Sep-08	-	\$295.00	\$ -	\$343,409.50	1	4.75%	2.00%	6.75%	67.87	23,635.93
Saturday, September 20, 2008	Sep-08	-	\$295.00	\$ -	\$343,409.50	1	4.75%	2.00%	6.75%	67.88	23,703.81
Sunday, September 21, 2008	Sep-08	-	\$295.00	\$ -	\$343,409.50	1	4.75%	2.00%	6.75%	67.89	23,771.70
Monday, September 22, 2008	Sep-08	8.50	\$295.00	\$ 2,507.50	\$345,917.00	1	4.75%	2.00%	6.75%	68.37	23,840.06
Tuesday, September 23, 2008	Sep-08	7.00	\$295.00	\$ 2,065.00	\$347,982.00	1	4.75%	2.00%	6.75%	68.76	23,908.83
Wednesday, September 24, 2008	Sep-08	9.50	\$295.00	\$ 2,802.50	\$350,784.50	1	4.75%	2.00%	6.75%	69.29	23,978.12
Thursday, September 25, 2008	Sep-08	8.00	\$295.00	\$ 2,360.00	\$353,144.50	1	4.75%	2.00%	6.75%	69.74	24,047.86
Friday, September 26, 2008	Sep-08	9.50	\$295.00	\$ 2,802.50	\$355,947.00	1	4.75%	2.00%	6.75%	70.27	24,118.13
Saturday, September 27, 2008	Sep-08	-	\$295.00	\$ -	\$355,947.00	1	4.75%	2.00%	6.75%	70.29	24,188.42
Sunday, September 28, 2008	Sep-08	-	\$295.00	\$ -	\$355,947.00	1	4.75%	2.00%	6.75%	70.30	24,258.72
Monday, September 29, 2008	Sep-08	3.00	\$295.00	\$ 885.00	\$356,832.00	1	4.75%	2.00%	6.75%	70.48	24,329.19
Tuesday, September 30, 2008	Sep-08	3.00	\$295.00	\$ 885.00	\$357,717.00	1	4.75%	2.00%	6.75%	70.65	24,399.85
Sep-08 Total											2,042.20

**Natural Resource Gas Limited
Integrated Grain Processors Co-Operative Inc.
Billing Summary**

Date	Month	Hours	Rate	Cost	Cumulative Cost	Days	Prime	Premium	Interest Rate	Interest	Cumulative Interest
Wednesday, October 01, 2008	Oct-08	2.50	\$295.00	\$ 737.50	\$358,454.50	1	4.75%	2.00%	6.75%	70.80	24,470.65
Thursday, October 02, 2008	Oct-08	5.00	\$295.00	\$ 1,475.00	\$359,929.50	1	4.75%	2.00%	6.75%	71.09	24,541.74
Friday, October 03, 2008	Oct-08	3.50	\$295.00	\$ 1,032.50	\$360,962.00	1	4.75%	2.00%	6.75%	71.29	24,613.03
Saturday, October 04, 2008	Oct-08	-	\$295.00	\$ -	\$360,962.00	1	4.75%	2.00%	6.75%	71.30	24,684.33
Sunday, October 05, 2008	Oct-08	-	\$295.00	\$ -	\$360,962.00	1	4.75%	2.00%	6.75%	71.32	24,755.65
Monday, October 06, 2008	Oct-08	1.50	\$295.00	\$ 442.50	\$361,404.50	1	4.75%	2.00%	6.75%	71.41	24,827.06
Tuesday, October 07, 2008	Oct-08	4.50	\$295.00	\$ 1,327.50	\$362,732.00	1	4.75%	2.00%	6.75%	71.67	24,898.74
Wednesday, October 08, 2008	Oct-08	0.50	\$295.00	\$ 147.50	\$362,879.50	1	4.75%	2.00%	6.75%	71.71	24,970.45
Thursday, October 09, 2008	Oct-08	4.00	\$295.00	\$ 1,180.00	\$364,059.50	1	4.75%	2.00%	6.75%	71.94	25,042.39
Friday, October 10, 2008	Oct-08	3.50	\$295.00	\$ 1,032.50	\$365,092.00	1	4.75%	2.00%	6.75%	72.15	25,114.54
Saturday, October 11, 2008	Oct-08	-	\$295.00	\$ -	\$365,092.00	1	4.75%	2.00%	6.75%	72.16	25,186.70
Sunday, October 12, 2008	Oct-08	-	\$295.00	\$ -	\$365,092.00	1	4.75%	2.00%	6.75%	72.17	25,258.88
Monday, October 13, 2008	Oct-08	-	\$295.00	\$ -	\$365,092.00	1	4.75%	2.00%	6.75%	72.19	25,331.06
Tuesday, October 14, 2008	Oct-08	0.50	\$295.00	\$ 147.50	\$365,239.50	1	4.75%	2.00%	6.75%	72.23	25,403.29
Wednesday, October 15, 2008	Oct-08	-	\$295.00	\$ -	\$365,239.50	1	4.75%	2.00%	6.75%	72.24	25,475.54
Thursday, October 16, 2008	Oct-08	0.50	\$295.00	\$ 147.50	\$365,387.00	1	4.25%	2.00%	6.25%	66.93	25,542.46
Friday, October 17, 2008	Oct-08	-	\$295.00	\$ -	\$365,387.00	1	4.25%	2.00%	6.25%	66.94	25,609.40
Saturday, October 18, 2008	Oct-08	-	\$295.00	\$ -	\$365,387.00	1	4.25%	2.00%	6.25%	66.95	25,676.36
Sunday, October 19, 2008	Oct-08	-	\$295.00	\$ -	\$365,387.00	1	4.25%	2.00%	6.25%	66.96	25,743.32
Monday, October 20, 2008	Oct-08	11.00	\$295.00	\$ 3,245.00	\$368,632.00	1	4.25%	2.00%	6.25%	67.53	25,810.85
Tuesday, October 21, 2008	Oct-08	-	\$295.00	\$ -	\$368,632.00	1	4.25%	2.00%	6.25%	67.54	25,878.39
Wednesday, October 22, 2008	Oct-08	-	\$295.00	\$ -	\$368,632.00	1	4.00%	2.00%	6.00%	64.85	25,943.24
Thursday, October 23, 2008	Oct-08	3.50	\$295.00	\$ 1,032.50	\$369,664.50	1	4.00%	2.00%	6.00%	65.03	26,008.27
Friday, October 24, 2008	Oct-08	2.00	\$295.00	\$ 590.00	\$370,254.50	1	4.00%	2.00%	6.00%	65.14	26,073.41
Saturday, October 25, 2008	Oct-08	-	\$295.00	\$ -	\$370,254.50	1	4.00%	2.00%	6.00%	65.15	26,138.56
Sunday, October 26, 2008	Oct-08	-	\$295.00	\$ -	\$370,254.50	1	4.00%	2.00%	6.00%	65.16	26,203.72
Monday, October 27, 2008	Oct-08	4.00	\$295.00	\$ 1,180.00	\$371,434.50	1	4.00%	2.00%	6.00%	65.37	26,269.09
Tuesday, October 28, 2008	Oct-08	8.50	\$295.00	\$ 2,507.50	\$373,942.00	1	4.00%	2.00%	6.00%	65.79	26,334.88
Wednesday, October 29, 2008	Oct-08	9.00	\$295.00	\$ 2,655.00	\$376,597.00	1	4.00%	2.00%	6.00%	66.24	26,401.11
Thursday, October 30, 2008	Oct-08	6.00	\$295.00	\$ 1,770.00	\$378,367.00	1	4.00%	2.00%	6.00%	66.54	26,467.65
Friday, October 31, 2008	Oct-08	6.50	\$295.00	\$ 1,917.50	\$380,284.50	1	4.00%	2.00%	6.00%	-	26,467.65
Oct-08 Total											2,067.80
Grand Total											26,467.65

NATURAL RESOURCE GAS LIMITED
IGPC Project Interest Summary
As of October 28, 2008

Invoice Number	Consultant	Date	Status	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest	Cumulative Interest
618-2006	Aiken & Associates	30-Jun-06	✓	480.00	33.60	513.60	0		513.60	6.00%	2.00%	8.00%	0	
633876	Ogilvy Renault LLP	13-Jul-06	✓	9,601.19	576.07	10,177.26	13		10,690.86	6.00%	2.00%	8.00%	44.52	44.52
915	NRG Corp.	1-Aug-06	✓	1,046.25		1,046.25	19		11,737.11	6.00%	2.00%	8.00%	38.73	83.25
642776	Ogilvy Renault LLP	16-Aug-06	✓	2,088.75	125.33	2,214.08	15		13,951.19	6.00%	2.00%	8.00%	92.28	175.54
648629	Ogilvy Renault LLP	15-Sep-06	✓	1,282.52	76.95	1,359.47	30		15,310.66	6.00%	2.00%	8.00%	175.54	351.08
648627	Ogilvy Renault LLP	15-Sep-06	✓	21.25		21.25	-		15,331.91	6.00%	2.00%	8.00%	40.79	391.87
262	AUE - Aconon Utility Engineering	27-Sep-06	✓	4,800.00	288.00	5,088.00	12		20,421.18	6.00%	2.00%	8.00%	216.33	608.20
68035	Harrison Pensa LLP	27-Sep-06	✓	1,796.00	107.76	1,903.76	-		22,324.94	6.00%	2.00%	8.00%	14.82	623.02
632-2006	Aiken & Associates	30-Sep-06	✓	1,162.50	69.75	1,232.25	3	130,000.00	23,557.19	6.00%	2.00%	8.00%	67.78	690.80
68732	Harrison Pensa LLP	13-Oct-06	✓				13		(106,442.81)	6.00%	2.00%	8.00%	(93.06)	597.74
655972	Ogilvy Renault LLP	17-Oct-06	✓	5,485.34	329.12	5,814.46	4		(98,469.92)	6.00%	2.00%	8.00%		205.87
655974	Ogilvy Renault LLP	17-Oct-06	✓	2,158.43	122.18	2,280.61	-		(100,750.35)	6.00%	2.00%	8.00%	(110.42)	95.45
283	AUE - Aconon Utility Engineering	25-Oct-06	✓	33,292.07	1,997.52	35,289.59	8		(63,180.33)	6.00%	2.00%	8.00%	(34.03)	61.42
635-2006	Aiken & Associates	31-Oct-06	✓	35,100.00	2,106.00	37,206.00	6		(25,974.33)	6.00%	2.00%	8.00%	61.42	122.84
P0610-185	TSSA Total	14-Nov-06	✓	468.75	28.13	496.88	8		(25,477.45)	6.00%	2.00%	8.00%	(75.55)	47.27
673462	Ogilvy Renault LLP	14-Nov-06	✓	750.00	45.00	795.00	-		(24,682.45)	6.00%	2.00%	8.00%	(3.92)	43.35
665207	Ogilvy Renault LLP	17-Nov-06	✓	17,342.71	1,040.56	18,383.27	3		(5,948.19)	6.00%	2.00%	8.00%	18.05	61.40
2378	Martin Malette	20-Nov-06	✓	291.74	17.50	309.24	3		12,435.08	6.00%	2.00%	8.00%	8.16	69.56
303	AUE - Aconon Utility Engineering	22-Nov-06	✓	42,225.00	2,533.50	44,758.50	2		12,744.32	6.00%	2.00%	8.00%	5.58	75.14
1780	Observer	1-Dec-06	✓	1,935.00	116.10	2,051.10	9		57,502.82	6.00%	2.00%	8.00%	113.42	188.56
134E+10	The London Free Press Total	2-Dec-06	✓	7,585.20	455.11	8,040.31	1		59,553.92	6.00%	2.00%	8.00%	13.08	201.64
06-426	FKS Land Surveyors	13-Dec-06	✓	60,917.50	3,655.05	64,572.55	11		67,594.24	6.00%	2.00%	8.00%	163.26	364.90
642-2006	Aiken & Associates	29-Dec-06	✓	1,262.04	75.72	1,337.76	16		132,166.79	6.00%	2.00%	8.00%	464.49	749.39
315	AUE - Aconon Utility Engineering	31-Dec-06	✓	67,842.88	4,070.57	71,913.45	2		133,504.55	6.00%	2.00%	8.00%	58.85	808.24
1805	Viva Voice Reporting Ltd. Total	31-Dec-06	✓	2,195.31	131.72	2,327.03	2		205,418.00	6.00%	2.00%	8.00%		808.24
680927	Ogilvy Renault LLP	17-Jan-07	✓	33,570.46	2,013.86	35,584.32	17		207,745.03	6.00%	2.00%	8.00%	777.08	1,585.32
21965	Senes Consultants Ltd. Total	18-Jan-07	✓	13,546.92	812.82	14,359.74	1		243,329.35	6.00%	2.00%	8.00%	53.68	1,638.99
181	A.S.A.P. Reporting Services	22-Jan-07	✓	1,081.00	64.86	1,145.86	4		257,689.09	6.00%	2.00%	8.00%	227.36	1,866.35
705-2007	Aiken & Associates	2-Feb-07	✓	2,406.50	144.39	2,550.89	11		258,834.95	6.00%	2.00%	8.00%	628.54	2,494.89
687364	Ogilvy Renault LLP	6-Feb-07	✓	25,254.51	1,514.53	26,769.04	4	100,000.00	261,385.84	6.00%	2.00%	8.00%	637.55	3,132.44
304	Aid-to-Construct Receipt	16-Feb-07	✓	1,095.00	65.70	1,160.70	4		189,315.58	6.00%	2.00%	8.00%	167.91	3,300.35
347	A.S.A.P. Reporting Services	20-Feb-07	✓	106,800.25	6,408.02	113,208.27	4		189,315.58	6.00%	2.00%	8.00%		3,300.35
366	Aid-to-Construct Receipt	26-Feb-07	✓				6	181,454.00	302,523.84	6.00%	2.00%	8.00%	402.48	3,702.83
695597	Ogilvy Renault LLP	27-Feb-07	✓	150.00	9.00	159.00	1		121,069.84	6.00%	2.00%	8.00%	27.40	3,730.23
72913	Harrison Pensa LLP	7-Mar-07	✓	3,218.15	192.71	3,410.86	1		121,228.84	6.00%	2.00%	8.00%	219.51	3,949.74
07-040	FKS Land Surveyors	9-Mar-07	✓	6,519.35	391.16	6,910.51	8		124,639.70	6.00%	2.00%	8.00%	56.47	4,006.21
712-2007	AUE - Aconon Utility Engineering	21-Mar-07	✓	11,200.00	672.00	11,872.00	12		131,550.21	6.00%	2.00%	8.00%	357.14	4,363.35
703732	Aiken & Associates	28-Mar-07	✓	36,744.50	2,324.67	39,069.17	7		143,422.21	6.00%	2.00%	8.00%	227.10	4,590.45
567	Ogilvy Renault LLP	30-Mar-07	✓	656.25	39.38	695.63	2		184,491.38	6.00%	2.00%	8.00%	82.99	4,673.44
377	Aid-to-Construct Receipt	10-Apr-07	✓	15,428.23	925.04	16,353.27	11		185,187.01	6.00%	2.00%	8.00%	458.30	5,131.74
74283	A.S.A.P. Reporting Services	20-Apr-07	✓	5,149.75	308.99	5,458.74	7		201,540.28	6.00%	2.00%	8.00%	317.44	5,449.18
712635	Aid-to-Construct Receipt	30-Apr-07	✓				3	130,159.06	206,990.01	6.00%	2.00%	8.00%	139.84	5,589.02
719-2007	AUE - Aconon Utility Engineering	14-May-07	✓	420.00	25.20	445.20	5		76,839.95	6.00%	2.00%	8.00%	91.17	5,680.19
397	Aiken & Associates	31-May-07	✓	75.00	4.50	79.50	5		77,285.15	6.00%	2.00%	8.00%	256.95	5,937.14
241010	Stantec Consulting	8-Jun-07	✓	3,409.56	204.57	3,614.13	8		77,734.33	6.00%	2.00%	8.00%	91.17	6,029.31
283	AUE - Aconon Utility Engineering	11-Jun-07	✓	425.50	25.53	451.03	3		79,291.32	6.00%	2.00%	8.00%	23.97	6,053.28
415	Ogilvy Renault LLP	27-Jun-07	✓	6,131.25	367.88	6,499.13	16		80,199.18	6.00%	2.00%	8.00%		6,077.26
25378	AUE - Aconon Utility Engineering	28-Jun-07	✓	2,014.00	100.70	2,114.70	1		36,698.31	6.00%	2.00%	8.00%	152.31	6,229.57
69539	Stantec Consulting	29-Jun-07	✓	2,500.42	150.03	2,650.45	1		38,948.16	6.00%	2.00%	8.00%	10.05	6,239.62
728429	Lenzenier Sligh Royce	13-Jul-07	✓	23,003.25	1,380.20	24,383.45	14		65,982.06	6.25%	2.00%	8.25%	148.83	6,388.45
725-2007	Ogilvy Renault LLP	13-Jul-07	✓	44,487.09	2,673.88	47,160.97	-		113,143.03	6.25%	2.00%	8.25%		6,537.40
10089	Aiken & Associates	31-Jul-07	✓	375.00	22.50	397.50	18		113,540.53	6.25%	2.00%	8.25%	273.68	6,811.08
254306	Harrison Pensa LLP	10-Aug-07	✓	2,942.75	176.57	3,119.32	10		116,659.85	6.25%	2.00%	8.25%	196.95	6,907.63
77118	Stantec Consulting	17-Aug-07	✓	4,632.55	277.95	4,910.50	7		121,570.35	6.25%	2.00%	8.25%	117.16	7,024.79
737740	Harrison Pensa LLP	21-Aug-07	✓	2,016.25	120.98	2,137.23	4		123,707.58	6.25%	2.00%	8.25%	33.15	7,058.94
447	Ogilvy Renault LLP	22-Aug-07	✓	13,976.84	838.05	14,814.89	-		138,522.47	6.25%	2.00%	8.25%	726.76	7,785.70
741945	AUE - Aconon Utility Engineering	12-Sep-07	✓	831.25	49.88	881.13	21		144,948.47	6.25%	2.00%	8.25%	489.60	8,275.30
468	Ogilvy Renault LLP	26-Sep-07	✓	13,172.00	469.92	13,641.92	14		145,829.60	6.25%	2.00%	8.25%	343.49	8,618.79
748630	AUE - Aconon Utility Engineering	5-Oct-07	✓	8,806.86	528.41	9,335.27	9	23,643.43	159,471.52	6.25%	2.00%	8.25%	197.39	8,816.18
495	Aid-to-Construct Receipt	11-Oct-07	✓	14,051.00	320.40	14,371.40	6		135,828.09	6.25%	2.00%	8.25%	455.70	9,271.88
	AUE - Aconon Utility Engineering	24-Oct-07	✓				13		159,534.76	6.25%	2.00%	8.25%	192.02	9,463.90

190,605.07

1,093,289.94

NATURAL RESOURCE GAS LIMITED
IGPC Project Interest Summary
As of October 28, 2008

190,605.07

1,093,289.94

Invoice Number	Consulant	Date	Status	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest	Cumulative
756818	Lakeside Steel Corporation	29-Oct-07	✓	859,800.00	51,588.00	911,388.00	5	-	1,070,922.76	6.25%	2.00%	8.25%	977.79	11,547.19
525	Aid-to-Construct Receipt	2-Nov-07	✓		22.68	400.60	4	23,130.12	1,047,792.64	6.25%	2.00%	8.25%	1,676.08	13,223.27
71966	Ogilvy Renault LLP	9-Nov-07	✓	377.92	549.00	22,112.00	7	-	1,048,193.24	6.25%	2.00%	8.25%	2,639.00	15,862.27
765103	AUE - Aconon Utility Engineering	20-Nov-07	✓	21,563.00	549.00	22,112.00	11	-	1,070,305.24	6.25%	2.00%	8.25%	2,209.53	18,071.81
2E+09	Lenczner Slaght Royce	7-Dec-07	✓	47,949.79	22.50	50,799.18	9	-	1,121,104.42	6.25%	2.00%	8.25%	2,059.88	20,131.69
765103	Ogilvy Renault LLP	7-Dec-07	✓	375.00	22.50	397.50	8	-	1,121,501.92	6.00%	2.00%	8.00%	1,501.33	21,633.01
552	Canadian Pacific Railway	13-Dec-07	✓	650.00	32.50	682.50	6	-	1,122,184.42	6.00%	2.00%	8.00%	4,512.59	26,145.61
775418	AUE - Aconon Utility Engineering	31-Dec-07	✓	17,705.57	241.08	17,946.65	18	-	1,140,131.07	6.00%	2.00%	8.00%	5,368.07	31,513.68
571	Ogilvy Renault LLP	21-Jan-08	✓	1,976.50	98.83	2,075.33	21	-	1,142,206.40	6.00%	2.00%	8.00%	514.51	32,028.18
02/08	AUE - Aconon Utility Engineering	23-Jan-08	✓	12,456.63	176.43	12,633.06	2	-	1,154,839.46	6.00%	2.00%	8.00%	2,268.06	34,296.24
288433	The Municipality of Thames Centre	1-Feb-08	✓	2,175.00	-	2,175.00	9	-	1,157,014.46	5.75%	2.00%	7.75%	1,770.65	36,066.89
782617	Stantec Consulting	8-Feb-08	✓	6,857.46	342.87	7,200.33	7	-	1,164,214.79	5.75%	2.00%	7.75%	1,274.27	37,341.16
591	Ogilvy Renault LLP	13-Feb-08	✓	2,875.00	143.75	3,018.75	5	-	1,167,233.54	5.75%	2.00%	7.75%	1,790.36	39,131.52
73976	AUE - Aconon Utility Engineering	20-Feb-08	✓	35,140.00	1,757.00	36,897.00	7	-	1,204,130.54	5.75%	2.00%	7.75%	1,847.86	40,979.38
292497	Lenczner Slaght Royce	27-Feb-08	✓	21,007.93	1,050.40	22,058.33	7	-	1,226,188.87	5.75%	2.00%	7.75%	538.11	41,517.49
03/08	Stantec Consulting	29-Feb-08	✓	5,603.24	280.16	5,883.40	2	-	1,232,072.27	5.75%	2.00%	7.75%	270.42	41,787.91
790238	The Municipality of Thames Centre	1-Mar-08	✓	9,300.00	-	9,300.00	1	-	1,241,372.27	5.75%	2.00%	7.75%	2,996.97	44,784.88
74245	Kettle Creek Conservation Authority	12-Mar-08	✓	9,628.69	481.43	10,110.12	11	-	1,251,482.39	5.25%	2.00%	7.25%	1,287.39	46,072.27
83601	Upper Thames River Conservation Authority	17-Mar-08	✓	500.00	25.00	525.00	5	-	1,252,007.39	5.25%	2.00%	7.25%	-	46,072.27
613	Upper Thames River Conservation Authority	17-Mar-08	✓	69,327.21	3,466.36	72,793.57	-	-	1,324,800.96	5.25%	2.00%	7.25%	-	46,072.27
24931	Catfish Creek Conservation Authority	17-Mar-08	✓	10,300.00	-	10,300.00	-	-	1,335,100.96	5.25%	2.00%	7.25%	-	46,072.27
83768	Harrison Pensa LLP	18-Mar-08	✓	500.00	5.00	505.00	1	-	1,335,600.96	5.25%	2.00%	7.25%	274.44	46,346.71
4,02E+08	Harrison Pensa LLP	20-Mar-08	✓	100.00	24.53	124.53	2	-	1,336,220.99	5.25%	2.00%	7.25%	549.03	46,895.75
292988	AUE - Aconon Utility Engineering	26-Mar-08	✓	490.50	1,264.49	1,754.99	6	-	1,336,220.99	5.25%	2.00%	7.25%	1,648.37	48,544.12
67106	MIG Engineering Ltd.	26-Mar-08	✓	25,289.74	544.26	26,554.23	-	-	1,362,775.21	5.25%	2.00%	7.25%	-	48,544.12
04/08	The Township of Malahide Total	26-Mar-08	✓	10,885.14	-	11,429.40	-	-	1,374,204.61	5.25%	2.00%	7.25%	-	48,544.12
10137	Harrison Pensa LLP	26-Mar-08	✓	21,160.00	-	21,160.00	-	-	1,395,364.61	5.25%	2.00%	7.25%	286.80	49,830.92
798316	Purulor	27-Mar-08	✓	735.50	36.78	772.28	1	-	1,396,136.88	5.25%	2.00%	7.25%	287.01	49,117.94
08 008 01	Stantec Consulting	28-Mar-08	✓	17.51	0.88	18.39	1	-	1,396,155.27	5.25%	2.00%	7.25%	-	49,117.94
841233	The Corporation of the County of Elgin	28-Mar-08	✓	3,325.53	166.28	3,491.81	-	-	1,399,647.08	5.25%	2.00%	7.25%	-	49,117.94
SI-55773	The Corporation of the County of Elgin	28-Mar-08	✓	400.00	-	400.00	-	-	1,400,047.08	5.25%	2.00%	7.25%	863.78	49,981.72
24975	Helix Courier Limited	31-Mar-08	✓	132.79	6.64	139.43	3	-	1,400,447.08	5.25%	2.00%	7.25%	288.13	50,269.85
04/08	Ayerswood Development Corporation	1-Apr-08	✓	3,425.00	-	3,425.00	1	-	1,400,586.51	5.25%	2.00%	7.25%	866.59	51,136.44
4,02E+08	Purulor	4-Apr-08	✓	194.51	9.73	204.24	3	-	1,401,151.51	5.25%	2.00%	7.25%	-	51,136.44
798316	Ogilvy Renault LLP	14-Apr-08	✓	2,187.50	109.38	2,296.88	10	-	1,404,215.74	5.25%	2.00%	7.25%	2,890.84	54,027.28
08 008 01	Robert B. Somerville Co. Limited	14-Apr-08	✓	163,593.97	8,179.70	171,773.67	-	-	1,406,549.39	5.25%	2.00%	7.25%	54,027.28	54,027.28
841233	COMCO Pipe & Supply Company	15-Apr-08	✓	4,366.40	218.32	4,584.72	1	-	1,582,923.06	5.25%	2.00%	7.25%	324.23	54,351.51
SI-55773	C.R. Wall & Co. Inc.	17-Apr-08	✓	26,370.58	1,220.86	27,591.44	2	-	1,582,907.78	5.25%	2.00%	7.25%	650.42	55,001.93
24975	MIG Engineering Ltd.	22-Apr-08	✓	6,708.66	335.43	7,044.09	5	-	1,610,499.22	5.25%	2.00%	7.25%	1,654.09	56,656.02
637	AUE - Aconon Utility Engineering	22-Apr-08	✓	24,072.30	1,203.62	25,275.92	-	-	1,617,543.31	5.25%	2.00%	7.25%	-	56,656.02
59686	COMCO Pipe & Supply Company	23-Apr-08	✓	15,043.93	752.20	15,796.13	1	-	1,642,819.23	4.75%	2.00%	6.75%	337.57	56,993.59
59687	KTI Limited	24-Apr-08	✓	11,448.00	530.00	11,978.00	1	-	1,658,615.36	4.75%	2.00%	6.75%	317.27	57,310.86
842010	Harrison Pensa LLP	24-Apr-08	✓	10,130.40	469.00	10,599.40	-	-	1,674,420.61	4.75%	2.00%	6.75%	-	57,310.86
24979	COMCO Pipe & Supply Company	28-Apr-08	✓	4,972.50	248.63	5,221.13	4	-	1,685,020.01	4.75%	2.00%	6.75%	1,288.85	58,599.71
74952	MIG Engineering Ltd.	29-Apr-08	✓	25,513.57	1,275.68	26,789.25	1	-	1,690,241.13	4.75%	2.00%	6.75%	323.42	58,923.13
08 008 02	Lenczner Slaght Royce	2-May-08	✓	28,374.71	1,418.74	29,793.45	3	-	1,717,030.38	4.75%	2.00%	6.75%	985.29	59,908.41
805822	Robert B. Somerville Co. Limited	7-May-08	✓	57,844.13	2,892.21	60,736.34	5	-	1,746,823.82	4.75%	2.00%	6.75%	1,670.61	61,579.02
661	Aid-to-Construct Receipt	10-May-08	✓	616,624.17	30,831.21	647,455.38	2	-	1,807,560.16	4.75%	2.00%	6.75%	1,036.98	62,616.01
843129	Ogilvy Renault LLP	12-May-08	✓	4,600.00	230.00	4,830.00	2	-	1,807,560.16	4.75%	2.00%	6.75%	931.18	63,547.19
10146	AUE - Aconon Utility Engineering	21-May-08	✓	2,915.00	145.75	3,060.75	9	-	1,807,560.16	4.75%	2.00%	6.75%	3,482.54	67,029.73
4,02E+08	COMCO Pipe & Supply Company	23-May-08	✓	2,170.80	108.54	2,279.34	2	-	2,031,901.29	4.75%	2.00%	6.75%	776.32	67,806.04
10149	Ayerswood Development Corporation	30-May-08	✓	39.17	1.96	41.12	7	-	2,034,221.75	4.75%	2.00%	6.75%	2,721.06	70,527.11
10158	Ayerswood Development Corporation	31-May-08	✓	35.67	1.78	37.45	-	-	2,034,259.21	4.75%	2.00%	6.75%	-	70,527.11
08 008 03	Ayerswood Development Corporation	1-Jun-08	✓	300.00	15.00	315.00	1	-	2,034,574.21	4.75%	2.00%	6.75%	389.24	70,916.35
25087	Robert B. Somerville Co. Limited	6-Jun-08	✓	1,050.57	52.53	1,103.10	1	-	2,035,677.31	4.75%	2.00%	6.75%	389.37	71,305.72
816373	Ogilvy Renault LLP	16-Jun-08	✓	971,370.45	48,568.52	1,019,938.97	5	-	2,035,677.31	4.75%	2.00%	6.75%	1,948.24	73,253.96
685	AUE - Aconon Utility Engineering	25-Jun-08	✓	118,274.97	5,913.75	124,188.72	4	-	2,035,677.31	4.75%	2.00%	6.75%	5,786.27	79,040.23
10164	Ayerswood Development Corporation	30-Jun-08	✓	12,511.00	625.55	13,136.55	5	-	3,055,616.28	4.75%	2.00%	6.75%	2,410.65	81,450.88
22885	Corrosion Services Company Limited	30-Jun-08	✓	350.76	17.54	368.30	5	-	3,179,805.08	4.75%	2.00%	6.75%	3,016.24	84,467.12
				1,768.77	81.89	1,850.66	-	-	3,180,559.68	4.75%	2.00%	6.75%	3,031.18	87,498.30
									3,194,064.53	4.75%	2.00%	6.75%	-	87,498.30
									3,195,915.19	4.75%	2.00%	6.75%	-	87,498.30

NATURAL RESOURCE GAS LIMITED
IGPC Project Interest Summary
As of October 28, 2008

190,605.07

1,093,289.94

Invoice Number	Consultant	Date	Status	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest	Cumulative Interest
86596	Harrison Pensa LLP	30-Jun-08	✓	227.27	11.36	238.63	-	-	3,196,153.83	4.75%	2.00%	6.75%	-	87,498.30
60541	KTI Limited	30-Jun-08	✓	800.00	104.00	904.00	-	-	3,197,057.83	4.75%	2.00%	6.75%	1,214.84	88,713.13
27423	Neal, Pallatt & Townsend	2-Jul-08	✓	900.00	45.00	945.00	2	-	3,198,002.83	4.75%	2.00%	6.75%	1,215.63	89,928.77
4,03E+08	Purulator	4-Jul-08	✓	111.63	5.58	117.21	2	-	3,198,120.04	4.75%	2.00%	6.75%	-	89,928.77
08 008 04	Robert B. Somerville Co. Limited	4-Jul-08	✓	1,044,546.56	52,227.33	1,096,773.89	-	-	4,294,893.92	4.75%	2.00%	6.75%	3,243.57	93,172.34
SI-56816	R.C. Wall & Co. Inc.	8-Jul-08	✓	621.00	28.75	649.75	4	-	4,295,543.67	4.75%	2.00%	6.75%	1,623.25	93,172.34
ONS11184	Fastenal	8-Jul-08	✓	70.47	3.26	73.73	-	-	4,295,617.40	4.75%	2.00%	6.75%	-	94,795.59
ONS11184	Fastenal	10-Jul-08	✓	70.46	3.26	73.72	2	-	4,295,691.39	4.75%	2.00%	6.75%	-	94,795.59
25134	MIG Engineering Ltd.	10-Jul-08	✓	67,909.94	3,395.50	71,305.44	-	-	4,366,996.82	4.75%	2.00%	6.75%	4,125.63	98,921.22
76262	Wellmaster	15-Jul-08	✓	11.48	0.57	12.05	5	-	4,367,008.88	4.75%	2.00%	6.75%	2,477.67	101,398.89
823377	Ogilvy Renault LLP	18-Jul-08	✓	7,977.50	398.88	8,376.38	3	-	4,375,385.25	4.75%	2.00%	6.75%	-	101,398.89
4,03E+08	Purulator	18-Jul-08	✓	83.21	4.16	87.37	-	-	4,375,472.62	4.75%	2.00%	6.75%	3,311.66	104,710.55
706	AUE - Acon Utility Engineering	22-Jul-08	✓	1,485.96	74.30	1,560.26	4	-	4,377,032.88	4.75%	2.00%	6.75%	1,657.63	106,368.18
10167	Neal, Pallatt & Townsend	24-Jul-08	✓	6,767.29	406.04	7,173.33	2	-	4,384,206.21	4.75%	2.00%	6.75%	830.45	107,198.63
4,03E+08	Purulator	25-Jul-08	✓	66.08	3.30	69.38	1	-	4,384,275.59	4.75%	2.00%	6.75%	2,491.85	109,690.47
SI-57065	C.R. Wall & Co. Inc.	28-Jul-08	✓	3,157.38	146.18	3,303.56	3	-	4,387,579.15	4.75%	2.00%	6.75%	1,663.37	111,353.85
SI-57112	C.R. Wall & Co. Inc.	30-Jul-08	✓	4,390.47	203.26	4,593.73	2	-	4,392,172.88	4.75%	2.00%	6.75%	832.84	112,186.69
69517	Helix Courier Limited	31-Jul-08	✓	64.80	3.24	68.04	1	-	4,392,240.92	4.75%	2.00%	6.75%	-	112,186.69
25193	MIG Engineering Ltd.	31-Jul-08	✓	2,088.22	104.41	2,192.63	-	-	4,394,433.55	4.75%	2.00%	6.75%	6,667.33	118,854.02
25196	MIG Engineering Ltd.	8-Aug-08	✓	3,760.10	188.01	3,948.11	8	-	4,398,381.66	4.75%	2.00%	6.75%	-	118,854.02
08 008 05	Robert B. Somerville Co. Limited	8-Aug-08	✓	310,681.68	15,534.08	326,215.76	-	-	4,724,597.42	4.75%	2.00%	6.75%	4,478.53	123,332.56
830606	Ogilvy Renault LLP	13-Aug-08	✓	143.75	7.19	150.94	5	-	4,724,748.36	4.75%	2.00%	6.75%	4,482.81	127,815.37
23276	Corrosion Services Company Limited	18-Aug-08	✓	1,945.00	97.25	2,042.25	5	-	4,726,790.61	4.75%	2.00%	6.75%	1,795.54	129,610.91
735	AUE - Acon Utility Engineering	20-Aug-08	✓	195.91	9.80	205.71	2	-	4,727,996.32	4.75%	2.00%	6.75%	1,796.28	131,407.19
4505192	Purulator	22-Aug-08	✓	118.52	5.93	124.45	2	-	4,727,120.76	4.75%	2.00%	6.75%	7,187.96	138,595.15
826-2008	Alken & Associates	30-Aug-08	✓	100.70	5.04	105.74	8	-	4,727,226.50	4.75%	2.00%	6.75%	-	138,595.15
828-2008	Alken & Associates	30-Aug-08	✓	293.75	14.69	308.44	-	-	4,727,534.94	4.75%	2.00%	6.75%	899.90	139,495.05
43-W6614	Black & McDonald Limited	31-Aug-08	✓	823.18	41.16	864.34	1	-	4,728,399.27	4.75%	2.00%	6.75%	3,600.91	143,095.96
J16574	Bell	4-Sep-08	✓	2,575.69	128.78	2,704.47	4	-	4,731,103.75	4.75%	2.00%	6.75%	901.39	143,997.35
10185	Averswood Development Corporation	5-Sep-08	✓	134.00	17.42	151.42	1	-	4,731,255.17	4.75%	2.00%	6.75%	2,704.76	146,702.11
25274	MIG Engineering Ltd.	9-Sep-08	✓	113.00	5.65	118.65	3	-	4,731,373.82	4.75%	2.00%	6.75%	902.11	147,604.22
140195	Union Gas Limited - Commission	18-Sep-08	✓	7,610.86	380.54	7,991.40	1	-	4,739,365.22	4.75%	2.00%	6.75%	8,133.79	155,738.01
10197	Societe Generale	26-Sep-08	✓	3,979.56	-	3,979.56	9	-	4,743,344.78	4.75%	2.00%	6.75%	7,247.96	162,985.97
89782	Ayerswood Development Corporation	30-Sep-08	✓	6,517.72	2.78	6,520.50	8	-	4,749,862.50	4.75%	2.00%	6.75%	3,634.16	166,620.13
78010	Harrison Pensa LLP - BNS	20-Oct-08	✓	55.50	2.78	58.28	4	-	4,749,920.78	4.75%	2.00%	6.75%	18,184.47	184,804.60
08 008 06	Robert B. Somerville Co. Limited	27-Oct-08	✓	29,295.25	1,460.26	30,755.51	20	-	4,780,676.29	4.25%	2.00%	6.25%	1,700.51	186,505.11
	Lenczner Slaght Royce	22-Oct-08	✓	20,098.87	1,004.94	21,103.81	2	-	4,801,780.10	4.00%	2.00%	6.00%	4,099.96	190,605.07
			✓	68,824.91	3,441.25	72,266.16	5	-	4,874,046.26	4.00%	2.00%	6.00%	-	190,605.07

Reference: Exhibit C2, Tab 1, Schedule 1, Page 8

Preamble: The normalized volume related to IGPC is 31,459,135 m3.

23. What is the basis of this amount? Is this the amount that is included in the Gas Delivery Contract? If not, why not?

RESPONSE

The referenced volume is the 2009 metered deliveries.

Reference: Exhibit D1, Tab 3, Schedule 6, Page 2

Preamble: NRG is claiming annual costs of \$125,000 per year related to the costs of this rate proceeding. This amount includes the costs of: (i) \$350,000 of consulting costs; (ii) provision of \$50,000 related to OEB proceeding; (iii) \$50,000 for expert evidence; (iv) legal costs of \$100,000; (v) annual costs of \$75,000 for administration of the IRP.

24. What are the actual costs incurred to date related to the proceeding? Please breakdown the costs as NRG itemized in its request. Please identify the tasks to be completed as part of the annual administration of the IRP.

RESPONSE

Please see Attachment.

Attachment to IGPC 24

Rates Application - Costs up to April 30, 2010

Aiken & Associates	\$	29,075.00
Elenchus	\$	281,859.51
Ogilvy Renault	\$	69,292.88
Foster Associates	\$	39,165.00
OEB - Intervenor costs/Hearing Costs		
	\$	<u>419,392.39</u>

25. What is the cost allocated to each customer class?

RESPONSE

Please see Attachment.

1 SHEET 3.1

ALLOCATION
\$ 000

	TOTAL	RATE 1			RATE 2 Seasonal	Firm	RATE 3 Interruptible	Rate 4		Rate 5		Rate 6		Ancillary	Factor
		Residential	Commercial	Industrial				Int. Fall	Int. Fall	Int. Fall	Int. Fall	Allocated	Direct Allocation		
5 CLASSIFIED COSTS															
6															
26 Regulatory Expense															
27 Gas Supply	12.0	7.6	2.0	0.3	0.2	1.3	0.0	0.1	0.6	0.0	0.0	0.0	0.0	0.0 E1	
28 Union Demand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 D1	
29 Union Commodity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 E2	
30 Delivery Commodity	0.9	0.5	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 E2	
31 Delivery Demand	30.1	16.2	4.8	1.2	1.9	3.3	0.0	0.4	2.3	0.0	0.0	0.0	0.0	0.0 D2	
32 Weighted Customer - Services	14.1	11.5	0.7	0.3	1.1	0.1	0.0	0.4	0.1	0.0	0.0	0.0	0.0	0.0 CC1	
33 Weighted Customer - Meters	6.4	4.0	0.2	0.2	1.1	0.2	0.0	0.3	0.2	0.0	0.0	0.0	0.0	0.0 CC2	
34 Weighted Customer - Billing	27.4	25.0	1.6	0.1	0.3	0.2	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0 CC3	
35 Unweighted Customer	20.4	18.8	1.2	0.1	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0 CC4	
36 Bad Debt/Collection	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 CC5	
37 Direct Assignment	45.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.1	0.0	0.0	
38 Security Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 R1	
39 Ancillary Services	14.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.4 DA	
40															
41 Total Regulatory Expense	170.8	83.5	10.7	2.2	4.9	5.1	0.0	1.4	3.5	0.1	45.1	0.0	0.0	14.4	

26. What is the basis of allocation to customer classes?

RESPONSE

The allocation factors are noted in the right most column of the schedule attached to the response to interrogatory 25. A description and additional detail on each allocation factor can be found at Exhibit G3, Tab 2, Schedule 1, Sheet 3.2.

Reference: Exhibit D1, Tab 3, Schedule 7, Page 4 of 5

Preamble: “... In order to protect its other ratepayers against the risk of having to pay for an unused and unneeded pipeline if IGPC stopped taking gas, NRG had to select a revenue horizon that would match the expected economic life of the IGPC ethanol plant.”

“The IGPC pipeline, as built, was a dedicated high-pressure pipeline to serve a single customer producing a single product line. The nature of the ethanol business and the fact that no other customers are expected to connect to the new line means that in the event IGPC going out of business, the cost to maintain the line and any residual costs would fall on the remaining customers in NRG’s service area.”

27. What does NRG mean by “unused and unneeded”?

RESPONSE

The pipeline serving IGPC is not needed to support service to NRG’s other customers. In the event IGPC ceases to use the pipeline, it would not be used by any other ratepayer.

28. What does NRG mean by a “single product line”?

RESPONSE

By single product line, NRG meant ethanol.

- 29. Has NRG had any inquiries regarding prospective connection to the system from customers that would be served by the IGPC pipeline?**

RESPONSE

No.

OPERATING & MAINTENANCE EXPENSES

Reference: Exhibit D1, Tab 2, Schedule 1

Preamble: NRG continues to take service from Union Gas under the M9 rate under two contracts. Under one contract NRG's contract demand is 168,100 m3/day and supports gas delivery to NRG's customers in Rate classes 1 through 5.

**30. Has the contract demand been reduced since the closure of Imperial Tobacco?
Please specify the amount of the reduction?**

RESPONSE

No.

31. Has the contract demand changed over the past 3 years? Is the contract demand expected to change in the future? Please complete the following Table:

Year	Contract Demand (m ³)
2007	
2008	
2009	
2010	
2011	
2012	

RESPONSE

No. NRG has forecasted the contract demand to remain at 168,100 m³/day to continue through to 2012.

Reference: Exhibit D1, Tab 2, Schedule 1

Preamble: NRG has been a Bundled-T customer on the Union Gas system since October of 1996. NRG is forecasting that it will remain a Bundled-T customer throughout the forecast period.

32. Currently the tariff paid by NRG to Union Gas is based on the large wholesale service rate M9. Has NRG investigated taking service under a different Union Gas rate, such as Union Gas's T-1 storage and transportation rate, for contract carriage customers?

RESPONSE

Yes, NRG has investigated taking service under a different Union Gas rate.

NRG has two M9 contracts with Union; one for IGPC and one for the remainder of NRG's customers. The alternative to Union's M9 rate for NRG is Union's T3 rate. M9 is a bundled rate, where Union looks after load balancing and delivering the gas to NRG on a daily basis. T3 is an unbundled rate. In addition to what NRG contracts for now, NRG would contract for storage capacity from Union and for injection and withdrawal rights. The savings to NRG in respect of the M9 contract for NRG's other customers would be in the range of \$50,000 per year on the payments to Union. The savings on the M9 contract that is specific to IGPC could be in the range of \$40,000. However, NRG believes (after consulting with its consultant and Union Gas) is that the additional costs to administer, potential penalties and carrying cost of gas in inventory more than offset these savings to Union.

33. If NRG has been advised by Union that it would not be eligible for any alternative rate, please provide copies of the correspondence to that effect. Otherwise, please provide a computation showing the cost to NRG of service under each rate available to or combination of rates for which it is eligible. If the M9 rate is not the most cost effective rate for NRG, please explain why NRG is proposing to continue to take service from Union at the M9 rate.

RESPONSE

Please see response to IGPC IR 32.

Reference: Exhibit G3, 2, 1, Sheet 1.3 and 3.2

Preamble: The cost of the Union Gas delivery is allocated to all customers.

- 34. Please provide the allocation basis and percentages used for the direct assignment to IGPC of both the Union Gas Delivery and Union Gas Demand charges. Please reference where these allocation factors are presented in the evidence.**

RESPONSE

NRG has directly assigned Union Gas Delivery and Union Gas Demand charges to IGPC based on the parameters of the delivery contract between NRG and Union that was executed for the provision of gas supply to IGPC's plant. Because the costs are directly assigned there are no allocation basis and percentages. The direct allocation is provided at Exhibit D8, Tab 2, Schedule 3.

NRG considers it appropriate to directly assign the costs incurred under this contract to IGPC because the contract was specifically negotiated to provide adequate service to IGPC and because no other party receives gas distribution service pursuant to the performance of this contract.

Reference: Exhibit D1, Tab 3, Schedule 7, pg 1 - 5

Preamble: Maintenance Cost - Transfer Stations

NRG has entered into a contractual arrangement with a third party to perform the following maintenance activities with respect to the transfer station associated with the IGPC pipeline: emergency support, preventative and reliability maintenance (monthly, semi-annual and annual), control system spares and warranty support. These maintenance services will cost \$43,050 in 2011.

- 35. Please provide support for the \$43,050 estimated 2011 maintenance costs based on 3rd party contractual arrangements as noted in evidence.**

RESPONSE

Maintenance cost of transfer station \$43,050 for 2011 was based on the contract in place at time of submission of \$3,225/month plus PST = $\$3,483 \times 12 = \$41,796$. This amount was adjusted for a 3% inflation factor $\$41,796 \times 1.03 = \$43,050$.

- 36. Were these services procured on a competitive basis? If so, how many quotations were provided? If not, why not?**

RESPONSE

Please see response to IGPC IR 38.

37. Did NRG consider having one of its existing employees carry out the work?

RESPONSE

Please see response to IGPC IR 38.

38. Did NRG consider hiring an employee for this task?

RESPONSE

These services were not procured on a competitive basis. NRG determined that since Lakeside Process Controls Ltd. supplied the Delta V Control System, they were the best suited to carry out the work. NRG itself does not have the staff or expertise to take on these duties. NRG believed the maintenance cost was reasonable and would cost less than hiring another staff member specifically for this task.

Reference: Exhibit D1, Tab 3, Schedule 7, pg 1 - 5

Preamble: Insurance costs

Existing General Liability - Prior to the IGPC pipeline coming into service, NRG had \$15 million of general liability and umbrella coverage policy. In fiscal 2009, the annual premium for this insurance was \$189,690.

In fiscal 2010, NRG's \$20 million of general liability insurance will cost \$184,264. In addition to securing \$5 million of additional insurance, NRG also undertook an assessment of its insurance coverage and determined that an additional \$5 million of coverage should be purchased in the near future. Purchasing an additional \$5 million of insurance in the 2011TY is expected to cost an additional \$21,131.

Transfer Stations - NRG also incurred insurance coverage for the transfer stations of \$33,702 in fiscal 2010.

Business Interruption – NRG's assessment of its insurance coverage also determined the need for business interruption insurance in the event of a failure to the IGPC pipeline, NRG needs to insure it will be covered for its' fixed expenses relating to the pipeline. This insurance is expected to cost \$25,579 for 2011 Test Year.

39. Please provide a detailed breakdown of the insurance costs comprised in the \$284,925 total presented in Exhibit D1, Tab 3, Schedule 7, page 3 of 5. Also provide the same level of detail for the insurance cost total of \$197,962 allocated to IGPC.

RESPONSE

Please see response to IGPC IR 40.

40. Please provide a comparison of the insurance coverages received for these premiums with the insurance coverages received prior to the construction of the line serving IGPC. Specifically, please explain any significant differences in the types and levels of risk insured against, deductibles etc. and the changes in premium attributable to these differences. Please identify and explain which of these changes are caused by the line serving IGPC and/or any risk that is specific to the provision of service to IGPC. Please provide any relevant documentation supporting the attribution of a specific risk to NRG's service of IGPC.

RESPONSE

Please see Attachment to response to OEB 20. We have been advised that with the addition of the ethanol pipeline, NRG has taken on a higher degree of risk and additional coverage is warranted to minimize the risk to NRG. Please note that NRG is having an insurance report prepared to address the issues raised in this question.

Reference: Exhibit D1, Tab 3, Schedule 7, pg 1 – 5 & Exhibit G1, Tab 2, Schedule 1

Preamble: OM&A Costs

The IGPC OM&A costs as presented in Exhibit D1, Tab 3, Schedule 7 includes maintenance costs for transfer stations and the pipeline, and insurance at \$43,050, \$114,107 and \$197,962 respectively for a total of \$355,119. Exhibit G1, Tab 2, Schedule 1 presents a total OM&A cost for IGPC of \$355,852 for a difference of \$733.

41. Please explain the difference in the OM&A costs as presented in the two schedules.

RESPONSE

The \$733 difference is the expected cost of utilities in the 2011 Test Year.

Reference: Exhibit D1, Tab 3, Schedule 7, pg 1 of 5

Preamble: Maintenance Cost - Pipeline

NRG has solicited a quote for maintenance of the IGPC pipeline from a third party provider. The proposed annual cost is \$112,107 and covers the provision of the following services: pipeline valve maintenance, above-grade piping and fitting maintenance, pipeline marker audits and replacement, pre-testing emergency pipe, pipeline repair/relocation, leakage detection, odour level testing, cathodic protection survey, interval surveys, anode replacement, pipeline locate service, weekly inspections, third party observation, depth of cover surveys, snow and weed control, development encroachment survey, training, and emergency.

42. Please provide support for the \$114,107 (\$112,107 + \$2,000) estimated 2011 maintenance costs based on solicited quotes from a third party provider as noted in evidence.

RESPONSE

Refer to Attachment.

Attachment to IGPC 42

Maintenance Cost - Ethanol Pipeline

		Annual Expense	
Activity performed on an Annual Basis:		\$	
Valve Maintenance			1,500
Pipeline Marker Maintenance			950
Leakage Survey			1,188
Odour Level Testing			2,850
Cathodic Protection Survey			1,295
Anode Replacement			840
Pipeline Locates			2,254
Weekly Observations/Inspections			12,350
3rd Party Observations			4,680
Ground Control/Maintenance			1,960
Manual Review			4,250
Technician Training			1,650
Community Awareness			8,500
Emergency Response			18,000
			<u>62,267</u>
Activity performed on a Periodic Basis:		Total Cost	Frequency
Depth of Cover Survey - entire length	4,750	10	475
Depth of Cover Survey - sensitive areas	950	5	190
In-Line Inspection	70,200	7	10,000
			<u>10,665</u>
One Time Costs (total cost/5 years)		Total Cost	
Pre-Test Pipe	1,500		300
Close Interval Survey	16,290		3,258
			<u>3,558</u>
			76,490
Engineering Design (MIG Activity)			19,500
Administration Fee (15% of Maintenance Activity)			11,473
Disbursements (15% MIG's Cost)			4,646
		\$	<u>112,109</u>

- 43. Please compute the maintenance cost on a per km basis for the IGPC line and the other lines comprising the system. If different please explain why. Specifically, provide an explanation of any differences in maintenance policy as it applies to the IGPC pipeline and the other pipelines that comprise the system, given that the IGPC pipeline is so new.**

RESPONSE

The ethanol line is totally distinct from NRG's system supplying NRG's other customers. Due to the complexity of the system and the potential for catastrophic disaster, the dedicated ethanol pipeline requires that it have a maintenance plan appropriate to its circumstance and risk.

- 44. Were these services procured on a competitive basis? If so, how many quotations were provided?**

RESPONSE

No. Management felt MIG as the project designer and being located in close proximity to the ethanol pipeline was the right company to perform this service.

45. What amounts are included for “emergency response”?

RESPONSE

Please see response to IGPC IR 49.

- 46. Why is pipeline repair included in a maintenance agreement? What is the amount of the inclusion?**

RESPONSE

Please see response to IGPC IR 49.

47. What amount is included for “pre-testing” emergency pipe?

RESPONSE

Please see response to IGPC IR 49.

- 48. Is this maintenance service provided different than the maintenance performed by NRG on the pipeline that served Imperial Tobacco? Is so, please explain.**

RESPONSE

Imperial Tobacco was a low pressure plastic line fed off the NRG system. The IGPC pipeline is a high pressure steel pipeline. The two are not comparable from a maintenance standpoint.

- 49. For each service to be provided, please specify the frequency of service and the basis for such frequency.**

RESPONSE

Please refer to the Attachment to the response to IGPC IR 42.

- 50. Do NRG staff or employees provide any maintenance service related to the pipeline? If so, please differentiate these services from the services to be provided by the third party provider, and specify the cost that has been assigned to IGPC for the cost of employee-provided maintenance services.**

RESPONSE

Internal work currently being done relating to the ethanol pipeline is included as part of the allocation of salaries and wages to IGPC. It has not been separated out.

Reference: Exhibit D1, Tab 6, Schedule 1

Preamble: The calculation of taxes payable should reflect the applicable tax rates.

51. The Federal Income Tax Rate is scheduled to decrease from 16.5% to 15.0% effective Jan 1, 2012. Does NRG plan to include an adjustment to the IRP to reflect the reduced income tax rates effective for 2012 through 2015?

RESPONSE

The proposed NRG IRM is essentially a simplified version of the Union IRM and does not include a Z Factor (where tax charges would be captured). Elimination of the Z Factor is an appropriate simplification for NRG since Z factor applications could entail significant regulatory costs. Hence, the NRG proposal is that no adjustments would be made for changes (increases or decrease) in specific cost factors through a Z Factor or any other mechanism. As a result, NRG bears all of the risk associated with changes in costs, including factors that would qualify as Z Factors under the Union IRM.

- 52. Does, or should, the IRP formula, reflect the expected changes to the tax rate after the test year?**

RESPONSE

The proposed IRM formula does not contain an explicit adjustment for expected changes in tax rates or for any other specific changes in future costs whether they are expected or not. The essence of the IRM concept is that all changes in costs are reflected implicitly in the overall IRM formula. Adjustments for changes to individual cost items, as opposed to the overall cost trends, are inconsistent with the fundamental premise of IRM regimes, with the exception of those identified as Z Factors or Y Factors.

Also see the response to IGPC IR 51.

- 53. Exhibit D1, Tab 6, Schedule 1 indicates a federal corporate income tax rate of 16.875% for the Test Year 2011 whereas the federal budget delivered March 4 indicates a tax rate of 16.5%. Please explain the difference.**

RESPONSE

The 16.88% is calculated as follows: 18% tax rate from October 1, 2010 to December 31, 2010 and 16.5% for January 1, 2011 to September 30, 2011 averages to 16.88%.

- 54. Exhibit D1, Tab 6, Schedule 1 indicates a provincial corporate income tax rate of 11.875% for income above \$500,000 in the Test Year 2011. The provincial budget indicates a corporate tax rate of 12.0% effective January 1, 2011, decreasing to 11.5% July 1, 2011, for an average rate over the year of 11.75%. Please explain the difference.**

RESPONSE

The 11.875% is calculated as follows: 12% tax rate from October 1, 2010 to June 30, 2011 and 11.5% from July 1, 2011 to September 30, 2011 averages to 11.875%.

Reference: Exhibit D8, Tab 2, Schedule 4

Preamble: NRG has provided a historical table of the unaccounted for gas. The values for 2008 (87.9%) and 2009 (4.71%) appear to be significantly higher than prior years.

55. Please explain the reasons for the amount of unaccounted for the years 2008 and 2009.

RESPONSE

Please see Attachment (corrected).

NATURAL RESOURCE GAS LIMITED

Unaccounted For Gas Levels
Actual 1982 - 2009

<u>Fiscal</u> <u>Year</u>	<u>Volume</u> <u>(m3)</u>	<u>As % of Gas</u> <u>Deliveries</u>
1982	1,493,222	16.8%
1983	416,975	4.8%
1984	790,562	8.4%
1985	907,682	9.3%
1986	609,883	5.2%
1987	359,219	3.3%
1988	434,190	4.0%
1989	207,530	1.6%
1990	-87,114	-1.0%
1991	1,409	0.0%
1992	-15,524	-0.1%
1993	79,873	0.5%
1994	298,140	1.8%
1995	375,306	2.2%
1996	593,204	3.0%
1997	451,460	2.1%
1998	194,315	0.8%
1999	268,498	1.2%
2000	197,132	0.9%
2001	52,150	0.2%
2002	126,614	0.5%
2003	-159,605	-0.6%
2004	35,499	0.1%
2005	-69,703	-0.3%
2006	453,503	2.0%
2007	200,487	0.9%
2008	298,499	1.4%
2009	456,009	0.9%
2010	0	0.00%
2011	0	0.00%

- 56. Also, please explain why value of unaccounted for gas for 2008 is a negative but the percentage is a positive?**

RESPONSE

Please see Attachment to response to IGPC 55.

- 57. What is the amount and percentage level of unaccounted for gas included in 2011 and how is this allocated across customer classes?**

RESPONSE

NRG assumed that unaccounted for gas would be 0 m3 and 0% for the 2011 Test Year. This is consistent with the assumption supporting the EB-2005-0544 rates application.

CAPITAL STRUCTURE

Reference: Exhibit E1, Tab 1, Schedule 1

Preamble: Page 2 of 3, lines 7-10: “By the end of the 5-year IRP term, the LTD will be reduced to approximately \$7.0 million and the actual equity ratios over the period are expected to average 47% well above the deemed equity ratio proposed for the 2011 Test Year.”

58. Please provide a detailed explanation of the forecasted cash flows that will enable NRG to reduce its long-term debt over the 5-year IRP term as stated in the quoted paragraph.

RESPONSE

The forecast average capital structure took as a point of departure the NRG financial statements as of September 30, 2009. Additional assumptions are outlined below:

- Data for years 2010 and 2011 were taken directly from the application as updated March 15, 2010.
- Throughout the 2011-2015 forecast period, NRG was assumed to earn the benchmark ROE at the time of filing (9.85%) plus 50 basis points (ROE of 10.35%).
- All earnings were assumed to be retained.
- Rate base was assumed to hold constant at the 2011 level throughout the forecast period. In 2015, total capital was assumed equal to rate base.
- The GIC requirement was assumed to remain unchanged over the forecast period.
- Over the period 2010 to 2015, the annual principal repayments of the variable rate debt were assumed to be \$520,000 per year as per note 8 of the 2009 financial statements. Repayment of fixed rate debt was calculated in 2010 and 2011 as total debt principal repayments less the \$520,000 annual principal repayments of the variable rate debt. It was assumed that the outstanding principle of the fixed rate loan would be refinanced during the test year and the refinanced balance would be continue to be repaid in annual instalments of \$150,000 per year from 2012-2015.

- Total debt in 2015 was assumed to be equal to the 2011 test year total debt less four annual principal repayments of \$670,000 (\$520,000 for the variable rate debt + \$150,000 for the fixed rate debt).

The Attachment presents the year by year forecasts and includes all sources.

- 59. Please provide schedule showing a computation of the forecast capital structure, including each component of debt and equity, for the test year and each year of the 5-year IRP term, and show the computation of an average equity ratio of 47%. Specify whether any change is contemplated in the classes of shares that comprise the shareholder's investment.**

RESPONSE

The requested schedule which sets out all the values and documentation was attached in response to IGPC IR 58. The forecasts did not entail a change in the class of shares that comprise shareholder equity.

60. Please explain which specific components of long-term debt will be reduced. How will the reduction in balances owed to the Bank of Nova Scotia affect the requirement for a compensating balance in the form of a GIC? When will the requirement for the GIC terminate? What change is forecast to the aggregate interest expense as a result of these changes?

RESPONSE

At the time of our next annual review with the Bank we will endeavour to have the Bank drop the requirement for a from requiring the offsetting GIC. It is our opinion that this is the appropriate time to submit this request in that we will have demonstrated two years of successful operation of the ethanol pipeline. Our impression is from previous discussions that it would be difficult to persuade the Bank to allow the GIC to be applied to the loan balance.

- 61. If not clearly shown in response to part 1 or part 2 above, please specify NRG's assumptions as to changes in the balance of retained earnings, equity injections, and the payment of dividends over the 5-year IRP term.**

RESPONSE

As stated in Ms. McShane's testimony at lines 331 to 333, in response to IGPC IR 58 and shown in the workbook attached to IGPC IR 58, the assumptions were made that NRG earns the allowed rate of return on equity and no dividends are paid.

- 62. Please state whether the security provided by IGPC's Letter of Credit is expected to affect NRG's debt arrangements or cost of debt during the 5-year IRP period. Explain your answer.**

RESPONSE

No. The Letter of Credit has no bearing on the interest being charged by the Bank.

Reference: Exhibit E1, Tab 1, Schedule 1 and Exhibit A1, Tab 2, Schedule 1, Page 1, lines 9 to 14

Preamble: As part of the EB-2005-0544 Decision, the Board determined that NRG's actual equity ratio was 41.5% in the 2007 Test Year and that the actual equity ratio should be used unless the actual ratio was unreasonable.

NRG has proposed different capital structures as part of this proceeding.

63. Please explain why \$13.4 million of retractable shares should be considered as equity for purposes of rate of return, given that NRG's auditors have pointed out that accounting standards would call for the shares to be treated as a liability? Please compute NRG's actual capital structure on the basis that the retractable Class C shares are considered as a liability.

RESPONSE

They have been treated as equity since the shareholders have no intention of exercising (or ability to exercise) their retractable rights with respect to the shares.

As noted in Ms. McShane's testimony, the cost of capital to a firm depends, in the first instance, on business risk. The return allowed for NRG should reflect the stand-alone business risks of the utility and meet the three requirements of the fair return standard. The allowed return should permit the utility to attract capital, maintain its financial integrity and be comparable to the returns available to investments of similar risk. While the shareholder may have organized the company with preferred shares, these shares represent the residual interest in the earnings of the firm, behind all other creditors. As such, the risk borne by the shareholder is substantively the same as if the issued equity was in the form of common shares, and thus would require a similar return. If the Board were to base the regulated cost of capital on a literal interpretation of NRG's financial statements, the three requirements of the fair return standard would not be met.

It bears recognizing that the components of capital that comprise the financing of NRG, the corporate entity, have not changed since 2003. When the Board determined the appropriate capital structure and cost of capital for regulatory purposes in both RP-2004-0167 and EB-2005-0544, the capital structure of the corporate entity was comprised of debt and retractable preferred shares. While the accounting treatment of retractable preferred shares has changed, the substance of the shares themselves has not changed.

Based on the year end 2009 financial statements and the assumption posited in the question, the capital structure ratios are provided in the table below.

Term Notes Payable		\$10,870,177.00		82.04%
Retractable Preferred Shares		13,461,439.00		101.59%
Deficit		(8,329,981.00)		
Temporary Investments		(2,751,130.00)		-83.63%
Total Liabilities and Net Worth		13,250,505.00		

64. Please provide documentation quantifying the increment in fee or interest rate that the Bank of Nova Scotia is charging on its long term debt to NRG, to reflect the risk of the retraction provision in the Class C shares. If there is no such fee or increment to interest rates, please provide documentation to show how the Bank of Nova Scotia is being protected against that risk.

RESPONSE

The Bank has no issue with the retractable shares, since they have been postponed. Therefore, there has been no increment in fee or interest rate charged to NRG.

- 65. Is NRG aware of any other utilities that have the same or similar shareholder provisions as NRG's Class C Shares as part of the capital structure? If so, please identify.**

RESPONSE

No.

COST ALLOCATION

Reference: Exhibit G3, Tab 2, Schedule 1, Sheet 2.3

Preamble: Allocation of 31.5% of the administrative and general expenses to IGPC is in addition to directly allocated costs (insurance and costs related to the ongoing maintenance of the pipeline and station).

66. What is the basis for the 31.5% allocation of A&G expenses to IGPC?

RESPONSE

The allocation of Administrative and General expense responsibility to IGPC was quantified using the legacy methodology; specifically, the estimated Administrative and General expense of \$812.8k was prorated across eligible service classifications based on the revenue requirement responsibility, before assignment of Administrative and General responsibility, to each classification. The eligible service classifications are:

Gas Supply

Delivery Commodity

Delivery Demand

Weighted Customer Services

Weighted Customer Meters

Weighted Customer Billing

Unweighted Customer

Direct Assignment to IGPC

- 67. Does this amount include any costs related to property taxes other than the NRG office building?**

RESPONSE

The 2011 Test Year Administrative and General expenses does not include Property Tax other than for the building.

68. Does this amount include any costs related to existing vehicles?

RESPONSE

The 2011 Test Year Administrative and General expenses does not include any costs related to existing vehicles. This can be confirmed through an inspection of Exhibit G3, Tab 2, Schedule 1, Sheet 1.3 column Administrative and General, line 24 "Automotive".

69. Does this amount include any costs related to bad debt or collections?

RESPONSE

The 2011 Test Year Administrative and General expenses does not include any costs related to bad debts. This can be confirmed through an inspection of Exhibit G3, Tab 2, Schedule 1, Sheet 1.3 column Administrative and General, line 28 "Bad Debts".

- 70. Does this amount include any costs associated with the Statement of Claim issued by NRG against IGPC in the amount of approximately \$20,000,000.**

RESPONSE

No.

Reference: Exhibit G3, Tab 2, Schedule 1

Preamble: NRG has provided the results of its cost allocation study.

71. Please provide a “live” electronic copy of the cost allocation study (i.e. with functioning formulas).

RESPONSE

NRG declines to provide the live electronic copy. NRG’s cost allocation model is proprietary; paid for by NRG.

- 72. Please provide a table showing breakdown of OM&A, and Administration & General expenses allocated by account, to Rate 6 – IGPC.**

RESPONSE

The requested break down of OM&A expenses directly allocated to IGPC is provided at Exhibit G3, Tab 2, Schedule 1, Sheet 1.3 column “Direct Assignment”, lines 17 through 39. The requested break down of Administrative and General expenses to IGPC is provided in the attached Appendix.

1 **SHEET 1.3**

1

		A&G Assigned to IGPC
2		
3	<u>GAS SUPPLY &</u>	(11)
4	<u>TRANSPORTATION</u>	
5		
6	Firm Transportation	0.0
7	Union Gas Delivery	0.0
8	Union Gas Demand	0.0
9	Local Production - A	0.0
10	Local Production - B	0.0
11	Unacctd For Gas	0.0
12		
13	Total Gas Supply	0.0
14		
15	<u>O&M EXPENSES</u>	
16		
17	Wages and Benefits	207.6
18	Insurance	74.2
19	Utilities	2.9
20	Marketing/Promotion	0.0
21	Telephone	62.6
22	Office/Postage	0.0
23	R&M General	20.3
24	Automotive	0.0
25	Dues & Fees	39.6
26	Mapping Exps	0.0
27	Regulatory	121.7
28	Bad Debts	0.0
29	Office Rent	0.0
30	Sec Dep Interest	0.0
31	Bank Charges	16.3
32	Collection Exps	0.0
33	Travel & Ent.	3.8
34	Legal	54.4
35	Audit	18.3
36	Consulting	0.0
37	Management Fees	45.0
38	Demand Side Management	0.0
39	Miscellaneous	0.0
40		
41	Total O&M Costs	666.7

42 **SHEET 1.3 continued**

43

44

45

46

47

	A&G	A&G Assigned to IGPC
48		
49	(11)	
50 CAPITALIZED EXPENSES		
51		
52 Wages	0.0	0.0
53 Equipment	0.0	0.0
54		
55 Total Capitalized Expenses	0.0	0.0
56		
57 Net O&M Costs	666.7	210.0
58		
59 Capital Taxes	0.0	0.0
60 Property Taxes	5.0	1.6
61 Net Depreciation Expense	114.5	36.1
62		
63 Total Expenses	786.1	247.6
64		
65 Net Def Acct Disp.	0.0	0.0
66 Return on Rate Base	23.6	7.4
67 Income Taxes	3.1	1.0
68		
69 REVENUE REQUIREMENT	812.8	256.0
70		

IRP (“INCENTIVE RATE PLAN”) AND RATE DESIGN

Reference: Exhibit H1, Tab 1, Schedule 2 and Exhibit A1, Tab 1, Schedule 2, paragraph 3(b)

Preamble: NRG has requested an increase of 1.5% over the term of the IRP as part of the Application.

73. What costs are subject to escalation during the term of the IRP? Please identify these costs and the anticipated escalation by completing the table below.

Rate Class	Cost Category	Anticipated Escalation %
Rate 1		
Rate 2		
Rate 3		
Rate 4		
Rate 5		
Rate 6		

RESPONSE

The proposed IRP Plan does not involve cost escalations. Rather it is NRG’s rates that are escalated by 1.5%. NRG must manage its total costs within the resulting revenue “envelope”, recognizing that total revenue will depend on both actual throughput and the rates resulting from the IRM formula.

NRG has not prepared budgets or costs projections by cost category for the years beyond the test year; however, it is recognized that all categories of cost can be expected to change in the years after the test year and that, in general, all categories of costs are subject to upward cost pressures.

Reference: Exhibit H1, Tab 1, Schedule 2

Preamble: It appears that NRG's revenue will be based upon the rate base at the start of the IRP and that the ultimate rate will be escalated by the 1.5% factor. However, it appears in the table Exhibit H1, Tab 1, Schedule 2, Attachment, that the rate increase applies only to residential customers.

74. Please confirm which rate classes will be subject to the annual increase.

RESPONSE

All customer classes will be subject to the proposed annual IRM increases of 1.5% per year und the proposed formula.

The NRG proposal parallels the Union proposal, although it is a simplified version. The Union IRM price cap index applies to all classes.

75. What is NRG's expectation of how capital expenditures will compare with depreciation over the period it proposes that the incentive rate plan ("IRP") will be in effect? Please distinguish by customer classification, including specifically IGPC, to the extent possible.

RESPONSE

Please see the response to IGPC IR 73.

NRG has not prepared a capital budget for years after the Test Year. Without projected capital expenditures, depreciation in the years after the test year cannot be determined.

76. What is the amount of rate base associated with IGPC for each of the years during the IRP? Please complete the following table.

Year	Rate Base Amount (Rate 6)	Depreciated Cost of Pipeline
2010		
2011		
2012		
2013		
2014		

RESPONSE

Please see the responses to IGPC IR 73 and IR 75.

The current proceeding addresses rate base, revenue requirement and other financial information for the 2011 test year. The rate base in subsequent years is not being addressed in this proceeding and has not been projected by NRG.

- 77. Does NRG expect to make any capital expenditures during the IRP related to the IGPC pipeline? If so, please describe the expenditure, amount and timing?**

RESPONSE

Yes. In order to make the pipeline pigable, NRG expects to expend \$102,000 on the pipeline during the IRP period. The \$102,000 is based on a quote from MIG Engineering.

Reference: Exhibit H1, Tab 1, Schedule 1

Preamble: NRG has a number of agreements with IGPC to ensure a minimum revenue for NRG which protects other ratepayers from a potential decrease in the volume consumed by IGPC.

78. Does NRG consider the arrangements with IGPC to be a “take or pay” arrangement?

RESPONSE

The arrangements are provided in the response to IGPC IR 12.

- 79. Given that IGPC is the only Rate 6 customer, please comment on the effect on NRG's annual volumetric revenue risk of having Rate 6 designed as fixed charge only, with no volumetric component.**

RESPONSE

Assuming that Rate 6 is charged a fixed charge only with no volumetric component then NRG's proportion of the 2011 Test Year revenue requirement recovered through variable rates will be 52%, versus the 73% computed in response to VECC IR 53. The 2011 Test Year revenue requirement recovered through variable rates is expected to be \$2,834k versus the \$2,745k of revenue recovered through variable rates in 2007. The modest increase in variable rate revenue, under this scenario, is not expected to contribute to increased volumetric risk.

80. Would NRG be willing to consider such a rate design for Rate 6? Why or why not?

RESPONSE

NRG is open to alternative rate designs provided that NRG is appropriately compensated for the risks incurred and that NRG will not incur unusual conditions when accessing capital. NRG would seek assurance that the nature of service to be provided would not change materially during the operation of the IR Plan.

81. Would NRG consider a fixed rate for all costs other than the embedded M9 Union Gas costs? Why or why not?

NRG is open to considering alternative rate designs provided that NRG is appropriately compensated for the risks incurred and that NRG will not incur unusual conditions when accessing capital.