

October 13, 2016

Attention: Creditors of Coil Works Inc.

To whom it may concern:

Re: Meeting of Creditors to consider the Proposal of Coil Works Inc. ("Coil Works")

As you are aware, Coil Works filed a Proposal to its creditors on September 27, 2016, and scheduled a meeting of the creditors (the "Creditors' Meeting") to be held on **Monday, October 17, 2016 at 10:45 a.m. MDT** to consider Coil Works' Proposal.

The Trustee has previously provided various documents relating to the Proposal including a Statement of Affairs which set out categorized creditors' claims which had been estimated based on the Company's records. After further review of the estimated claims and discussions with the Company, it was determined that there were some errors in calculating the Preferred Claim amounts (as defined in the Proposal). Therefore, we have prepared and enclosed herein a draft amended Statement of Affairs which illustrates the revised calculations. Note: the Statement of Affairs has **not** been updated to reflect claims which have been submitted at amounts differing from the Company's records, as such claims continue to be reviewed.

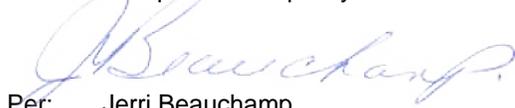
The effect of the amended calculations is as follows:

- Certain former employees' Claim amounts have been reclassified from Ordinary Unsecured Claims (as defined in the Proposal) to Preferred Claims. The overall effect is to increase the total estimated Preferred Claims, which are to be paid in full pursuant to the Proposal, while decreasing the total estimated Ordinary Unsecured Claims accordingly.
- There have been **no** changes to the Proposal terms. For clarity, the maximum Ordinary Unsecured Creditors' Fund amount (defined in the Proposal as being \$215,000) has not been reduced despite the fact that the total estimated Ordinary Unsecured Claims are reduced. While, according to the Proposal terms, Ordinary Unsecured Creditors will still receive a maximum of 7% recovery, the reduction in overall estimated Ordinary Unsecured Claims creates a buffer in the maximum fund amount, resulting in less chance of recovery being less than 7% as a result of Ordinary Unsecured Claims which may be proven at amounts greater than those estimated in the Statement of Affairs.

Therefore, the Trustee is of the view that the recalculations described above increase the attractiveness of the Proposal for both Preferred Creditors and Ordinary Unsecured Creditors.

If you have not yet submitted a claim and/or a voting letter, please accept this reminder that you must do so prior to the Creditors' Meeting in order to vote on the Proposal. Copies of all relevant documents can be located by accessing the following website: <http://relieffromdebt.ca/coil-works-inc/>

Yours truly,
Hardie & Kelly Inc., in our capacity
as Trustee of the Proposal of Coil Works Inc.
and not in its personal capacity.



Per: Jerri Beauchamp
Manager