

Affidavit of: Barry Watson
Sworn: November ____, 2009

Action No.: 0901-15051

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF BRUTE FORCE OIL FIELD HAULING INC.

AFFIDAVIT

(Re Stay Extension Application and GCNA Application)

I, Barry Watson, of the City of Portage la Prairie, in the Province of Manitoba, **MAKE OATH AND SAY THAT:**

1. I am the Chief Financial Officer of Brute Force Oil Field Hauling Inc. (the "**Applicant**") and as such have personal knowledge of the matters herein deposed to, except where stated to be based on information, in which case I believe the same to be true.
2. Capitalized terms not otherwise defined in this Affidavit shall have the meanings ascribed to them in the Affidavit I swore in the within proceedings on November 10, 2009 (the "**November 10 Affidavit**"). This Affidavit supplements my November 10 Affidavit.
3. On November 13, 2009, the Honourable Madam Justice K.M. Eidsvik issued an Order (the "**November 13 Order**") which, *inter alia*, extended the stay of proceedings granted pursuant to the Initial Order up to and including November 20, 2009. On this application the Applicant seeks the relief set out in the Notice of Motion, dated November 19, 2009 (the "**Notice of Motion**").

Stay Extension Application

4. Attached and marked as Exhibit "A" is a copy of the December Cash Flow Forecast, which has been updated to account for developments since the issuance of the November 13 Order (the "**Updated December Cash Flow Forecast**"). The Updated December Cash Flow Forecast has been updated to reflect that:
 - (a) The Applicant has collected approximately \$0.700 million in receivables since the issuance of the November 13 Order;

- (b) The Applicant has reduced its projected lienable payable payments by approximately \$0.285 million over the December Projection Period.
5. The Updated December Cash Flow Forecast projects that the Applicant will:
- (a) Collect approximately \$3.973 million in receivables during the December Projection Period;
 - (b) Generate approximately \$2.284 million in new accounts over the December Projection Period; and
 - (c) Complete the same two construction projects over the December Projection Period as was forecast in the November 10 Affidavit.
6. Based on the Updated December Cash Flow Forecast, the Applicant projects that it will have reduced its operating line of credit with the TD Bank from approximately \$3.0 million to approximately \$1.065 million by the end of the December Projection Period.

The Newell Project

7. As indicated in the November 10 Affidavit, the Applicant is currently working on the Newell Project pursuant to an agreement between the Applicant and Newell (the "**Newell Contract**").
8. On November 13, 2009, an entity affiliated with the Corix Group of Companies ("**Corix**") filed a builders' lien (the "**Lien**") against the lands upon which the Newell Project is located (the "**Newell Project Lands**"). Corix is a sub-contractor of the Applicant on the Newell Project.
9. The Applicant has had discussions with Newell and understands that Newell wishes to have the Lien discharged from the Newell Project Lands by posting security in an amount equal to ten percent of the value of the work actually done and materials actually furnished by the Applicant pursuant to the Newell Contract, plus an amount for security for costs (the "**Lien Fund**"). The Applicant is accordingly seeking this relief in the Notice of Motion.

The GCNA Motion

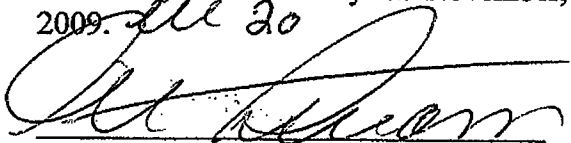
10. I am advised by Terry Evenson, the President and Chief Executive Officer of the Applicant, that the Slave Lake CSP was not issued by the Applicant or by any sub-contractor of the Applicant on the Slave Lake Project, and that the Slave Lake CSP was issued by Slave Lake.
11. I am advised by Mr. Evenson that the Saddle Hills CSP was not issued by the Applicant or by any sub-contractor of the Applicant on the Saddle Hills Project, and that the Saddle Hills CSP was issued by Saddle Hills.
12. Since the application on November 13, 2009, the Applicant has attempted to work with GCNA to meet certain requests made by GCNA. The work by the Applicant, which is summarized as follows, has been extensive:
 - (a) I have spent approximately 30 hours compiling various information and records to respond to the requests made by GCNA;
 - (b) I am advised by Walker W. MacLeod of Osler Hoskin & Harcourt LLP (“Osler”) that Osler has sent a total of twenty email messages (the “BLG E-Mails”) to Borden Ladner Gervais LLP (“BLG”). The BLG E-Mails contain numerous documents that relate to the GCNA Bonded Projects, including contracts, accounts payable records, account receivable records, invoicing records, project meeting minutes, contract change orders, and other records that relate to the GCNA Bonded Projects;
 - (c) I am advised by Terry Evenson, the President and Chief Executive Officer of the Applicant, that he has spent approximately 36 hours compiling various information to respond to the requests made by GCNA. In addition, I am advised by Mr. Evenson that he had two staff members of the Applicant work over the weekend to compile information to respond to the requests made by GCNA. The staff members worked approximately 71 hours compiling various information to respond to requests made by GCNA.

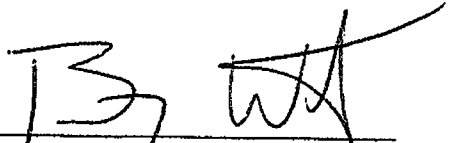
13. Despite the extensive efforts made by the Applicant, the Applicant has been unable to resolve the issues with GCNA.

Conclusion

14. Based on the foregoing, I believe that the Applicant has acted and is acting in good faith and with due diligence.

SWORN BEFORE ME at the City of)
PORTAGE in the Province of)
Manitoba, this 19th day of November,)
2009. 11 20)


A Notary Public in and for the Province)
of Manitoba)



Barry Watson

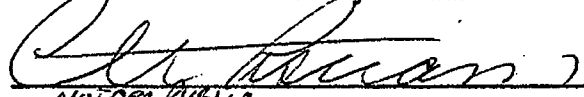
Brute Force Oil Field Hauling Inc.
Projected Cash-Flow Statement
for the period November 16, 2009 - December 20, 2009
(not 1)

	Notes	22-Nov-09	29-Nov-09	6-Dec-09	13-Dec-09	20-Dec-09	TOTAL
RECEIPTS							
Collection of accounts receivable	2	709,028	319,745	691,065	1,565,829	688,238	3,973,905
Lienable Payable Payments	2b	(57,888)	(99,682)	(51,000)	(3,391)	(73,051)	(285,013)
Subtotal		651,140	220,063	640,065	1,562,438	615,187	3,688,892
DISBURSEMENTS							
Gross payroll & benefits	3	-	(211,258)	(6,196)	(253,758)	-	(471,212)
Subcontract personnel	4	(63,631)	(50,000)	-	(35,000)	-	(148,631)
Fuel	5	(64,675)	(43,750)	(45,625)	(45,625)	(26,875)	(226,550)
Utilities	5	-	(7,000)	-	-	-	(7,000)
Repairs and maintenance	5	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(37,500)
Employee subsistence	5	(20,799)	(20,000)	-	(20,000)	-	(60,799)
Insurance	5a	-	-	(85,000)	(20,000)	-	(105,000)
Shop rental	5b	-	(12,761)	(3,582)	-	-	(16,343)
Overhead/general and administrative	5	(8,365)	(8,365)	(8,365)	(8,365)	(8,365)	(41,825)
Live Out Costs	5	(16,500)	(15,000)	(15,000)	(15,000)	-	(61,500)
Equipment Leases	6	-	-	(22,500)	(22,500)	(22,500)	(67,500)
Principal and interest - TD	6b	(10,000)	-	-	-	-	(10,000)
GST	7	-	(30,000)	-	-	-	(30,000)
Critical Supplier/Subcontractor Trades	8	(108,134)	(47,500)	(82,500)	(157,500)	(7,500)	(403,134)
Restructuring costs	9	(61,645)	(60,000)	(35,000)	(35,000)	(35,000)	(226,645)
Subtotal		(361,249)	(513,134)	(311,268)	(620,248)	(107,740)	(1,913,639)
NET CASH FLOW		289,891	(293,071)	328,797	942,190	507,447	1,775,253
OPENING - LINE OF CREDIT	10	(2,841,109)	(2,551,218)	(2,844,290)	(2,515,493)	(1,573,303)	(2,841,109)
CLOSING - LINE OF CREDIT	10	(2,551,218)	(2,844,290)	(2,515,493)	(1,573,303)	(1,065,856)	(1,065,856)
New Receivables Generated	11	345,938	345,938	415,628	415,628	415,628	2,284,698

Notes:

- 1 The purpose of this cash-flow statement is to determine the Company's estimated cash requirements over the forecast period
- 2 Collection of existing accounts receivable have been forecasted based on Management's best estimates, taking into consideration the customer payment history, the nature of the services provided and the current economic climate. It is assumed that a form of protocol will be established for the collection of accounts receivable where liens may exist.
- 2b Lienable Payable Payments are those payments contemplated having to be made to accounts payable where management believes the vendor may have valid lien rights.
- 3 Gross payroll is funded through Ceridiam on a bi-weekly basis.
- 4 Ongoing payments to subcontract personnel.
- 5 Based on Management's estimate of the scope of operations during the forecast period.
- 5a Insurance Payments based on Management best estimate of costs in light of ongoing negotiations.
- 5b Shop rent is monthly financing payments made on behalf of related company who is the landlord.
- 6 Assumed by the end of November the company will have determined on a "go forward" basis the equipment requirements and associated leases.
- 6b Assumed payment of the DIP Fee (\$10,000). All other interest and fees will continue to accrue but that payments of principal, interest and fees will be deferred during the forecast period.
- 7 Payment of GST accrued on a go forward basis.
- 8 Critical Supplier Payments are those ongoing post-filing payments made to accounts payable suppliers/service providers where they provide supplies or services that cannot be purchased elsewhere or are critical to the business continuing to operate.
- 9 Includes the fees and expenses of the Company's legal counsel, the Monitor and the Monitor's legal counsel.
- 10 It is assumed the Company will continue to have access to its existing line of credit during the proceedings.
- 11 New receivables will be generated throughout the course of the forecast period and have been assumed to be generated evenly throughout the month. (Note: Weeks ending Nov 8, 2009 and Nov 15, 2009, not included in cash flow, would generate an additional \$681,250 in new receivables under this assumption).
- 12 The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections. All such assumptions are disclosed in Notes 2 - 11.
- 13 Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
- 14 The projections have been prepared solely for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-11. Consequently, readers are cautioned that it may not be appropriate for other purposes.

This is Exhibit "A" referred to in the annexed Affidavit of BARRY WATSON sworn before me this 20 day of NOV 2009.


A Commissioner for Oaths in and for the Province of Manitoba.
My commission expires _____.

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