

January 8, 2010

TO: ALL CREDITORS OF BUDGET WASTE INC.

Re: Plan of Arrangement (the "Plan") of Budget Waste Inc. (the "Company")

Pursuant to an Order of the Alberta Court of Queen's Bench, Judicial District of Calgary (the "**Court**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") dated December 23, 2009, Hardie & Kelly Inc., as Court-appointed Monitor of the Company (the "**Monitor**") was directed to mail the Plan and notice of meeting and proxy to unsecured creditors to all known creditors of the Company.

At the December 23, 2009 application, the Monitor's counsel advised the Court that the auction by Ritchie Bros. Auctioneers scheduled for January had been cancelled and would result in some changes to the Solicitor Trust Account Detail attached as Appendix C to the Ninth Report of the Monitor dated December 22, 2009. Since the December 23, 2009 application, the Monitor has been further advised that Ritchie Bros. Auctioneers have also cancelled the February 2010 auction and that the DIP lender to the Company requires repayment in full of the DIP funds advanced to the Company in February 2010, rather than August 2010 and September 2010 as had been projected. Both of these factors will require additional changes to the Solicitor Trust Account Detail. We are working with the Company to get these changes to the creditors well in advance of the meeting scheduled for January 29, 2010. We anticipate that the required changes may affect timing of payments set out in the Plan and, as a result, may require changes to the Plan in that regard.

In granting the December 23, 2009 Order, Justice LoVecchio expressed some concern with respect to the option for unsecured creditors to take shares of the parent company of BWI, BWI Holdings Inc. ("BWIH"). Specifically, the Court's concern was that **no creditor construes the Court's approval to mail the Plan as in any way approving or opining on whether the issuance of stock in BWIH is possible, appropriate, or within the jurisdiction of the Court.** Particularly, any creditor considering taking shares in BWIH in lieu of a distribution from the fund for unsecured **creditors would be advised to consult with United States counsel** as to risks associated with the proposed issuance and whether such issuance is in compliance with applicable United States securities laws.

If you have any questions or concerns, please do not hesitate to contact Gary Bobroff at (403) 252-1766.

Yours truly,

Hardie & Kelly Inc., in its capacity
as Monitor of Budget Waste Inc.
and not in its personal capacity

Per:


A. Ronald Hardie, CA•CIRP
President