



Merchant Banking

Nova Bancorp's merchant banking investments included the following companies:

Maple Leaf Royalties Corp.

In January 2007 Nova Bancorp and its partners completed a restructuring transaction with 1532497 Ontario Inc. (formerly Cogency Semiconductor Inc.) In 2014 the company completed a merger with a management team and Maple Leaf. In 2015 Maple Leaf was acquired by Eagle Energy Trust. Rick Wlodarczak was an officer and director until 2014. Maple Leaf was listed on the TSX-V as MPL.

Pace Oil & Gas Ltd.

In 2010 Nova Bancorp purchased an interest in Pace, a Calgary based oil & gas company. In 2013 Pace announced a business combination which Nova Bancorp opposed. Under an ASC exemption, it solicited proxies from other shareholders. Pace twice delayed the vote, made changes to management, altered its dividend policy and conducted a second sale process. The merger was ultimately approved creating Spyglass Resources Corp. It was delisted from the TSX in 2015.

Culane Energy Corp.

In 2010 Nova Bancorp purchased an interest in Culane, a Calgary based oil & gas company. By year end Nova Bancorp disagreed with management's plan for the company. It solicited the support of the company's largest shareholder who was also known to be dissatisfied with management. Change was already underway. The board put the company up for sale. In June 2011 Culane was sold to a private company.

Grey Wolf Exploration Inc.

In 2008 Nova Bancorp and its partners purchased an interest in Grey Wolf, a Calgary based oil & gas company. In 2009 Nova Bancorp disagreed with management's plan for the company. It solicited the support of other shareholders. The board was forced into a business combination with Insignia Energy. The company was taken private by Brookfield in 2013.

Novus Energy Inc.

In July 2006 Nova Bancorp purchased an initial interest in Novus, (formerly Regal Energy Ltd.), a Calgary based oil & gas company. In 2009 the company completed a recapitalization transaction with a new management team. Harry Knutson was a director of the company. Novus was sold to Yanchang Petroleum in 2013.

Crocotta Energy Inc.

In August 2005 Nova Bancorp and its partners completed a restructuring transaction with Donner Minerals Ltd., a Vancouver based mining company. In November 2006 the company completed a transaction with an experienced oil & gas management team from Calgary. This new team participated in a \$22 million private placement and changed the name of the company to Crocotta. It was sold to Long Run in 2014.

Drilcorp Energy Ltd.

In 2004 Nova Bancorp purchased an interest in Drilcorp, a Calgary based oil & gas company. In 2005 Nova Bancorp disagreed with management's plan for the company. It solicited the support of other shareholders and engaged the board of directors. A new board was eventually elected including Harry Knutson and Rick Wlodarczak. In June 2006 Drilcorp was acquired by Twin Butte Energy Ltd. (see below).

Canadian Overseas Petroleum Limited

In 2004 Nova Bancorp established Canadian Overseas (originally Aureus Ventures Inc.) as a Capital Pool Company. The company initially raised \$2 million. In 2006 a new oil & gas business was established in Calgary. Canadian Overseas is now active exclusively in the North Sea. In 2010 it raised more than \$130 million. The company's shares are listed on the TSX-V as XOP.

Twin Butte Energy Ltd.

In 2004 Nova Bancorp and its partners completed a restructuring transaction with AltaRex a biotechnology company based in Edmonton. In December 2005 Twin Butte completed a financing transaction with a new management team. In April 2006 Twin Butte acquired Drilcorp Energy Ltd. (see above). The company's shares are listed on the TSX as TBE.

Pure Energy Services Ltd.

In 2003 a Nova Bancorp affiliate completed a restructuring transaction with Mobile Computing Corporation, a wireless data communications company based in Toronto. In 2006 the company completed the acquisition of Canadian Sub-Surface Energy Services Inc., a Calgary based energy services company. In 2009 the company completed a business combination with Pure Energy Ltd. In 2012 Pure was acquired by FMC Technologies, Inc.

Global Cogenix Industrial Corporation

In early 2003 Nova Bancorp made an investment in Cogenix, a Vancouver based alternative energy company. Cogenix was developing a 20 MW hydroelectric project near Boston Bar, BC. Before the end of 2003 Nova Bancorp was in disagreement with the company's development plan. The project was eventually sold to Taylor NGL Limited Partnership.

Greenbelt Renewable Energy Inc.

In 2001 Nova Bancorp made an investment in Greenbelt, a Vancouver based alternative energy company. Greenbelt was developing a 27 MW biomass plant near Prince George, BC. TransAlta owned 40%. In 2003 the project was wound up when management was unable to negotiate an acceptable fuel supply agreement. Rick Wlodarczak was a director of the company.

StrategicNova Inc.

From 1998 to 2002 Nova Bancorp's largest investment was StrategicNova, a mutual fund company based in Montreal. Its partner was the Caisse de dépôt. The company had 250 employees in 5 offices across Canada. Harry Knutson and Jack Muir relocated to Montreal and ran the business full time. In October 2002 StrategicNova's assets under management were \$2.1 billion when it merged with Dundee Wealth Management.

Bonavista Energy Corporation

In 1996 Nova Bancorp and its partners completed the reverse takeover of Ascentex Energy Inc., a Calgary oil & gas company. It had assets of \$24 million and a market capitalization of \$8 million. In 1997 Bonavista (formerly Ascentex) recruited new management. This team has built one of the most successful oil & gas companies in Canada. Harry Knutson has been a director since 1996. The company's shares are listed on the TSX as BNP.

Monarch Entertainment Corporation.

In 1992 Nova Bancorp and its partner established Monarch, a film financing and production services company. Monarch and its advisors developed sophisticated tax-effective structures for the Canadian tax shelter market. From 1993 to 1997 Monarch raised approximately \$280 million in limited partnership financings for feature films and television.

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Vecwest Properties Ltd.

In 1990 Nova Bancorp and its partner established Vecwest, a real estate investment, development and management company. From 1990 to 1994 Vecwest raised approximately \$45 million in limited partnership financings and acquired \$150 million in real estate assets, mostly in the U.S. southwest. In 1996 most of Vecwest was sold to Anthem Properties Ltd.

CanOcean Group.

In 1988 Nova Bancorp and its partners acquired DWS Deep Water Services Ltd., an affiliate of the COMEX Group based in Marseilles, France. For 10 years CanOcean Group (formerly DWS) was active in numerous marine engineering and services businesses. In 1998 CanOcean and Louis Dreyfus Group formed LDCOM Networks (now NEUF TELECOM) which became one of France's leading alternative telecom and internet services provider.

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