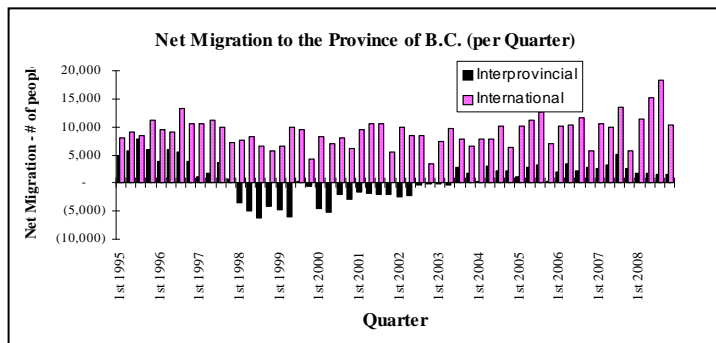


LOCATIONAL DATA

BRITISH COLUMBIA ECONOMIC OVERVIEW

The data provided below describes the general condition of the British Columbia economy at this time. The statistics used are the latest data available on each segment of the economy as at September 15, 2009.



British Columbia is the westernmost province in Canada, strategically situated on the Pacific Rim, comprising 13% of Canada's total population and 10% of Canada's total land area. After Ontario and Quebec, it is the third most populous province, with 4,435,344 residents as of April 1, 2009. In 2008, B.C.'s total population increased 73,773 persons, up 1.7% from 2007. The net international migration to B.C. in all of 2008 was

positive, at approximately 55,109. The net international migration in the fourth quarter 2008 was 10,255, an increase from 4,003 in the same period in 2007. Population changes through net inter-provincial migration, which were negative during the late 1990s and the early years of this decade, have returned to a more traditional pattern as shown on the migration chart. The net inter-provincial migration to B.C. for 2008 was positive, at approximately 6,450. New residents to the province are attracted by the temperate climate, ample recreational opportunities, strong economy and opportunities for employment. In 2009, migration to B.C. is expected to remain positive, although at lower figures.

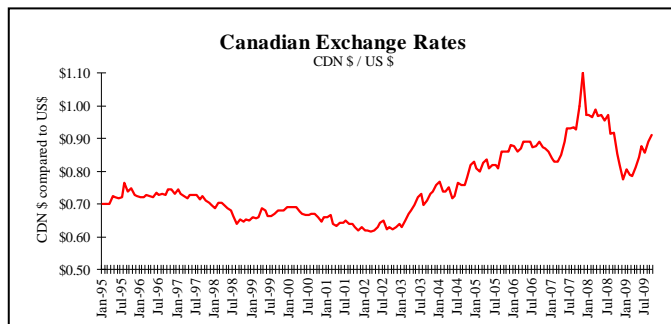
The City of Vancouver and Whistler are hosting the 2010 Winter Olympics. Certain events and the media centre will be based in Vancouver. The expansion of the Vancouver International Airport is nearly complete and the Vancouver Convention Exhibition Centre opened in April, 2009. Most Olympic venues, such as the Richmond Speed Skating Oval and the Whistler Sliding Centre, are now complete. The Athletes Village is anticipated to be complete in November, 2009. To accommodate the increased traffic between Vancouver and Whistler, upgrades are being performed on the Sea-to-Sky Highway to improve the flow of traffic and is expected to be completed in the Fall of 2009.

Many of B.C.'s industries are particularly sensitive to the state of the U.S. economy and to the value of the Canadian dollar, which, as of September 15, 2009, was at \$0.911 against the U.S. dollar. B.C.'s Consumer Price Index, for July, 2009 was 112.4%, a year-over-year inflation rate of -1.8% from July, 2008. As of September 15, 2009, the Bank of Canada rate was 0.25%, the Royal Bank of Canada prime rate was 2.25% and the five-year closed mortgage rate was 5.49%.

The composition of the B.C. economy has undergone considerable change. B.C.'s manufacturing is diversifying from its traditional role in the primary industries to more high tech industries involving computers and telecommunication. Nearly 79% of employed British Columbians work in the service sector, including 16% in trade and 10% in health and social services. During the early and mid-

1990s, B.C. was able to maintain employment levels consistently higher than the national average. This relationship was reversed during the early part of the decade, but has since returned to the earlier trend. The provincial unemployment rate of 7.8% as of August, 2009 is lower than the national rate of 8.7%.

Tourism is a major component of the B.C. economy. The tourism sector faced challenges in 2008 as the global economic downturn effects spread. Room revenues, \$1.97 billion (up 0.6%) and visitor entries (down 8.9%) were comparatively weak in 2008. Visits from the U.S. have continued downward since the peak in 2000. In recent years, number of overseas visitors has helped compensate the lower U.S. travellers but overseas visits declined 0.1% in 2008. Room revenue for April, 2009 is approximately \$116.5 million. The outlook for 2009 is that the tourism sector will continue to be negatively affected by the global economic downturn but offset by the opening of the Vancouver Convention & Exhibition Centre, with 180 events booked and the upcoming 2010 Winter Olympics. The cruise ship sector remains a valuable component of the local tourism industry. For 2008, there were 854,493 revenue passengers, representing a decrease of 11% from 2007. Visit from passengers will continue to drop in 2009 as several major cruise lines have announced they would no longer be stopping in Vancouver.

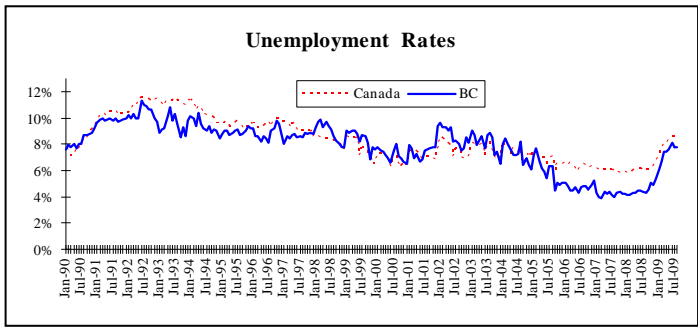


The economy of British Columbia is still based largely on exports. British Columbia is more diversified than the nation as an exporter. B.C.'s location on the west coast of the country means that the province is a port of entry and exit for goods coming to or from parts of Canada. While Canada sent some 77.8% of its exports to the U.S. in 2008, only 52.2% of British Columbia's exports went to the U.S. After the U.S., the largest destinations for provincial exports

were the Pacific Rim and Europe. Japan is the second largest country destination, receiving 15.0% of provincial exports in 2008. The total value of B.C. export to all countries for July, 2009 was \$2.198 billion, of which \$1.075 billion was exported to the U.S. Year-to-date, B.C. exports are down -21.73% during the same period last year. Port Metro Vancouver handled 115 million tonnes of cargo in 2008, down 10% from the previous year's 128 million tonnes.

Retail sales are another good indicator of economic performance. The value of B.C. retail sales in June, 2009 was \$4.416 billion, an 8.84% decrease from June, 2008. Retail sales in B.C. for 2008 totalled approximately \$56.65 billion.

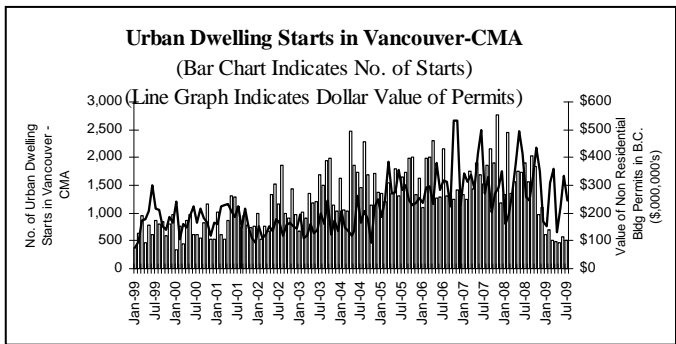
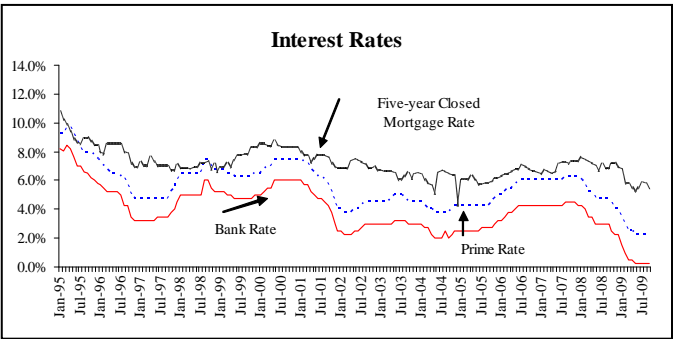
In July, 2009, housing starts in the Vancouver C.M.A. were 517 units, a 73% decrease from the July, 2008 figure of 1,904 units. In 2008, the total housing starts in Vancouver C.M.A. were 19,591, a 5.5% decrease from the 2007 total of 20,736 starts. 2008's housing starts have been greatly affected by the economic slowdown. Up until July, 2008, housing starts were up 11.2% over the same period in 2007. However, from August to December, 2008, housing starts were down 23.9% from the same period in 2007. An increasingly large share of housing starts in the Vancouver C.M.A are multiple-unit developments. High building and land costs have contributed to this shift towards higher density housing.



Residential investment, a strong performer for most of the current growth cycle, is declining and will subtract from the growth in 2009 and 2010. There will be less new housing construction in response to the change in housing market conditions and will pull down the GDP growth. Residential construction is forecast to decline by 3.5% in 2009, which will cause the first drop in construction output and employment in several years.

In July, 2009, the total monthly non-residential building permit value for B.C. was approximately \$244.8 million, a decrease of 5.7% from the same period last year. The 2008 annual value of \$3.72 billion was down 5.95% from the 2007 annual value of \$3.94 billion.

In the past year, the weakening global economy, coupled with the escalation of the financial crisis, has caused British Columbia's economic forecast to be constrained through the next several years and points to a weaker B.C. economy. Earlier in 2009, there have been several bail out scenarios for large multi-national corporations in the United States and abroad. Economists predict that the provincial economy is downshifting to a low rate of growth for the next two years. Forestry and related industries will face another tough year in 2009, following one of the worst years on record in 2008. In late March, 2009, the B.C. Government has pledged to spend almost \$800 million on more than 113 infrastructure projects (such as schools, correctional centres and projects for children and family development) across the province, to assist in maintaining job employment and to take advantage of lower construction costs.



Sources: Statistics Canada, Statistics B.C., Royal Bank of Canada, C.M.H.C., Port of Vancouver, Tourism British Columbia, Vancouver 2010 Bid Corporation.