

COURT NO. 25-093734

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

IN BANKRUPTCY

**IN THE MATTER OF THE RECEIVERSHIP OF
PREMIERE MANUFACTURING LTD.**

RECEIVER'S FIRST REPORT TO THE COURT

JANUARY 8, 2009

District of Alberta
Division No: 02-Calgary
Court No: 25-093734
Estate No: 25-093734



MEYERS NORRIS PENNY LIMITED

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

**IN THE MATTER OF THE RECEIVERSHIP OF
PREMIERE MANUFACTURING LTD.**

RECEIVER'S FIRST REPORT TO THE COURT

INTRODUCTION AND PURPOSE OF REPORT

1. Premiere Manufacturing Ltd. ("Premiere"), by way of its predecessors, has been operating since 1986. Premiere manufactures, distributes, sells and repairs tri-cone rock bits and poly-crystalline diamond compact rock bits throughout Western Canada for use in the oil and gas and mining industries. Premiere's head office is located in Taber, Alberta.
2. Premiere filed a Notice of Intention to Make a Proposal on October 27, 2008 and Meyers Norris Penny Limited consented to act as Trustee.
3. Pursuant to an Order of the Court of Queen's Bench of Alberta granted December 4, 2008, Meyers Norris Penny Limited was appointed as Interim Receiver (the "Receiver") of all of the current and future assets, undertakings and property of Premiere (the "Property").
4. The purpose of this report is to provide an update to the Court of the Receiver's marketing and sales process to solicit offers for the purchase of the Property.

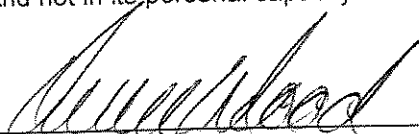
MARKETING AND SALES PROCESS

5. The Receiver commenced its marketing program to solicit offers for the purchase of the Property on or about December 15, 2008.
6. The Receiver prepared the Invitation for Offers to Purchase, a copy of which is attached hereto as Exhibit A.
7. To date, the Receiver has distributed the Invitation for Offers to Purchase to 23 prospective purchasers that had expressed an interest in part or all of the Property who had been identified by a review of the Receiver's internal resources and a list provided by Premiere's management including those parties identified at paragraph 41(c) of Rick Souther's November 20, 2008 Affidavit.
8. The Receiver placed advertisements in the Calgary Herald on December 19 and 20, 2008 and the Lethbridge Herald on December 20 and 22, 2008. A copy of the advertisement is attached hereto as Exhibit B.

9. The Receiver posted a notice of sale on the Receiver's website. A copy of the notice is attached hereto as Exhibit C.
10. The Receiver contacted all of the prospective purchasers via telephone to ensure that the prospective purchasers had received the Invitation for Offers to Purchase and to answer any questions with respect to the sales process.
11. The Receiver has made arrangements to provide access to the Property to prospective purchasers who have made requests to view the Property.
12. The terms and conditions of sale attached to the Invitation for Offers to Purchase require prospective purchasers to submit offers to the Receiver by 2:00 pm MST on Monday, January 12, 2009.

Respectfully submitted this 8th day of January, 2009.

Meyers Norris Penny Limited
In its capacity as Interim Receiver of
Premiere Manufacturing Ltd.
And not in its personal capacity



Verne Wood, CA • CIRP
Senior Vice President

Court No. 25-093734

A.D. 2009

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

IN THE MATTER OF THE
RECEIVERSHIP OF
PREMIERE MANUFACTURING LTD.

RECEIVER'S FIRST REPORT
TO THE COURT

McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Suite 3300, 421 – 7th Avenue S.W.
Calgary, Alberta
T2P 4K9

Sean F. Collins
Phone: (403) 260-3531
Fax: (403) 260-3501
File No.: 205805-409257

