



Winnipeg MB R3C 3M2

MAR 01 2011

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SIGNALENERGY INC  
PO BOX 1917 STN M  
CALGARY AB T2P 2M2

Date of mailing February 25, 2011
Business Number 89853 7295 RC0002
Tax year-end December 31, 2006

0010472

### CORPORATION NOTICE OF ASSESSMENT

#### RESULTS

This notice explains the results of our assessment of the "T2 Corporation Income Tax Return" for the tax year indicated above. It also explains any changes we may have made to the return.

Result of this Assessment : \$ 17,174,770.12

Please refer to the Summary and Explanation for additional information.

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SIGNALENERGY INC

Date of mailing	February 25, 2011
Business Number	89853 7295 RC0002
Tax year-end	December 31, 2006

**CORPORATION NOTICE OF ASSESSMENT**

**SUMMARY OF ASSESSMENT**

	\$ Reported	\$ Assessed
<b>Federal Tax:</b>		
Part I	0.00	10,558,089.00
Part I.3	0.00	0.00
Part II	0.00	0.00
Part III.1	0.00	0.00
Part IV	0.00	0.00
Part IV.1	0.00	0.00
Part VI	0.00	0.00
Part VI.1	0.00	0.00
Part XIII.1	0.00	0.00
Part XIV	0.00	0.00
		=====
<b>Total Federal Tax:</b>		<b>\$ 10,558,089.00</b>
<b>Net Provincial and Territorial Tax/Credit:</b>		
British Columbia	49,495.00	765,285.00
		=====
<b>Total Net Provincial and Territorial Tax/Credit:</b>		<b>\$ 765,285.00</b>
		=====
	<b>Net balance:</b>	<b>\$ 11,323,374.00</b>
<b>Penalties:</b>		
Subsection 162(1) failure to file penalty		1,924,973.58
<b>Interest:</b>		
Instalment interest		32,156.71
Instalment penalty		12,058.77
Arrears interest		3,882,207.06
		=====
<b>Result of this assessment:</b>		<b>\$ 17,174,770.12</b>

Linda Lizotte-MacPherson  
Commissioner of Revenue

**EXPLANATION**

We have revised the previous year balance in the pool of deductible SR&ED expenditures, to agree with our records.

We have revised the SR&ED expenditure pool claimed on Schedule 1, "Net Income (Loss) for Income Tax Purposes," to agree with the amount calculated on Form T661, "Scientific Research and Experimental Development (SR&ED) Expenditures Claim."

We have revised the net income or loss for tax purposes to agree with the calculated amount.

We have revised the closing balance of charitable donations to \$1,350.00, to agree with our records.

Total non-capital losses from previous tax years applied against net income and/or Part IV tax exceeds the balance on our records. Therefore, the amount of non-capital losses applied against net income and/or dividends subject to Part IV tax has been reduced accordingly.

We have revised the capital loss closing balance on Schedule 4, "Corporation Loss Continuity and Application," to \$0.00, to agree with our records.

We have revised the resource deduction claimed on the "T2 Corporation Income Tax

SIGNALENERGY INC

Table with 2 columns: Field Name, Value. Fields include Date of mailing (February 25, 2011), Business Number (89853 7295 RC0002), and Tax year-end (December 31, 2006).

0010473

CORPORATION NOTICE OF ASSESSMENT

Return" to \$2,146,860.00, which is the maximum allowable.

We have revised the investment tax credit deducted from Part I tax to the maximum allowable.

We have provided a breakdown of the provincial and territorial tax and credit amounts.

Net British Columbia tax/credit consists of the following:

British Columbia tax \$ 765,285.00

We have revised the British Columbia provincial tax on Schedule 5, "Tax Calculation Supplementary - Corporations," to agree with the calculated amount.

Your payment on filing is not reflected on this Notice of Assessment. To view your up-to-date account information, go to www.cra.gc.ca/mybusinessaccount.

We have adjusted the amount of payments to agree with the amount in our records. On your return, the total amount of payments is \$49,495.00 while the amount in our records is \$0.00.

We have assessed a failure to file penalty under subsection 162(1) of the "Income Tax Act," calculated as follows: 5% of the unpaid tax at the due date, plus 1% of the unpaid tax at the due date multiplied by the number of complete months (to a maximum of 12) that the return is late.

We have charged instalment interest because one or more of your instalment payments were late or insufficient. You had to make 2 payments of \$26,474.66 based on the reporting period ending December 31, 2004 and 10 payments of \$57,022.76 based on the reporting period ending December 31, 2005.

We have charged you arrears interest because you did not pay the amount owing by the due date.

We have identified your corporation as a "large corporation" under subsection 225.1(8) of the "Income Tax Act" (the Act). According to subsection 225.1(7), if a large corporation is assessed an amount under the Act, we can take action to collect half of this amount before the end of the 90-day period the corporation has to make an objection or appeal. After this period is over, we can take action to collect the unpaid amount, except for half of the amount the corporation objected to or appealed.

Our records show that you have not paid half of the total amount of taxes, penalties, and interest assessed. Please pay this amount immediately. If you are unable to do so, please contact the collections section of the tax services office serving your corporation within 20 days of the date we mailed your "Notice of Assessment" or "Notice of Reassessment."

If you have already paid the amount required, please accept our thanks. However, if you made the payment more than 15 days ago, please contact us.

For your information we have attached a statement explaining how we have calculated interest.

We have revised the closing balance of the investment tax credit on scientific research and experimental development to \$0.00, to agree with our records.

For general information regarding filing an objection, determining a corporation's losses, or reassessment periods, please refer to the "T2 Corporation Income Tax Guide," or visit our Web site at www.cra.gc.ca.

Please visit www.cra.gc.ca/mybusinessaccount to access your business information online.



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Date of mailing	February 25, 2011
Business Number	89853 7295 RC0002
Tax year-end	December 31, 2006

**CORPORATION NOTICE OF ASSESSMENT**

For information about online requests available to business clients, visit [www.cra.gc.ca/requests-business](http://www.cra.gc.ca/requests-business). This service allows clients to electronically request certain financial actions, additional remittance vouchers and other communication products, as well as reproductions of previously issued correspondence.

The Canada Revenue Agency also offers the convenience of Direct Deposit. For information about this service, please visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca) or contact the number provided below.

For information visit [www.cra.gc.ca](http://www.cra.gc.ca) or contact:

Business Enquiries: 1-800-959-5525

Winnipeg Tax Centre

66 Stapon Road

Winnipeg

Fax

MB

R3C 3M2

204-984-0418

Calgary Tax Services

Winnipeg MB R3C 3M2

SIGNALENERGY INC  
 PO BOX 1917 STN M  
 CALGARY AB T2P 2M2

Date	February 25, 2011
Business Number	89853 7295 RC0002

0010474

STATEMENT OF INTEREST CALCULATED

Program: Corporation Income Tax Filing Date: May 22, 2009  
 Reporting Period End: December 31, 2006 Balance Due Date: February 28, 2007

<b>Summary of Interest:</b>	
Instalment interest	32,156.71
Instalment penalty	12,058.77
Arrears interest	3,882,207.06
	=====
<b>Total</b>	<b>3,926,422.54</b>

The interest rates that appear on this statement are displayed to two decimal places. The actual calculation has been made in accordance with the rates prescribed by law. To view these interest rates, please visit our Web site at [www.cra.gc.ca](http://www.cra.gc.ca).

Instalment Base Amounts

Reporting period starting	Jan. 1, 2006	Jan. 1, 2005	Jan. 1, 2004
Reporting period ending	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Effective date	Jan. 1, 2006	Jan. 1, 2005	Jan. 1, 2004
Federal tax	10,558,089.00	623,177.00	317,696.00
Provincial tax	765,285.00	0.00	0.00
Current tax credits	0.00	0.00	0.00
	=====	=====	=====
Instalment base	11,323,374.00	623,177.00	317,696.00

We have calculated your required instalment payments. You had to make 2 payments of \$26,474.66 based on the reporting period ending December 31, 2004 and 010 payments of \$57,022.76 based on the reporting period ending December 31, 2005.

Instalment Interest Calculation

Date	# of Int. Days	Rate	Interest	Item	Amount	Balance
Jan. 31, 2006	0000	0.00	0.00	Payment due	26,474.66	26,474.66
Feb. 28, 2006	0028	7.00	142.53	Payment due	26,474.66	53,091.85
March 31, 2006	0031	7.00	316.55	Payment due	57,022.76	110,431.16
April 30, 2006	0030	8.00	728.44	Payment due	57,022.76	168,182.36
May 31, 2006	0031	8.00	1,146.48	Payment due	57,022.76	226,351.60
June 30, 2006	0030	8.00	1,493.08	Payment due	57,022.76	284,867.44
July 31, 2006	0031	8.00	1,941.91	Payment due	57,022.76	343,832.11
Aug. 31, 2006	0031	8.00	2,343.87	Payment due	57,022.76	403,198.74
Sep. 30, 2006	0030	8.00	2,659.61	Payment due	57,022.76	462,881.11
Oct. 31, 2006	0031	9.00	3,551.30	Payment due	57,022.76	523,455.17
Nov. 30, 2006	0030	9.00	3,886.01	Payment due	57,022.76	584,363.94
Dec. 31, 2006	0031	9.00	4,483.34	Payment due	57,022.76	645,870.04
Feb. 28, 2007	0059	9.00	9,463.59	Balance due date	655,333.63	
			32,156.71	<b>Total Instalment Interest</b>		

Instalment Penalty Calculation

The penalty for late or insufficient tax instalments for a filing period, equals 50% of the amount by which the instalment interest payable for the year exceeds the greater of A) \$1,000.00 or B) 25% of the debit instalment interest calculated without taking into account any payments which may have been made for that



SIGNALENERGY INC

Date February 25, 2011
Business Number 89853 7295 RC0002

STATEMENT OF INTEREST CALCULATED

year.

Instalment interest charged				32,156.71
Minus the greater of:				
A) \$1,000.00				
B) 8,039.17 (25% x 32,156.71)				8,039.17
				-----
				24,117.54
				x 50%
				-----
Instalment penalty				12,058.77

Arrears/Refund Interest Calculation

Date	# of Int.	Interest	Item	Amount	Balance
	Days Rate				
Feb. 28, 2007	0000 0.00	0.00	Part I tax	10,558,089.00	10,558,089.00
Feb. 28, 2007	0000 0.00	0.00	Provincial tax	765,285.00	11,323,374.00
Feb. 28, 2007	0000 0.00	0.00	Instalment penalty	12,058.77	11,335,432.77
Feb. 28, 2007	0000 0.00	0.00	Instalment interest	32,156.71	11,367,589.48
March 31, 2007	0031 9.00	87,214.13			11,454,803.61
June 30, 2007	0091 9.00	259,899.88	Fail to File Penalty	1,924,973.58	13,639,677.07
Sep. 30, 2007	0092 9.00	312,912.34			13,952,589.41
Dec. 31, 2007	0092 9.00	320,090.97			14,272,680.38
March 31, 2008	0091 8.00	286,704.34			14,559,384.72
June 30, 2008	0091 8.00	292,463.56			14,851,848.28
Sep. 30, 2008	0092 7.00	263,614.83			15,115,463.11
Dec. 31, 2008	0092 7.00	268,293.89			15,383,757.00
March 31, 2009	0090 6.00	229,268.24			15,613,025.24
June 30, 2009	0091 5.00	195,832.78			15,808,858.02
Sep. 30, 2009	0092 5.00	200,481.85			16,009,339.87
Dec. 31, 2009	0092 5.00	203,024.28			16,212,364.15
March 31, 2010	0090 5.00	201,101.81			16,413,465.96
June 30, 2010	0091 5.00	205,872.63			16,619,338.59
Sep. 30, 2010	0092 5.00	210,760.05			16,830,098.64
Dec. 31, 2010	0092 5.00	213,432.83			17,043,531.47
Feb. 25, 2011	0056 5.00	131,238.65	Last interest date		17,174,770.12
		3,882,207.06	Total Arrears Interest		

For further information, contact:

Winnipeg TC  
66 Stapon Road  
Winnipeg  
Fax  
Toll free number

MB R3C 3M2  
204-984-0418  
1-800-959-5525