



APR 19 2011

Tax Services Office
Surrey BC V3T 5W6

April 11, 2011

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

Account Number
89853 7295 RC0002

Dear Sir or Madam:

Re: Notice of Objection for the 2004 to 2007
Taxation Years

This is to inform you that we have received your objections. A review will be completed by the Appeals Division of the Canada Revenue Agency, which has a mandate to conduct a full and impartial review of the issues.

Please note, the 2007 objection was filed in response to a notice that no tax was payable (nil assessment). The Federal Court of Canada has ruled that an appeal cannot be made on a nil assessment. However, the Appeals Division will review your submission and consider the issues and any underlying ones. We will process any resulting adjustment and advise you in writing of any changes.

Please note, the 2004 to 2006 objection is valid.

Our current workload indicates that an Appeals Officer will contact you in approximately nine to twelve months.

In order to expedite the resolution of your objection, it would be helpful if you would have available any additional information you wish to provide.

Although you do not have to pay the amount in dispute now, you can minimize interest charges by making a payment on your account. If you choose to pay the amount outstanding, the payment does not imply agreement with the assessment.

However, with regards to the tax years ending 2004 to 2006, one half of the amount assessed is due and payable upon receipt of a

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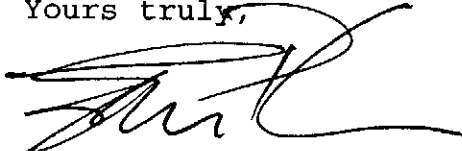
Burnaby-Fraser Tax Services Office
9737 King George Blvd.
P.O. Box 9070 STN Main
Surrey BC V3T 5W6

Long Distance : 1-800-959-5513
Toll Free : 1-800-959-5513
Fax : 604-587-2672
Web site : www.cra.gc.ca

Notice of (Re)Assessment, even if under objection. In addition, interest will continue to accumulate on any unpaid balance.

Should you have any questions with respect to the above, please contact the Appeals Western Intake Centre at 1-800-959-5513.

Yours truly,

A handwritten signature in black ink, appearing to be a stylized name, possibly "John" or "John F.", written over a horizontal line.

For Administration
Appeals Division

c.c.: FELESKY FLYNN LLP