

**Subject to Completion
Dated November 10, 2009**

PRELIMINARY U.S. OFFERING CIRCULAR

STRICTLY CONFIDENTIAL



STANDARD STEAM CANADA CORP.
(a corporation incorporated under the laws of Canada)

Cdn \$ ▶
▶ Common Shares

We, Standard Steam Canada Corp. (the "Company"), are offering our common shares, without par value ("Common Shares"), in the United States pursuant to the exemption provided by Section 4(2) of the United States Securities Act of 1933, as amended (the "Securities Act") and Rule 506 of Regulation D promulgated under the Securities Act. We are offering the Common Shares only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and institutional "accredited investors" (as defined in Regulation D under the Securities Act). The private offering of the Common Shares in the United States (the "Placement") is being made concurrently with a public offering of the Common Shares in Canada in reliance on Regulation S under the Securities Act, as described in the accompanying Canadian Preliminary Prospectus dated November 10, 2009 (the "Canadian Prospectus"). The Common Shares are being offered in the United States by certain of the agents named in the Canadian Prospectus (the "Agents"), through their U.S. affiliates, pursuant to the terms of an agency agreement referred to under "Plan of Distribution" in the Canadian Prospectus (the "Agency Agreement"). The Canadian Prospectus is incorporated herein by reference and this Offering Circular is qualified in its entirety by the more detailed information contained in the Canadian Prospectus. Capitalized terms used in this Offering Circular and not defined herein have the meaning given to them in the Canadian Prospectus.

The offering price per Common Share in the Placement in the United States and in the Canadian public offering is identical.

We have not and will not register the Common Shares under the Securities Act or any state securities law and the Common Shares may not be offered or sold in the United States, except that Common Shares may be offered and sold to persons reasonably believed by the U.S. affiliates of the Agents to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) or institutional "accredited investors" (as defined in Regulation D under the Securities Act) in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act.

Our Common Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act ("Rule 144") and may be resold or transferred only in accordance with the restrictions referred to under "Notice to Investors" in this Offering Circular.

Our Common Shares have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission or by any state securities commission or regulatory authority, nor have any of the foregoing authorities or any Canadian provincial or territorial securities commission passed on the accuracy or adequacy of this Offering Circular or the Canadian Prospectus. Any representation to the contrary is a criminal offense.

In connection with this Placement and in accordance with applicable Canadian securities regulatory policies, the Agents and their U.S. affiliates may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. These transactions, if commenced, may be discontinued at any time.

Our Common Shares will be evidenced by one or more book entry certificates issued in registered form to CDS Clearing and Depository Services Inc. or its nominee ("CDS"). These book entry certificates will be deposited with CDS. Beneficial interests in the Common Shares will be shown on, and transfers thereof will be effected only through, records maintained by CDS or its participants. It is expected that the closing of the Placement of Common Shares will occur on or about ▶, 2009.

The date of this Offering Circular is _____ ▶, 2009.

The information in this preliminary Offering Circular is not complete and is subject to change, completion or amendment. The Company may not sell these securities until the preliminary Offering Circular is delivered in final form. This preliminary Offering Circular is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, sale or solicitation for subscription is not permitted.

The information contained in this Offering Circular is delivered on a confidential basis to each U.S. offeree solely to enable the offeree to evaluate the Common Shares. Distribution of this Offering Circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the Company is prohibited. By accepting delivery of this Offering Circular, each prospective purchaser agrees to the foregoing. This information does not constitute an offer to any other person or a general offer to the public of, or the general solicitation from the public of offers to subscribe, purchase or sell any of, the Common Shares in the United States. Distribution of the information contained in this Offering Circular and the Canadian Prospectus and the offer and sale of the Common Shares in certain jurisdictions may be restricted by law. Potential purchasers must inform themselves about and observe any such restrictions.

We, the Agents and their U.S. affiliates reserve the right to reject any offer to purchase Common Shares, in whole or in part, for any reason, or to sell less than the number of Common Shares offered in this Offering Circular and the Canadian Prospectus. We may refuse to allow the issue or registration of the transfer of any Common Shares where such issuance or transfer would, in our opinion adversely affect our treatment or the entities in which we invest under applicable Canadian and/or U.S. legislation.

None of the Agents or their U.S. affiliates makes any representation or warranty, express or implied, relating to the accuracy or completeness of the information set out in this Offering Circular and the Canadian Prospectus, and each of them expressly disclaims any and all liability based on such information or omissions therefrom. Agents have not independently verified any of such information and do not assume any responsibility for its accuracy or completeness. No dealer, salesman or any other person has been authorized by the Company, any Agent or any U.S. affiliate of an Agent to give any information other than this Offering Circular and the Canadian Prospectus, or to make any representations in connection with the offer or sale of the Common Shares and, if given or made, that information or representation must not be relied upon as having been authorized by the Company, any Agent or any U.S. affiliate of an Agent. Neither the delivery of this Offering Circular and the accompanying Canadian Prospectus nor any sale made in connection with the Placement will, under any circumstances, constitute a representation or create any implication that the information contained in this Offering Circular and the accompanying Canadian Prospectus is correct as of any time subsequent to the date of this Offering Circular and the date of the accompanying Canadian Prospectus. **Each offeree, prior to investing in the Common Shares, should perform and rely on its own investigation and analysis of the Company and the terms of the Placement, including the merits and risks involved.**

Our Company was incorporated under the *Canada Business Corporations Act* on September 8, 2009. Certain of the directors and officers of our Company may be residents of Canada, as may be some or all of the Agents and experts named in this Offering Circular and the Canadian Prospectus. As a result, it may be difficult for investors to enforce civil liabilities under the U.S. federal securities laws.

Each person receiving this Offering Circular acknowledges that:

- it has not relied on the Agents or their U.S. affiliates in connection with its investigation of the accuracy of the information contained in this Offering Circular and the Canadian Prospectus for its investment decision; and
- no person (other than we and our affiliates) is authorized in connection with any offering made in this Offering Circular to give any information or make any representation other than as contained in this Offering Circular and, if given or made, that information or representation must not be relied upon as having been authorized by us, any of the Agents or any of their U.S. affiliates.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE UNIFORM SECURITIES ACT (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

FORWARD-LOOKING STATEMENTS

This Offering Circular and the accompanying Canadian Prospectus include “forward-looking statements.” These forward looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Offering Circular and we assume no obligation to update or revise them to reflect new events or circumstances. Prospective purchasers should carefully read the discussion “Cautionary Statement Regarding Forward-Looking Information” in the Canadian Prospectus.

CANADIAN PROSPECTUS AND AVAILABLE INFORMATION

This Offering Circular incorporates by reference and is accompanied by the Canadian Prospectus, which has been filed by the Company with the securities regulatory authorities in all of the provinces and territories of Canada, except for the Province of Québec, for the purposes of qualifying the Common Shares for sale and distribution therein, attached hereto, and certain additional information. This Offering Circular should be read in conjunction with the Canadian Prospectus and is qualified in its entirety by the more detailed information and financial information contained in the Canadian Prospectus. Terms used but not defined herein shall have the meanings given to them in the Canadian Prospectus. For information regarding the Common Shares, you should refer to the Canadian Prospectus and all documents incorporated by reference therein.

At any time we are neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from the filing requirements of the Exchange Act pursuant to Rule 12g3-2(b) thereunder, we have agreed to furnish holders and prospective purchasers of Common Shares, the information required by Rule 144A(d)(4) of the Securities Act so long as the Common Shares offered hereby are outstanding and are restricted securities within the meaning of Rule 144(a)(3) of the Securities Act.

Continuous disclosure concerning the Company may be obtained on SEDAR or System for Electronic document Analysis and Retrieval, a website maintained by the Canadian Securities Administrators’ and documents filed on SEDAR may be viewed at the following Web site address: www.sedar.com.

This Offering Circular has been prepared based on information known to us and information provided by other sources that we believe are reliable. This Offering Circular summarizes certain documents and other information in a manner believed to be accurate, but we refer each offeree to the actual documents for a more complete understanding of what is discussed in this Offering Circular. In making an investment decision, each offeree must rely on its own examination of the business of our Company and our subsidiaries and the terms of the Placement and the Common Shares, including the merits and risks involved.

The Canadian Prospectus has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of the U.S. securities laws.

RISK FACTORS

Prospective purchasers should give careful consideration to the discussion of “Risk Factors” contained in the accompanying Canadian Prospectus at page 101 thereof and to the additional risk factors below.

There is and will be no public market for our Common Shares in the United States.

There is currently no public market nor do we expect a public market to develop for our Common Shares in the United States. Our Common Shares have not been registered under the Securities Act or any state securities laws of the United States and will be subject to significant restrictions on resale. We do not intend to apply for listing of the Common Shares on a securities exchange in the United States. The liquidity of the trading market in the Common Shares and the market prices quoted for them may be adversely affected by changes in the overall market for these types of common shares and by changes in our financial performance or prospects or the financial performance or prospects of SST or any of our subsidiaries or in the prospects for companies in our industry generally. As a consequence, an active trading market may not develop for our Common Shares in the United States, investors may not be able to sell them or may not be able to sell them at an acceptable price.

We expect to be treated as a “passive foreign investment company” for United States tax purposes.

We expect to be treated as a “passive foreign investment company” for United States tax purposes which could result in adverse U.S. federal income tax consequences to U.S. Holders (as defined below) of our Common Shares. If we are a “passive foreign investment company,” U.S. Holders may become subject to increased tax liabilities under United States tax laws and regulations with respect to any gain recognized on the sale of our Common Shares and certain distributions, and will become subject to increased reporting requirements. See “Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules.”

EXCHANGE RATES

In this Offering Circular and the accompanying Canadian Prospectus, unless otherwise indicated, all references to “\$” or “dollars” are to U.S. dollars and all references to “Cdn.\$” are to Canadian dollars.

Certain dollar figures in this Offering Circular and the accompanying Canadian Prospectus are expressed in Canadian dollars. On November 9, 2009, the noon rate quoted by the Bank of Canada for one Canadian dollar expressed in United States dollars was Cdn.\$1.00=US\$1.0566 or US\$1.00=Cdn.\$0.9464. For more information relating to currency and exchange rate matters, see “Financial Information” in the Canadian Prospectus.

NOTICE TO INVESTORS

The Common Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold or delivered, within the United States (as defined in Regulation S under the Securities Act). The Common Shares are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act. Each Agent has agreed that it will not offer or sell any Common Shares within the United States except to “qualified institutional buyers” (as such term is defined in Rule 144A under the Securities Act) or to institutional “accredited investors” (as defined in Regulation D under the Securities Act). In addition, until 40 days after the commencement of the offering of the Common Shares pursuant to the Canadian Prospectus, an offer or sale of the Common Shares

within the United States by any dealer (whether or not participating in the Placement) may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the Securities Act.

Each U.S. purchaser will, by its purchase of the Common Shares, be deemed to have represented, warranted and agreed for the benefit of the Company, the Agents and the U.S. affiliates of the Agents as follows:

- it is authorized to consummate the purchase of the Common Shares;
- it understands and acknowledges that the Common Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and that the offer and sale of Common Shares to it are being made solely to (i) qualified institutional buyers and (ii) institutional accredited investors in reliance upon the exemption provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act;
- it is either (i) a qualified institutional buyer or (ii) an institutional accredited investor and is acquiring the Common Shares for its own account or for the account of one or more qualified institutional buyers or institutional accredited investors with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Common Shares in violation of U.S. federal or state securities laws;
- it acknowledges that it has not purchased the Common Shares as a result of any general solicitation or general advertising within the meaning of Regulation D promulgated under the Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- it understands and acknowledges that the Common Shares are “restricted securities” within the meaning of Rule 144, and that if in the future it decides to offer, resell, pledge or otherwise transfer any of these securities, they may be offered, sold, pledged or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S promulgated under the Securities Act and in compliance with applicable Canadian local laws and regulations; (c) within the United States, in accordance with (i) with respect to a seller who is a qualified institutional buyer, Rule 144A to a person such seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of one or more qualified institutional buyers and to whom notice is given that the offer, sale, pledge or transfer is being made in reliance on Rule 144A or (ii) Rule 144, if available, and in compliance with any applicable state securities laws of the United States; or (d) in another transaction that does not require registration under the Securities Act or any applicable state securities laws of the United States, after, in the case of proposed transfers pursuant to (c)(ii) or (d) above, providing to Computershare Investor Services Inc., as registrar and transfer agent for the Common Shares, an opinion of counsel of recognized standing reasonably satisfactory to the Company, to the effect that the proposed transfer may be effected without registration under the Securities Act or any applicable states securities laws;
- it acknowledges that no representation or warranty is made by the Agents or their U.S. affiliates as to the accuracy or completeness of such materials;
- it understands and acknowledges that the global certificate representing any Common Shares sold in the United States registered to CDS or its nominee will bear the following legend until the legend is no longer required under applicable requirements of the Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY STATE SECURITIES LAWS (“BLUE SKY LAWS”). THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES, AND IN EITHER CASE IN ACCORDANCE WITH RULE 904 OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT (“REGULATION S”) AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A OF THE SECURITIES ACT; OR (2) RULE 144 OF THE SECURITIES ACT, IF AVAILABLE, AND IN ACCORDANCE WITH ALL APPLICABLE BLUE SKY LAWS, OR (D) ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY BLUE SKY LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE ISSUER MUST FIRST BE PROVIDED.

IF THE ISSUER IS A “FOREIGN ISSUER” WITHIN THE MEANING OF REGULATION S AT THE TIME OF TRANSFER, A NEW CERTIFICATE, BEARING NO LEGEND, MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT, UPON DELIVERY OF A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE ISSUER, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S”;

If any Common Shares are being sold outside of the United States in accordance with Rule 904 of Regulation S, and if the Company is a “foreign issuer” within the meaning of Regulation S at the time of sale, a certificate representing the Common Shares being sold bearing no legend, may be obtained by providing a declaration, to Computershare Investor Services Inc., as registrar and transfer agent for the Common Shares, in such form as the Company may prescribe from time to time;

If any Common Shares are being resold within the United States in accordance with Rule 144, a certificate representing the Common Shares being sold bearing no legend, may be obtained by delivering to Computershare Investor Services Inc., as registrar and transfer agent for the Common Shares, an opinion of counsel of recognized standing reasonably satisfactory to the Company, that the legend is no longer required under applicable requirements of the Securities Act or state securities laws;

- it consents to the Company making a notation on its records or giving instructions to any transfer agent or trustee of the Common Shares in order to implement the restrictions on transfer set out and described in this Offering Circular;
- it understands and acknowledges that the Company is not obligated to file and has no present intention of filing any registration statement in respect of resales of the Common Shares in the United States with the U.S. Securities and Exchange Commission or with any state securities administrator;
- it acknowledges that it has received a copy of this Offering Circular and the Canadian Prospectus and has been afforded the opportunity to ask such questions as it deemed necessary of, and to receive answers from, representatives of the Company, concerning the terms and conditions of the Placement and to obtain such additional information which the Company possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy and completeness of the information contained in this Offering Circular and the Canadian Prospectus and that it considered necessary in connection with its decision to invest in the Common Shares;
- it has carefully read and understands the risk factors contained in this Offering Circular and the Canadian Prospectus;

- it understands and acknowledges that the Company (i) may not be and if it is, is not obligated to remain a “foreign issuer” within the meaning of Regulation S, (ii) may not, at the time the Common Shares are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause it not to be a foreign issuer; and
- it understands and acknowledges that it is making the representations, warranties and agreements contained herein with the intent that they may be relied upon by the Company, the Agents and the U.S. affiliates of the Agents in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase Common Shares;

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Circular 230 Disclosure

THE DISCUSSION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR PURPOSES OF AVOIDING ANY PENALTIES IMPOSED UNDER UNITED STATES FEDERAL TAX LAW. THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS DISCUSSED HEREIN. EACH TAXPAYER SHOULD SEEK UNITED STATES TAX ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

General

The following summary describes certain United States federal income tax considerations associated with the acquisition, ownership and disposition of Common Shares by U.S. Holders (as defined below). This disclosure addresses only Common Shares that are held as capital assets by U.S. Holders and that are purchased pursuant to this Offering Circular and the Canadian Prospectus. This summary does not cover all aspects of United States federal income taxation that may be relevant to the acquisition, ownership or disposition of Common Shares by prospective purchasers in light of their particular circumstances. In particular, this summary does not address all of the tax considerations that may be relevant to certain types of investors subject to special treatment under United States federal income tax laws, such as:

- dealers in securities or currencies;
- financial institutions;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt entities (including private foundations);
- insurance companies;
- persons holding Common Shares as a part of a hedging, integrated, conversion or constructive sale transaction, or a straddle;
- traders in securities that elect to use a mark-to-market method of accounting;
- persons liable for alternative minimum tax;
- investors in pass-through or other entities;

- U.S. Holders whose “functional currency” is not the U.S. dollar; or
- United States expatriates.

This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, all as currently in effect, and all subject to differing interpretations or change, possibly on a retroactive basis. This summary is based in part on facts described in the Canadian Prospectus. This summary does not address any United States federal estate or gift, state, local or non-United States tax considerations.

For purposes of this summary, a “U.S. Holder” means a beneficial owner of Common Shares that is, for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) was in existence on August 20, 1996 and has properly elected under applicable United States Treasury Regulations to be treated as a United States person.

If a partnership or other entity or arrangement treated as a partnership for United States federal income tax purposes holds Common Shares, the tax treatment of its partners will generally depend upon the status of the partner and the activities of the partnership. U.S. Holders who are partners of a partnership holding Common Shares should consult their own tax advisors.

Certain United States federal income tax considerations that are relevant to all holders are discussed in the Canadian Prospectus and are not repeated in this summary, including certain United States federal income tax considerations applicable to the Company. Prospective purchasers of Common Shares are strongly encouraged to review the United States tax risks described in the Canadian Prospectus.

It should be noted that we have not sought any ruling from the Internal Revenue Service (“IRS”) with respect to the statements made and the conclusions reached in the following summary. As a result, the IRS or the courts may not agree with the tax consequences described below. A different treatment from that described below could adversely affect the amount, timing and character of income, gain or loss in respect of an investment in the Common Shares.

THE FOLLOWING SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE. PROSPECTIVE PURCHASERS OF COMMON SHARES ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS ASSOCIATED WITH ACQUIRING, OWNING AND DISPOSING OF COMMON SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS ANY CONSIDERATIONS ARISING UNDER THE LAWS OF ANY FOREIGN, STATE, LOCAL OR OTHER TAXING JURISDICTION.

Dividends on Common Shares

This discussion regarding the tax consequences of distributions with respect to the Common Shares may change if the Company is a “passive foreign investment company” (“PFIC”), as discussed below.

The gross amount of distributions to a U.S. Holder of Common Shares will be treated as a dividend, to the extent paid out of the Company’s current or accumulated earnings and profits (as determined under United States federal income tax principles). Such dividend will be includible in a U.S. Holder’s gross income on the day received or accrued by a U.S. Holder. Distributions to a U.S. Holder in excess of the Company’s current and accumulated earnings and profits will be treated first as a return of capital that reduces a U.S. Holder’s tax basis in such Common Shares, and then as gain from the sale or exchange of such Common Shares. Until taxable years beginning after December 31, 2010, dividend income will generally be taxed to individuals at the rates applicable to long-term capital gains, provided that the Company is a “qualified foreign corporation,” the applicable instrument is held for a minimum holding period, and other requirements are satisfied.

A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of an income tax treaty with the United States, if such treaty contains an exchange of information provision and the United States Treasury Department has determined that the treaty is satisfactory for these purposes. The United States Treasury has determined that the Canada-United States Income Tax Convention (the “Canadian Treaty”) meets these requirements, and therefore it is expected that the Company will be eligible for the benefits of the Canadian Treaty and be a qualified foreign corporation.

Dividends on the Common Shares will not be eligible for the dividends-received deduction generally allowed to United States corporations. As discussed below under “Certain Canadian Federal Income Tax Considerations”, U.S. Holders may be subject to Canadian withholding taxes on dividends with respect to the Common Shares. Subject to certain conditions and limitations, such withholding taxes may be treated as foreign taxes eligible for the United States foreign tax credit against a U.S. Holder’s United States federal income tax liability. Dividends will be income from sources outside the United States and generally will be “passive category income” or “general category income” for purposes of computing the United States foreign tax credit allowable to a U.S. Holder. The rules governing the United States foreign tax credit are complex. Potential purchasers of Common Shares are urged to consult their tax advisors regarding the availability of the United States foreign tax credit in their particular circumstances, including the possible adverse impact on creditability of any entitlement to a refund of Canadian tax withheld or to a reduced rate of withholding.

A U.S. Holder will be taxed on the U.S. dollar value of any Canadian dollars received as dividends, generally determined at the spot rate as of the date the payment is received. No foreign currency exchange gain or loss will be recognized by a U.S. Holder on such dividend payments if the Canadian dollars are converted into U.S. dollars on the date received at that spot rate. The United States federal income tax consequences of the conversion of Canadian dollars to U.S. dollars are described below under “Exchange of Foreign Currencies.”

Sale, Exchange or Other Disposition of Common Shares

This discussion regarding the tax consequences of a sale, exchange or other disposition of Common Shares may change if the Company is a PFIC, as discussed below.

Upon the sale, exchange or other disposition of a Common Share, a U.S. Holder will recognize gain or loss with respect to the Common Share in an amount equal to the difference between (i) the amount realized with respect to the Common Share upon the sale, exchange, or other disposition and (ii) the U.S. Holder’s tax basis in such Common Share. For cash basis U.S. Holders, the amount realized by such holder on a sale, exchange, or other disposition of a Common Share generally will be calculated by using the U.S. dollar value of Canadian dollar proceeds on the trade date and a U.S. Holder’s adjusted tax basis in the Common Share will equal the U.S. dollar cost of the Common Share to such holder on the date of purchase less any distributions that reduced such tax basis. No exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of such a purchase or sale.

An accrual basis U.S. Holder may elect the same treatment required of cash basis U.S. Holders with respect to purchases and sales of Common Shares, provided the election is applied consistently from year to year. Such election may not be changed without the consent of the IRS. An accrual basis U.S. Holder who does not make such election may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date.

Capital gains of non-corporate U.S. Holders, including individuals, derived with respect to assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Such gain or loss will be income or loss from sources within the United States for United States foreign tax credit limitation purposes.

Exchange of Foreign Currencies

A U.S. Holder will have a tax basis in any Canadian dollars received as dividends, or on the sale, exchange, retirement or other disposition of a Common Share equal to such currency's U.S. dollar value at the time described above. Any gain or loss realized by a U.S. Holder on a subsequent sale or other disposition of Canadian dollars (including the exchange of such currency for U.S. dollars) will be ordinary income or loss and generally will be sourced within the United States for foreign tax credit limitation purposes.

Passive Foreign Investment Company Rules

Although it is not currently free from doubt, the Company expects to be treated as a PFIC for United States federal income tax purposes during 2009. A company is considered a PFIC for any taxable year if either

- at least 75% of its gross income is "passive income," or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

The Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which the Company owns, directly or indirectly, at least 25% (by value) of the stock.

A separate determination must be made each year as to whether the Company is a PFIC. As a result, its PFIC status may change. However, as discussed below, the PFIC rules may continue to apply to a U.S. Holder who acquired Common Shares while the Company was a PFIC.

If the Company is a PFIC for any taxable year during which a U.S. Holder owns Common Shares, such U.S. Holder will be subject to special tax rules with respect to any "excess distribution" that it receives and any gain it realizes from a sale or other disposition (including a pledge) of the Common Shares unless the U.S. Holder makes a qualified electing fund ("QEF") or a "mark-to-market" election as discussed below. Distributions such U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the Common Shares will be treated as an excess distribution. Under these special tax rules, the excess distribution or gain will be allocated ratably over such U.S. Holder's holding period for the Common Shares, the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company was a PFIC will be treated as ordinary income, and the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses, and gains (but not losses) realized on the sale of the Common Shares cannot be treated as capital, even if the U.S. Holder holds the Common Shares as capital assets.

If the Company is a PFIC, a U.S. Holder may avoid taxation under the rules described above by making a QEF election to be taxed currently on such U.S. Holder's pro rata share of the Company's undistributed ordinary income and capital gains. A QEF election must generally be made on or before the due date for filing the U.S. Holder's federal income tax return for the first taxable year in which the U.S. Holder holds shares in a PFIC. A QEF election must also be based on information concerning the PFIC's earnings (computed in accordance with U.S. tax accounting principles) provided by the Company on an annual basis. If a company declines or fails to provide this information, U.S. Holders may not make a QEF election, and any existing elections may be revoked, with potentially adverse tax consequences, in the discretion of U.S. tax authorities. If a QEF election is in effect for a U.S. Holder's entire holding period, any gain on the disposition of the Company's Common Shares will be eligible for capital gains treatment. The Company has agreed that, if it is a PFIC, it will undertake to provide U.S. Holders with the information necessary to make QEF elections.

Alternatively, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election for stock of a PFIC to elect out of the tax treatment and avoid the interest charge discussed three paragraphs above. If a U.S. Holder makes a mark-to-market election for the Common Shares, it will include in income each year an amount equal to the excess, if any, of the fair market value of the Common Shares as of the close of its taxable year over its adjusted basis in such Common Shares. A U.S. Holder is allowed a deduction for the excess, if any, of the adjusted basis of the Common Shares over the fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any mark-to-market gains on the Common Shares included in such U.S. Holder's income for prior taxable years. Amounts included in a U.S. Holder's income under a mark-to-market election, as well as any gain on the actual sale or other disposition of the Common Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Common Shares, as well as any loss realized on the actual sale or disposition of the Common Shares, to the extent that the amount of such loss does not exceed the net market gains previously included for such Common Shares. A U.S. Holder's basis in the Common Shares will be adjusted to reflect any such income or loss amounts. The mark-to-market rules will not apply to any tax year in which a corporation is not a PFIC, but a U.S. taxpayer's mark-to-market election will remain in effect if the corporation becomes a PFIC again, unless such election is terminated or revoked. The tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by the Company.

The mark-to-market election is available only for stock which is regularly traded on a national securities exchange that is registered with the Securities and Exchange Commission or on The Nasdaq Stock Market, or on a foreign stock exchange or market that (i) is regulated or supervised by a governmental authority of the country in which the market is located; (ii) has trading volume, listing, financial disclosure, surveillance, and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and to perfect the mechanism of a free and open, fair and orderly market, and to protect investors; and (iii) is subject to the laws of the country in which the exchange is located and rules of the exchange which ensure that such requirements are actually enforced and effectively promote the active trading of listed stocks. Although the effect of these regulations is uncertain and no ruling on this issue has been issued by the IRS, the Company believes that the Common Shares, if listed on the Toronto Stock Exchange, and assuming such shares are regularly traded, are likely to be treated as "marketable" for purposes of the mark-to-market election.

In addition, if the Company is a PFIC, a U.S. Holder may avoid taxation under the PFIC rules described above by making a "deemed sale" election once the Company no longer qualifies as a PFIC.

If the Company is a PFIC, each U.S. Holder will be required to make an annual return on IRS Form 8621, reporting distributions received and gains realized with respect to each PFIC in which it holds a direct or indirect interest.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POTENTIAL APPLICATION OF THE PFIC REGIME AND THE POTENTIAL ADVANTAGES AND DISADVANTAGES TO THEM OF MAKING A QEF ELECTION OR A MARK-TO-MARKET ELECTION WITH RESPECT TO THE COMMON SHARES.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends on the Common Shares and the proceeds of the sale or other disposition of the Common Shares, unless a U.S. Holder is an exempt recipient, such as a corporation. Backup withholding will apply to those payments if a U.S. Holder fails to provide a taxpayer identification number and comply with certain certification procedures or otherwise fails to establish an exemption from backup withholding. To prevent backup withholding, a U.S. Holder must complete and sign a valid IRS Form W-9. If backup withholding applies, the relevant intermediary must withhold United States federal income tax on those payments at a rate of 28%. Any amount withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. Holder's United States federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Offering Circular, a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) and the regulations thereunder (the "Tax Act") to a holder who acquires Common Shares pursuant to the Placement and who, for the purposes of the Tax Act and the Canadian Treaty, at all relevant times (a) is a resident of the United States and not resident, or deemed to be resident, in Canada, (b) holds the Common Shares as capital property, (c) deals at arm's length with the Issuer, (d) is not affiliated with the Issuer, and (e) does not use or hold and is not deemed to use or hold the Common Shares in connection with a trade or business that the prospective purchaser carries on, or is deemed to carry on, in Canada at any time (a "U.S. Treaty Holder"). For the purpose of the Tax Act, related persons (as defined therein) are deemed not to deal at arm's length, and it is a question of fact whether persons not related to each other deal at arm's length. Special rules which are not discussed in this summary may apply to "financial institutions" (as defined in the Tax Act) and to a U.S. Treaty Holder that is an insurer carrying on business in Canada and elsewhere and, accordingly, such persons should consult their own tax advisors. This summary is based on the assumption that the Common Shares will at all relevant times be listed on a designated stock exchange under the Tax Act.

Prospective purchasers of the Common Shares are urged to consult with their tax advisors to determine their entitlement to relief under the Canadian Treaty based on their particular circumstances.

This summary is of a general nature only and is based upon the facts set out in the accompanying Canadian Prospectus, the current provisions of the Tax Act, the Canadian Treaty, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Circular, and the current administrative policies and assessing practices of the CRA published in writing by the CRA prior to the date hereof. There can be no assurance that any such proposals will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies and assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, and does not take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed in this Offering Circular.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Common Shares. Moreover, the Canadian tax consequences of acquiring, holding or disposing of Common Shares will vary depending on the U.S. Treaty Holder's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to be, and should not be interpreted as, legal or tax advice to any prospective purchaser and no representation with respect to the tax consequence to any particular U.S. Treaty Holder is made. Prospective investors should consult their own tax advisor with respect to the Canadian tax consequences of an investment in Common Shares based on their particular circumstances.

Prospective investors may also be subject to certain Canadian provincial or territorial tax consequences as a result of acquiring, holding or disposing of Common Shares. Accordingly, prospective investors are urged to

consult with their tax advisors for advice with respect to Canadian provincial or territorial tax consequences of an investment in Common Shares based on their particular circumstances.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Common Shares, including income, gain or profit, adjusted cost base and proceeds of disposition, must be converted into Canadian dollars based on the prevailing United States dollar exchange rate at the time such amounts arise.

Taxation of Dividends and Capital Gains with Respect to the Common Shares

The price paid for a Common Share will establish a U.S. Treaty Holder's initial adjusted cost base of the Common Share (subject to the identical property averaging rules).

Amounts in respect of the Common Shares paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of dividends to a U.S. Treaty Holder which is entitled to benefits under the Canadian Treaty will generally be subject to Canadian non-resident withholding tax on the gross amount of such dividends at a rate of 15%.

A U.S. Treaty Holder generally will not be subject to tax under the Tax Act in respect of a capital gain, or entitled to deduct any capital loss, realized upon the disposition or deemed disposition of the Common Shares unless the Common Shares represent "taxable Canadian property" to such U.S. Treaty Holder and the U.S. Treaty Holder is not entitled to relief under the Canadian Treaty. The Common Shares will be taxable Canadian property to a U.S. Treaty Holder if the U.S. Treaty Holder and/or persons with whom the U.S. Treaty Holder does not deal at arm's length, owned, or had rights to acquire, 25% or more of the issued shares of any class or series of the capital stock of the Issuer at any time during the 60-month period preceding the time of such disposition. Where the Common Shares held by a U.S. Treaty Holder are taxable Canadian property, a capital gain from their disposition generally will be exempted by the Canadian Treaty from tax under the Tax Act unless, at that time, the Common Shares derived their value principally from real property situated in Canada (as defined in the Canadian Treaty).

Tax Exempt U.S. Treaty Holders

Amounts paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of dividends to a U.S. Treaty Holder and that is exempt from tax in the United States may be exempt from Canadian non-resident withholding tax in respect of such dividends in certain circumstances. Such U.S. Treaty Holders should consult their own tax advisor with respect to the availability of an exemption from Canadian withholding tax pursuant to Article XXI of the Canadian Treaty.

U.S. PLAN OF DISTRIBUTION

The following describes the plan of distribution for the Common Shares offered in the United States pursuant to this Offering Circular. Prospective purchasers should refer to the discussion under "Plan of Distribution" in the accompanying Canadian Prospectus for a description of the Agency Agreement, the Over-Allotment Option and more detailed information on the plan of distribution.

The Common Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold or delivered, within the United States (as defined in Registration S under the Securities Act). The Common Shares are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act. Each Agent has agreed that it will not offer or sell any Common Shares within the United States except to "qualified institutional buyers" (as such term is defined in Rule 144A under the Securities Act) or to institutional "accredited

investors” (as defined in Regulation D under the Securities Act). In addition, until 40 days after the commencement of the offering of the Common Shares pursuant to the Canadian Prospectus, an offer or sale of the Common Shares within the United States by any dealer (whether or not participating in the Placement) may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the Securities Act.

Common Shares initially placed to qualified institutional buyers and institutional accredited investors will be issued in the form of book entry certificates registered in the name of CDS or its nominee and will be deposited with CDS.

Each of the Company and SST has agreed to indemnify the Agents and their respective affiliates, including their U.S. affiliates, and their respective directors, officers and employees against certain liabilities, including civil liabilities under the Securities Act.

No action has been or will be taken in any jurisdiction outside of Canada that would permit a public offering of the Common Shares, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Company or the Common Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Common Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Common Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable rules and regulations of such country or jurisdiction.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Common Shares in the United States will be passed upon for the Company by Dickstein Shapiro LLP and for the Agents and U.S. affiliates of the Agents by Kaye Scholer LLP.