

Feb 2, 2011

### **Medican moves a step closer to solvency**

CALGARY – The Medicine Hat-based Medican Group of Companies received approval from a Calgary Court of Queen’s Bench Wednesday to continue with its restructuring plan.

Madame Justice K.M Horner approved the restructuring of debt repayments and the registering of the initial court order against a condo project in Bromont, Quebec.

Medican had originally sought and received protection from its creditors in May of 2010 under the Companies Creditors Arrangement Act; Calgary-based RSM Richter was appointed the monitor.

Since that time, the company secured additional funding to complete a number of projects, paid off trades and other creditors and restructured its operations.

“It’s been a tough climb,” says court-appointed Chief Restructuring Officer Ty Schneider, “but this ruling puts us one step closer to leaving CCAA.”

The court also approved the extension of \$750,000 to market and sell the remaining condominiums in the Axxess Terwillegar project in Edmonton, Alberta.

The extension of the company’s Debtor in Process (DIP) repayments to Paragon Financial was also approved by the courts. Medican has been making scheduled payments to Paragon and asked for an extension of a repayment to March 31, 2011, pending the sale of a parcel of land.

“The company is well on its way to solvency,” says Schneider. “We’ve been making a real effort and to get the court’s approval is certainly a vote of confidence in what we’ve done to date.”

Medican’s next scheduled appearance before Justice Horner will be March 31, 2011.

-END-

Lindsay Perry  
Marketing & Communications  
Medican General Contractors

1870A-6th Ave. SW.  
Medicine Hat, AB  
T1A 7X5  
p: 403.526.3477 ext. 227  
f: 403.526.3843  
c: 403.580.6373  
e: [lindsayp@medican.com](mailto:lindsayp@medican.com)

