

Sale and Investor Solicitation Procedure (“SISP”) Update

The following is a brief update as to the current status of the SISP.

By Order of the Honourable Court of Queen’s Bench of Alberta dated March 14, 2013 (the “Initial Order”), RS Technologies Inc. (the “Company” or “RS”) obtained protection from its creditors under the *Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended* (the “CCAA”). FTI Consulting Canada Inc. was appointed Monitor of RS under the Initial Order.

On April 11, 2013, the Court approved a sale and investor solicitation procedure (“SISP”) and bid (the “Stalking Horse Credit Bid”) from Werklund Capital Corporation (“WCC”) of Calgary, Alberta, Canada and Melbye Skandinavia AS (“Melbye”) of Oslo, Norway, collectively referred to as the “Stalking Horse Credit Bidder”. Copies of the relevant Court Orders and Monitor’s reports can be found on the Monitor’s website (<http://cfcanada.fticonsulting.com/RS>). The SISP order instructed the Monitor to advise and assist RS in seeking purchase proposals and/or investor/financing proposals that would be superior to that of the Stalking Horse Creditor Bid.

The SISP was carried out upon the terms and conditions established therein. The first phase (“Phase One”) of the SISP required interested parties to submit non-binding indications of interest which would then be evaluated by the Monitor. Parties who were deemed to have submitted a qualified non-binding indication of interest would be permitted to proceed to phase two of the SISP and submit a qualified bid. If no qualified non-binding indications of interest were received by the Monitor at the end of Phase One, the Monitor was required to terminate the SISP and apply to this Honourable Court for approval to implement the Credit Bid Purchase Agreement.

The Monitor did not receive a Qualified Non-Binding Indication of Interest (as defined in the SISP) prior to the end of Phase One and accordingly, the SISP was terminated on May 21, 2013. As the SISP process was terminated, the Monitor, in consultation with RS, is proceeding to close a transaction contemplated with the Stalking Horse Credit Bid (the “Transaction”). The Monitor, in conjunction with RS, is conducting final negotiations with the Stalking Horse Credit Bidder with respect to any and all outstanding items in relation to the completion of the Transaction.

The Monitor anticipates that further materials will be filed with the Court with respect to the closing of the Transaction in the near term.