

COULSON GROUP OF COMPANIES

LOG TALK

VOLUME 10-155

MAY 2010

Britt and I travelled to Australia this month to review with our customer the 2009/2010 performance of the 2-S-61s and the S-76 working the State's firefighting program.

I am very pleased with the report card from our customer and again our crews did an excellent job.

XEC continues to work in Sale, Australia which is also in Victoria State and has been extended until the end of 2010 as the gas drill rig we have been working from has found one of the largest gas deposits in Australian history.

We are very active bidding the S-61s on a variety of different mission profiles and should have some direction very soon on the next steps with BSF and MAY.

The Mars will start its contract with the Province of BC on June 15th for a 90 day term. The Province is not experiencing any fire difficulty at this time.

CML continues to operate week by week and Jim, John and Foster are keeping customers in front of us. We are getting excellent response and support from both old and new customers.

Gary and team have logs flowing to CML and, at this time, both logs and lumber seem stable in the marketplace.

The single biggest uncertainty is the fact the union contract is up on June 15th and the Steelworkers have been nowhere in sight.

It will be an interesting summer...

Wayne

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Corporate News

By Susan Merivirta, Chief Financial Officer

Coulson Group of Companies is a long-time member of the BC Forest Museum Society located on the highway in Duncan. The BC Forest Museum Society is a non-profit society that depends on grants, fundraising and memberships to maintain and operate the museum and interpretive center (BC Forest Discovery Centre) which provides insight on the history and development of our relationship with the forest.

Each year we are sent a Seasons Pass which is valid from Easter to the end of October 2010. Our corporate membership is also transferable by us to our employees.

The Forest Museum could provide you and your family an interesting day's outing. Our corporate membership card is at our Head Office Reception area and is available for your use.

2010 membership entitles you to the following privileges:

- A Season's Pass that is valid from Easter until the end of October 2010.
- Unlimited train rides during your visits.
- 10% discount in the Centre's gift shop and food concession.

This card must be presented whenever visiting the Centre.

For the most up-to-date list of special events, visit their website at www.discoveryforest.com.



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Operations

By Jim Messer, Chief Operating Officer

SAFETY

Sooner or later...the sun is going to shine and we will finally get to enjoy the great outdoors around us. After this inclement spring the sunburn risk will be higher than average, so ensure your family uses proper protection. The following link provides some great information and precautions for children and sun. http://www.cdc.gov/cancer/skin/basic_info/children.htm



COULSON MANUFACTURING

CML continues to cut western red cedar for our own customers. John Kuch and Foster Coulson are doing an excellent job of forward selling our order file during a difficult market period. Our final product and packaging appearance is superior to many competitors which gives us an advantage as a preferred supplier to many customers. Hats off and thanks to all employees for taking those extra steps in creating a first class product.

AIRCRANE

With the economic turmoil in Greece the tender for two firefighting S-61's was outright cancelled by the government. C-GBSF conversion to a firefighting aircraft is complete and she awaits first dispatch opportunity at hanger in Port Alberni. C-FMAY will arrive in Halifax mid month and will either go to work in North America (Gulf of Mexico oil clean-up work or fires), or else be transported to Port Alberni for progressive maintenance as the work front is quiet. C-FXEC continues offshore oil and gas work for Exxon in Bass Strait in Southeastern Australia. This work looks like it will continue until November. C-FCLM is settling into her new role in Afghanistan. The flying has been predictable and steady up to this point. The S-76 arrived safely back in Port Alberni from Melbourne and is nearing completion of its annual inspection. There has been interest from BP Oil in utilizing this aircraft for tracking of the oil spill in the Gulf.

TANKERS

Coulson Flying Tankers has a contract with the BC Minister of Forests for Hawaii Mars for 90 days starting June 15th. Annual work on C-FLYL is now being concluded while the base and mobile equipment is being readied for the season. The Mars will be utilized as an initial attack aircraft, so will need to be mobilized around the province to high hazard areas. It has been difficult to stay focused on a local fire season this spring...feels more like we need to be ready for flood relief.

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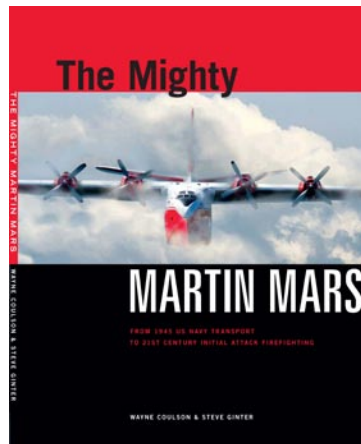
The Coulson Martin Mars Bomber tours & gift/souvenir shop is opening for the 2010 season

- Starting in June the base will be open on weekends June 12/13, 19/20, 26/27.
- Starting July 1st to August 31st the Base will be open daily from 10:00 am to 3:00 pm.

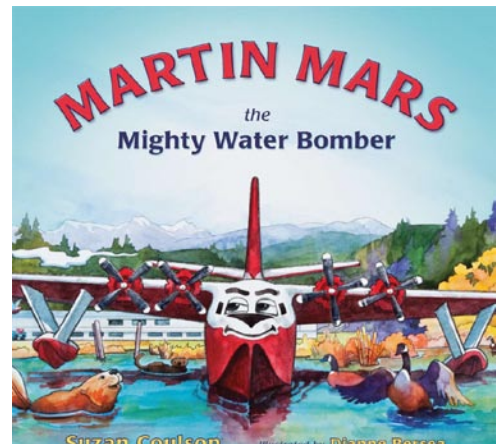


Check out the Coulson Flying Tankers Corporate Wear now on line!

Type in www.coulsonflyingtankers.com and click on webstore.



Available at Coulson Group Head Office, 4890 Cherry Creek Rd. Port Alberni
 “The Mighty Martin Mars” (\$22. including taxes) and the new Children’s book “Martin Mars” (\$25. including taxes)



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Log Harvesting

By Gary Collinge, Manager

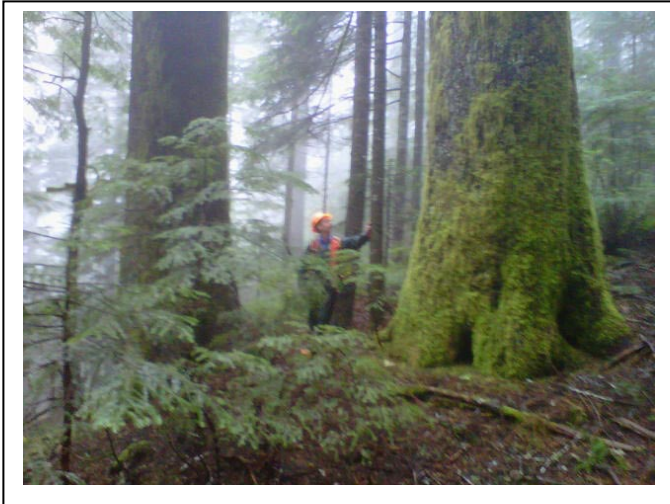
CFP continues to log in a very controlled manner. Five years ago when I came back to logging I used to write budgets with a little room for the unexpected to occur. Today, budgets won't work with any error margin written in. Our targets are very tight and not all is in our control. It doesn't take much to put my budgets and schedules out. A little rain or wind and we are off budget, off schedule.

It is nice to have the mill running on our cedar again but it means the logging targets and

volumes have to be attained if we are to make budgets. We have not attained targeted monthly volume yet this year. We almost made it in May, with the 4th barge to dump in May but will be scaled in June, so it will be June production.

In the Rankin area we have G80 and R91 to complete, about 15,000m3, then we need to be logging in Matleset. Roads are going to be the biggest push to get back on schedule.

Below is Brent Anderson pointing out what is ahead in Matleset



Right is John Jacobs in the R91 hauling wood from Gunner.



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Forestry & Engineering

By Ken Matthews, Manager



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Environmental Management News

By Paul Pashnik, EMS Manager

Environmental Management and Fire Suppression News

1. Coulson Aircrane signs Call When Needed Aircraft Contracts with Canadian Provinces for the 2010 Fire Season

During late April and early May, I have been busy working with Jim Messer to set-up “Call When Needed” (CWN), fire suppression aircraft contracts with Canadian Provincial Fire Control Centres. We prepared offers to supply Coulson Aircrane Ltd’s fleet of Helicopters and the Martin Mars Air Tankers to assist the Provincial agencies in attacking and suppressing wildfires. As a result of this project, Coulson Aircrane Ltd and Coulson Flying Tankers now have CWN contracts in place with the following Provincial Wildfire Fire Agencies – BC, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Within BC, the Hawaii Mars is on an exclusive use contract with the BC Forest Service Protection Division for fighting wildfires in BC.

During the next few weeks, Jim Messer, John Coughlin, Paul Ryan and Roy Copeland will be very busy training pilots and ground crews and preparing aircraft plus support equipment to enable quick response to all fire callouts.

Due to the lack of winter snow and expected hot dry summer conditions Provincial Fire Control agencies across Canada are expecting a very serious fire season. I’m sure our crews will help them out.

2. Coulson Group ISO 14001 Environmental Management System (EMS)

Timberlands ISO14001 EMS

QMI SAI Global issued Coulson Group of Companies Timberlands a new ISO14001 Registration Certificate. This certificate is valid for 3 years and covers all logging, road building, silviculture and fire suppression operations carried out by the companies. A copy of the certificate is included in this issue of Log n Talk.

Environmental Management System Audits

Just a reminder, next year’s tentative Audit Schedule is set out in the table below:

Certified Operation	Internal Audit	SAI Global Ext. Audit
Manufacturing Division	December 15, 2010	January 2011
Aviation Division	February, 15, 2011	March 2011
Timberlands Division	April 15, 2011	May 2011

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CERTIFICATE OF REGISTRATION

This is to certify that

Coulson Group of Companies

4890 Cherry Creek Road, Port Alberni, British Columbia V9Y 8E9 Canada

Refer to Attachment to Certificate of Registration dated May 25, 2010 for additional certified sites

operates an

Environmental Management System

which complies with the requirements of

ISO 14001:2004

for the following scope of registration

The registration covers the Environmental Management System for forest management activities and forestry operations (forest engineering, road building, timber harvesting, forest fire suppression and silviculture).

Certificate No: CERT-0047080
File No: 012024
Issue Date: May 25, 2010

Original Certification Date: June 29, 2001
Current Certification Date: May 23, 2010
Certificate Expiry Date: May 22, 2013

Chris Jouppi
President,
QMI-SAI Canada Limited

Alex Ezrakhovich
General Manager,
SAI Global Certification Services Pty Ltd



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Registered by:
SAI Global Certification Services Pty Ltd, 286 Sussex Street, Sydney NSW 2000 Australia with QM-SAI Canada Limited, 20 Carlson Court, Suite 100, Toronto, Ontario M9W 7K8 Canada (SAI GLOBAL). This registration is subject to the SAI Global Terms and Conditions for Certification. While all due care and skill was exercised in carrying out its assessment, SAI Global accepts responsibility only for proven negligence. This certificate remains the property of SAI Global and must be returned to them upon request.
To verify that this certificate is current, please refer to the SAI Global On-Line Certification Register: www.qmi-saiglobal.com/qmi_companies/



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Manufacturing

By John Kuch, Manager

June is here, and there is no sign of summer. This sure has been a cold, wet spring.

Lumber markets are slightly better at least for our products. We have been able to keep our cedar production moving into soft markets because of the accuracy of our sawing and the quality of our grading. Customers will pay a slight premium to get our wood as their recovery is better than from our competitors. We need to stay focused on producing a superior product.

The tariff on softwood lumber into the U.S. dropped to zero on June 1st. This makes cedar \$50.00 /MBM cheaper and helps cover some of the increases in exchange. Analysts are predicting the tariff will only be off for 1-2 months

European markets have been very poor due to the financial crisis and the devaluation of the Euro. This is causing us to back up in some items especially 4x6 #4 clear. We are working on moving the items somewhere else, but so far have not had any luck.

Merch items to the U.S. are selling well and we have an order file on this type of wood.

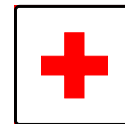
Hopefully, summer will arrive soon and we can all get out and enjoy some nice weather.

Until next month, work safe and play safe.

Remember - Safety is not a job; it is a way of life.



Safety Stats



CURRENT Apr. 25- May 2010

YTD 2010

Accident Free Days

DIVISION	WORKERS	MED	LTA	MED	LTA	2010	Accident Free Days
CML	37	0	01	01	01	02	20
CSL	16	0	0	0	0	0	755
HMP	03	0	0	0	0	0	1410
MILLWORKS	0	0	0	0	0	0	1026
AIRCRAVE	14	0	0	01	0	01	858
CFT	06	0	0	0	0	0	321
RIMROCK	42	0	0	0	0	0	351
CFP - OFF	20	0	0	0	0	0	5357
CFP - HELI	0	0	0	0	0	0	646
CFP-CONV	02	0	0	0	0	0	780
KLITSA	01	0	0	0	0	0	284
TOTAL	141	0	01	02	01	03	

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Information Systems

By George Rose

I mentioned in a previous issue of logNtalk that in order to attempt to keep our server hard drive requirements somewhat under control and allow users easy access to documentation we were considering implementing a Microsoft SharePoint server.

In the same issue I also mentioned that we had an issue with the Coulson Airplane AME Training video's being unwatchable through a Remote Desktop connection and were investigating options to resolve this.

We have decided that using Microsoft SharePoint for the AME Training video's, documentation and questionnaires was the best option. We now have a SharePoint server up and running with Jan 2010 – July 2010 AME Training in place. I would appreciate any feedback from those of you currently using this new system for training.

As I also discussed previously, there are many advantages to having a SharePoint Server. Here is a list of the top 10 from the Microsoft TechNet website:

1. Improve team productivity with easy-to-use collaborative tools

Connect people with the information and resources they need. Users can create team workspaces, coordinate calendars, organize documents, and receive important notifications and updates through communication features including announcements and alerts, as well as the new templates for creating blogs and wikis. While mobile, users can take advantage of convenient offline synchronization capabilities.

2. Easily manage documents and help ensure integrity of content

With enhanced document management capabilities including the option to activate required document checkout before editing, the ability to view revisions to documents and restore to previous versions, and the control to set document- and item-level security, Windows SharePoint Services can help ensure the integrity of documents stored on team sites.

3. Get users up to speed quickly

User interface improvements in Windows SharePoint Services 3.0 include enhanced views and menus that simplify navigation within and among SharePoint sites. Integration with familiar productivity tools, including programs in the Microsoft Office system, makes it easy for users to get up to speed quickly. For example, users can create workspaces, post and edit documents, and view and update calendars on SharePoint sites, all while working within Microsoft Office system files and programs.

4. Deploy solutions tailored to your business processes

While standard workspaces in Windows SharePoint Services are easy to implement, organizations seeking a more customized deployment can get started quickly with application templates for addressing specific business processes or sets of tasks.

5. Build a collaboration environment quickly and easily

Easy to manage and easy to scale, Windows SharePoint Services enables IT departments to deploy a collaborative environment with minimal administrative time and effort, from simple, single-server configurations to more robust enterprise configurations. Because deployment settings can be flexibly changed, less pre-planning time is required and companies can get started even faster.

6. Reduce the complexity of securing business information

Windows SharePoint Services provides IT with advanced administrative controls for increasing the security of information resources, while decreasing cost and complexity associated with site provisioning, site management, and support. Take advantage of better controls for site life-cycle management, site memberships and permissions, and storage limits.

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Information Systems Con't

7. Provide sophisticated controls for securing company resources

IT departments can now set permissions as deep down as the document or item level, and site managers, teams, and other work groups can initiate self-service collaborative workspaces and tasks within these preset parameters. New features enable IT to set top-down policies for better content recovery and users, groups, and team workspace site administration.

8. Take file sharing to a new level with robust storage capabilities

Windows SharePoint Services supplies workspaces with document storage and retrieval features, including check-in/check-out functionality, version history, custom metadata, and customizable views. New features in Windows SharePoint Services include enhanced recycle bin functionality for easier recovery of content and improved backup and restoration.

9. Easily scale your collaboration solution to meet business needs

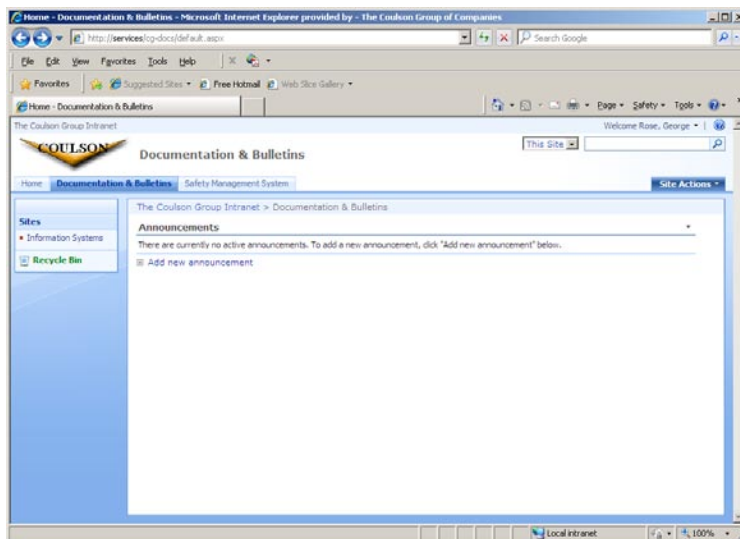
Quickly and easily manage and configure Windows SharePoint Services using a Web browser or command-line utilities. Manage server farms, servers, and sites using the Microsoft .NET Framework, which enables a variety of custom and third-party administration solution offerings.

10. Provide a cost-effective foundation for building Web-based applications

Windows SharePoint Services exposes a common framework for document management and collaboration from which flexible and scalable Web applications and Internet sites, specific to the needs of the organization, can be built. Integration with Microsoft Office SharePoint Server 2007 expands these capabilities further to offer enterprise-wide functionality for records management, search, workflows, portals, personalized sites, and more.

As with most things in life, we need to learn to walk before we run, so we will start by using SharePoint to access commonly used files and documentation. Later on we can get into using more of the collaboration functionality of the system.

I have put an Icon on everyone's desktop "Coulson Intranet". Double click it to access the SharePoint server.



The tabs under the Coulson logo are separate areas that are configured so that only users with rights to that area can access them.

Currently everyone has read only access to the Documentation & Bulletins area. On the left hand side you can see that a site has been created called Information Systems. This is where you will find documentation relevant to that department. I will, over time, be adding instructions to answer commonly asked questions such as 'how do I change my voice mail message on my phone' or 'how do I associate a file type with a certain program'. More sites can be created as requested by department managers. These sites can be configured so that only certain users can access

them as well if required.

If as a manager you are interested in setting up a site for your department please feel free to contact me. Also, as always your feedback is important, so anyone using this site should contact the IT Department with ideas and/or feedback.

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Happy Birthday June

AIRCRAANE

Daryl Jones 17

CFP

Andre Savard 07
 Trisha Marks 18
 Marty McMillan 19
 Foster Coulson 27

MILLS

Pat Flynn 03
 Glen Simister 12
 Randy Marchildon 15
 Scott Davidson 22
 Ernie Preston 26
 John Kuch 29
 Steve Sanders 29
 Darren Van Dyk 29
 Lance Karaim 29

RIMROCK

William Smith 10
 Christopher Feveile 14
 Patrick Edwards 15



June

There are three types of people: those that get things done, those that watch things being done, and those that don't even know anything was done.

By Joseph Conrad,
 Taken from Words of Honor, pg 30

SUN	MON	TUES	WED	THUR	FRI	SAT
		1	2	3	4 <i>Payday</i>	5
6	7 Cont'rs invoices due at office	8	9	10 Payroll Cutoff Cont'rs chq for pickup 1:00 pm	11	12
13	14	15	16	17	18 <i>Payday</i>	19
20 <i>Happy Father's Day</i> 	21 Invoices due at office	22	23	24 Payroll Cutoff	25	26
27	28	29 Month end cheque run	30 Cheques for pickup after 1:00 pm			

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