

COULSON GROUP OF COMPANIES

VOLUME 05-108

NOV. 2005

One of the most common questions that I get asked is:

“How’s Cliff doing?”

HE IS DOING GREAT.

Our family is fortunate to have a nursing staff that is excellent. Cliff, my father, and one of his nurses are out and about every day:

- Going to Echo Pool for his aquatic exercises,
- Taking Chico II for walks,
- Having lunches with old friends,
- Hosting visits at his home with former business colleagues,
- Participating in many community events, such as the recent “Remembrance Day service at ADSS, and...
- Stick-handling the many family visits of Darlene, Barry, Ron and myself.

Below are a couple of pictures of recent trips he has made.

Three “not so old” loggers. Left to Right –
Doug Ryles, Cliff Coulson, Mo Francoeur

Cliff being presented with a Logger’s
Sports shirt for his long-time
contributions by Jackie Van Herk.

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with the
FSC label you are
supporting the growth of
responsible forest
management worldwide.



www.coulsongroup.com

Corporate News

By Susan Merivirta, Chief Financial Officer

You should always strive to minimize your tax burden, whether you work, are retired, operate a business directly, or operate a business through a corporation. Now is a good time to take stock of your tax status.

RRSP CONTRIBUTIONS:

If you haven't yet contributed to your RRSP for 2005, don't wait until the end of February 2006, contribute now. The earlier you contribute to your RRSP, within the allowable limits, the more quickly the capital to finance your retirement will grow sheltered from tax.

- **2005 contribution.** Your maximum contribution for 2005 is 18% of income earned in 2004, principally from employment or a business, up to a maximum of \$16,500 (compared to \$15,500 in 2004). The maximum RRSP contribution for 2005 applies to earned income of \$91,667 in 2004. If you participate in a pension plan, you should keep the pension adjustment in mind – and the pension adjustment reversal, if applicable. To find out the exact amount that you can contribute, look at the “RRSP Deduction Limit Statement for 2005” section of your federal assessment notice for 2004, or access your personal file on the Canada Revenue Agency Web site (www.cra-arc.gc.ca).
- **Think ahead to 2006.** The RRSP limit will increase again in 2006, when it will reach \$18,000. If you have your own corporation, have no other source of earned income, and are able to do so, pay yourself a salary of at least \$100,000 this year if you wish to ensure that you can contribute the maximum amount to your RRSP in 2006.
- **Unused RRSP contribution room.** If you contributed less than the maximum allowable amount to your RRSP in a previous year, and if you can afford it, use the unused RRSP contribution room for 2005 by contributing an additional amount equal to the unused room. Don't wait too long to use your unused room, as doing so will give you less time to reap the benefits of compound interest, and you will consequently have less capital in your RRSP when you retire. Remember that your investment horizon may be for 10, 20, or even 40 years, depending on how old you are now and at what age you think you will need funds from your RRSP.
- **Be careful of overcontributions.** The law allows you to contribute up to \$2,000 over the authorized maximum. Do not exceed this limit, because the penalty of 1% per month on over contributions can add up fast, and the administrative formalities to recover excess contributions are relatively complex.
- **If you turn(ed) 69 in 2005.** If you turn(ed) 69 in 2005, you must terminate your RRSP no later than December 31. It is extremely important not to wait until the last minute to plan the maturity date of your RRSP. If you fail to decide how you wish to receive your retirement income before December 31, the full market value of your RRSP will be added to your taxable income in 2005. There are many options available: transferring your RRSP to a Registered Retirement Income Fund (RRIF), receiving an annuity, receiving a lump sum, or choosing a combination of these options. Discuss them with your tax advisor.
- **Is your spouse younger than you?** If your spouse is younger than you and you anticipate that his or her retirement income will be less than yours, consider creating a spousal RRSP. You can then continue contributing to the spousal plan until your spouse turns 69, provided that you have unused contribution room.

As several weeks remain before the end of the year, now is the time to review your 2005 taxable situation and make the necessary adjustments.

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with the FSC label you are supporting the growth of responsible forest management worldwide



www.coulsongroup.com

Operations

By Jim Messer, Chief Operating Officer

Once again BIG CHANGES have hit the BC Coastal Forest Industry. With the purchase of Cascadia Forest Products (ex Weyerhaeuser) by Western Forest (ex Doman) we now have one dominant crown land player in the coastal forest industry. The first question many people ask when confronted with the news of this purchase is what it might mean to them. No one has a crystal ball, but here are some facts that remain and will impact how the new coastal business unfolds:

- The Coastal Forest Industry has been in a serious economic decline for some time.
- Change (of some kind) was required. This certainly fits the mandate of “change”.
- Western will be (upon approval of this purchase) the largest crown land licensee on the coast with over 6.5 million cubic meters of annual harvest.
- The bulk of the west side of Vancouver Island crown harvest will be operated by Western.
- They will own (and probably consolidate) 10 sawmills and 5 remanufacturing businesses.
- Two of their sawmills are on the west coast of Vancouver Island.

Will this change impact Coulson Forest Products and our Manufacturing Operations? You bet. But how it will impact us has yet to be determined. The new Western Forest Products will be engaged in many months of repositioning and restructuring of their people and their operations. We will endeavor so “stay engaged” in this process and develop best opportunities for Coulson and Western combined.

Coulson Aircrane has completed turning out another first class S-61. The first S-61 for Heli-One was ground run without any hic-ups 83 days after arrival at our facility from Brussels. Flight testing was completed this week and she will now be partially disassembled for the boat ride to Singapore. Our team will meet the vessel in Singapore, reassemble the aircraft and assist in presenting her to service in Thailand. As you can see, the team has done a remarkable job of this aircraft. In the past 90 days over 11,000 manhours were completed on C-FGDO..., AND WITHOUT A SINGLE FIRST AID INCIDENT.

CONGRATULATIONS AND THANKS FOR A FIRST CLASS PERFORMANCE.



ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with the FSC label you are supporting the growth of responsible forest management worldwide.



www.coulsongroup.com

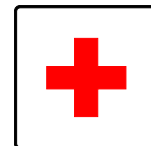
Log Harvesting

By Gary Collinge, Manager

The changes in our industry continue to create confusion. You have to be sharp to keep up with the changes. Norske is now Catalyst, Cascadia is now Western Forest Products. What is next? It is very distracting to industry and these changes continually cast uncertainty for our industry. So when you ask what's going on don't be surprised when you get a blank stare.

Weather has been making life interesting in all areas. Tzartus falling has been proceeding ahead of schedule. Weasel road is behind due to heavy rain. Log tows and barge moves have all been behind by a couple of weeks lately. I'm hoping for more moderate weather to kick off conventional logging in Tzartus and Weasel.

I will have multi-tasking in place on most areas to try to hit production targets. I am open to any shifting ideas for north and south operations. Things are in a constant flux within Coulson as well as industry.



Safety Stats

CURRENT 13 Oct – 13 Nov 2005

YTD 2005

Accident Free Days

DIVISION	WORKERS	MED	LTA	MED	LTA	2005	
CML	60	0	0	06	0	06	410
CSL	45	0	01	05	06	11	32
HMP	04	0	0	0	0	0	766
MILLWORKS	38	0	0	05	01	06	157
AIRCRAVE	23	0	0	0	0	0	1085
CAT	01	0	0	0	0	0	2802
CFP – OFF	19	0	0	01	0	01	2802
CFP – HELI	05	0	0	07	02	09	54
CFP-CONV	08	0	0	02	0	02	437
CFP-SHOP	01	0	0	01	0	01	2648
MAQ-HELI	0	0	0	0	0	0	1962
MAQ-CONV	0	0	0	01	0	01	1529
KLITSA	0	0	0	01	0	01	
TOTAL	204	0	01	29	09	38	

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with the FSC label you are supporting the growth of responsible forest management worldwide



www.coulsongroup.com

FOREST STEWARDSHIP PLANS

The Arrowsmith Multi Licensee FSP is finally signed off by Chief Bert Mack and Wayne Coulson. It will be submitted into the District Manager, Port Alberni. This plan will satisfy timber development and cutting permit requirements for CFP and Echa-Peh Forest Resources for the next 5 years. It has taken a lot of work to get this FSP to the sign off stage. We will be starting the FSP process for Hecate Logging Ltd. early in the new year. Hopefully, we can get this FSP done quicker.

FOREST DEVELOPMENT PLANS

We were putting in major amendments to both CFP and Hecate's currently approved FDPs. The Hecate amendment has been completed and sent in to the District Manager, Ministry of Forests, in Campbell River for approval. CFP's major amendment is currently in the public review state.

CUTTING PERMITS

Two small cutting permits are currently under consideration. We are planning a small 6,000m³ permit in the Lucky Creek drainage for CFP and a minor amendment to Hecate's CP68 which will add about 5,000m³ to blocks SE4 and SE7. Final engineering is still to be done on these blocks.

TOQUAHT WOODLOT 1309

As part of our partnership with the Toquaht First Nation, CFP's agreement with the tribe, requires us to assist them with the management of the woodlot. To this end, we applied for Cutting Permit B which contains approximately 3,000m³. I congratulate Emma Niell, Ministry of Forest Woodlot Forester, for getting the permit issued within four working days after we sent in the application documents. The Toquaht Nation's road crew will be carrying out the logging over the next 2 months. Coulson Forest Products will do most of the log marketing for Toquaht.

ISO 14001 CERTIFICATION

Both Coulson Manufacturing and Timberland operations are due for their respective six month internal audits. Ian Cuthbert will be carrying out the audits with help from Bob Howie and Ron Sorenson. I'm confident that John Kuch and Gary Collinge will have our operations up to snuff!!

AUSTRALIA AERIAL FIRE SUPPRESSION CONTRACTS

Wayne, Susan, Jim and I have been very busy with the NAFC contract and getting the "Conditions Precedent" satisfied. Much preparation was required to put our Australia Team's immigration documents in order. The contract, immigration visas plus aircraft shipment are just about all in place. I appreciate the help from Dan Moyles (job descriptions – engineers), John Coughlin (cockpit resource management training), and Gary Collinge (aircraft fuel delivery).

ISO 14001:2004



Cert. # CC1652-012024



By buying products with the FSC label you are supporting the growth of responsible forest management worldwide

SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

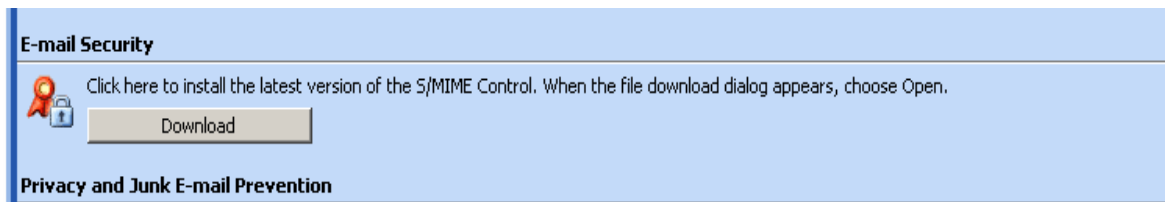


www.coulsongroup.com

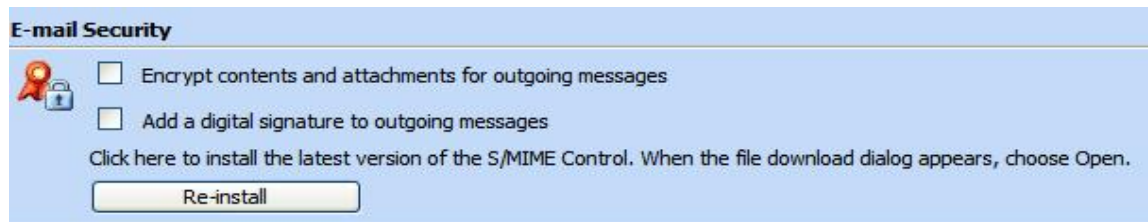
Improvements in Outlook Web Access 2003

In our ever changing environment more and more people are finding it necessary to have access to their corporate email while away from the office. Outlook Web Access gives users email access from any computer with an Internet connection and a browser. People that are used to using the full blown Outlook client on their work computers however find Outlook Web Access cumbersome and lacking in certain features. By installing the S/MIME ActiveX component on a workstation that you regularly use for Outlook Web Access you can improve the functionality of attachment handling, add additional security options and have access to all the fonts on the local workstation.

In order to install S/MIME you need to open the OWA 2003 Options page, here you scroll down to E-mail Security where you click the Download button.



You will be prompted with a few Security Warning boxes to which you should just click Yes. After a few seconds S/MIME will have been installed and you can now take benefit of the Explorer stylish Attachment feature and the additional fonts and security.



Common Outlook Web Access shortcut keys

Shortcut key(s)	Functionality
ENTER	Open the selected message/contact, appointment etc. depending on the current folder you're in.
Ctrl+N	Open/create a new message, appointment, contact etc. depending on the current folder you're in.
Ctrl+R	Reply to the selected message.
Ctrl+U	Mark selected message as unread
Ctrl+Q	Mark the selected message as read.
Ctrl+K	Resolve the names in the address boxes (ALT+K can also be used)
Ctrl+Shift+R	"Reply all" to the selected message.
Ctrl+Shift+F	Forward the selected message.
Del	Delete the selected message.
Shift+Del	Permanently delete the selected message.
F7	Check the spelling in a message.

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with FSC label you are supporting the growth of responsible forest management worldwide



www.coulsongroup.com

Mill Report

By John Kuch, Production Manager

Another month, more changes coming in the coastal forest industry. After months of rumours and speculation, Western Forest Products has announced their takeover of Cascadia. Hopefully, this will finally bring some stability to the Coastal Forest Industry.

CML is still working on our shingle cant, pulp log, occasional high grade and cedar resaw cutting scenario. This is not the first choice in mill operating modes but it keeps us going until we can get back to a normal operating mode. Hemlock square sales remain steady with everything produced, so far, sold.

We are looking at a Cedar inventory cut for December. Currently we have inquiries for

about half of the lumber projected to be produced.

CSL/HMP is steady on 2 shifts. Due to the shifts needed for hemlock, we are planning on increasing the hours by going to 9 hour shifts and Saturdays.

SAFETY

Safety as always is the number one priority at all manufacturing operations. Let's all watch out for each other, don't do anything that appears unsafe and don't let anyone else. Use all your protective gear and always be careful when lifting. If it looks too heavy get help. Until next time let's work safe and play safe.



Port Alberni Assessment & Resource Service Creating healthy, safe employees, families and communities

Port Alberni Assessment and Resources Service provides counsellors to help with any family or personal problems.

- Parenting
- Addictions & Recovery
- Legal Issues
- Mental Health
- Personal Finances
- Physical Health & General Wellness
- Relationship & the Family
- Seniors & Elder Care
- Trauma in the workplace
- Work/Life issues

This counseling service is accessed by calling a toll free line is 1-866-296-2929 and is available 24 hours a day, 7 days a week. The website is www.fgiworldmembers.com

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with FSC label you are supporting the growth of responsible forest management worldwide



www.coulsongroup.com



Happy December Birthday



AIRCRANE

Leah Ralph 14
Paul Ryan 14
Kirk Fong 16

CFP

Simon John 08
Larry Francis 12
Ken Holst 17
Jim Isaac 29

MILL

Brent Dame 11
Real Ruel 16
Steve Sumen 17
Lon Collinge 20
Ron Spencer 23
Keith Gagnon 24
Mark Story 24
Sterling Robinson 24
Dale Arthurs 28

MILLWORKS

Sampson Barney 10
Troy Martin 17
Jacob Bos 26



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
--------	--------	---------	-----------	----------	--------	----------

December, 2005				1 Payroll Cutoff	2 Cont'rs invoices due at office	3
4	5	6	7 Cont'rs Chq. run	8	9 Payday Cont'rs chq for pickup 1:00 pm	10
11	12	13	14	15 Payroll Cutoff	16 Invoices due at office	17
18	19	20	21 Cont'rs cheque run	22 Cheques for pickup after 1:00 p.m.	23 Payday Head Office Closed	24
25 	26 Head Office Closed	27	28	29 Month end cheque run	30 Cheques for pickup after 1:00 p.m.	31

ISO 14001:2004



Cert. # CC1652-012024



SCS-COC-00437

© 1996 Forest Stewardship Council A.C.

By buying products with FSC label you are supporting the growth of responsible forest management worldwide



www.coulsongroup.com