



Coventree Provides D&O Insurance Claim Update

TORONTO, ONTARIO (October 30, 2012) – Coventree Inc. (“Coventree” or the “Company”) today provided an update on its claim for coverage under its directors and officers liability insurance policy with Navigators Pro, on behalf of Lloyds Syndicate 1221 (Millenium Syndicate) (collectively, “Navigators Pro”).

Coventree’s view of the Navigators Pro policy is that it provided coverage to a limit of \$5 million for the matters that were the subject of the notice of hearing and related statement of allegations issued by Ontario Securities Commission staff dated December 7, 2009 (the “Notice of Hearing”). After Navigators Pro took the position that it had no obligation under the policy to provide coverage in respect of the claims made against Coventree and the individuals named in the Notice of Hearing, the Company commenced proceedings in the Superior Court of Justice (Ontario) (the “Court”) against Navigators Pro in respect of its claim under the policy. The Court ruled that the Navigators Pro policy was operative and must respond to the claim made by Coventree for coverage under that policy. Navigators Pro appealed that decision to the Ontario Court of Appeal, which released its decision affirming the lower Court’s ruling in May, 2012. Navigators Pro has applied for leave to appeal the Ontario Court of Appeal’s decision to the Supreme Court of Canada., and that application for leave remains outstanding.

Navigators Pro also took the position that, even if the policy did apply, the Company may not be entitled to judgment for the full \$5 million in coverage available under the policy. However, Navigators Pro has entered into a settlement agreement with Coventree in which it has consented to judgment for the full amount of the \$5 million in coverage available under the policy, plus pre and post judgment interest and the costs that have been awarded to Coventree to date as well as any costs that may be awarded in Coventree’s favour in connection with Navigators Pro’s appeal to the Supreme Court of Canada. This settlement is subject to the Supreme Court of Canada dismissing Navigators Pro’s application for leave to appeal or, if that application is granted, the appeal being dismissed. In other words, while this settlement agreement addresses the issue of the amount of coverage that would be available to Coventree under the policy, the issue of whether the policy applies at all continues to remain outstanding.

As a result, until the leave application has been addressed by the Supreme Court of Canada or, if leave is granted, the appeal has been resolved, there can be no assurance regarding when Navigators Pro will pay under the policy nor as to whether Navigators Pro will be liable to provide coverage at all.

This press release is intended for distribution in Canada only.

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