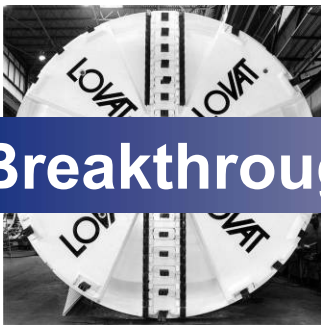


YDSS Interceptor Sewer – 19th Avenue Richmond Hill, Canada – Project Update



A LOVAT RME129SE Tunnel Boring Machine [TBM] is nearing completion on the YDSS Interceptor Sewer tunnel project in Richmond Hill, Canada.

The TBM is one of three identical LOVAT RME129SE models (Series 22600, 22700, & 23200) delivered to the McNally Construction Inc. & AECON Group Inc. Joint Venture earlier this year. All three are being utilized for several projects to expand the sewer systems in the Regional Municipality of York, located just north of Toronto.

The first portion of the project, a 550 meter drive, was completed by the RME129SE Series 23200 prior to being relocated to the Bathurst & Langstaff site for additional works. The second portion of the project, a 3,600 meter long tunnel along 19th Avenue, is currently being excavated by the RME129SE Series 22700. Having completed 2,260 meters of tunnel to date, the TBM is performing well with best daily and weekly production rates of 28 and 117 meters, respectively.

Breakthrough is expected to occur by Spring 2008.

