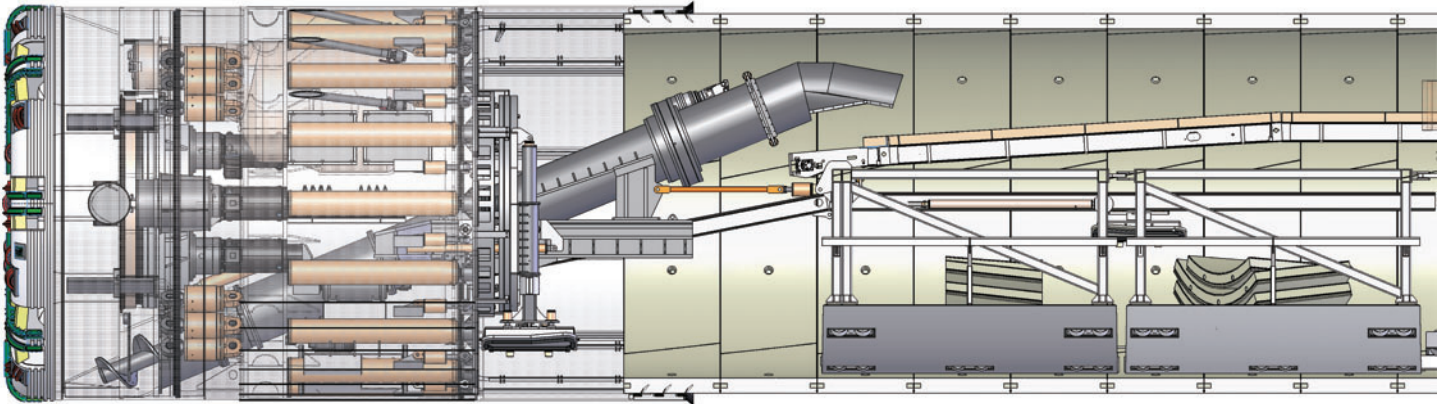


Supply of four New TBMs for the Toronto-York Spadina Subway Extension Project.



LOVAT Inc., is pleased to announce, the recent sale of four LOVAT™ RME241SE Earth Pressure Balance, TBM's to the Toronto Transit Commission [TTC]. The four machines will be utilized in the construction of the Toronto-York Spadina Subway Extension (TYSSE) Project, located in Ontario, Canada.

The announcement was made on August 7th, 2009 after several dignitaries toured the Lovat facility. "I am proud to highlight that here in the GTA, a local company will use its expertise to build an essential piece of machinery for the construction of this extension," said Bob Dechert, MP for Mississauga-Erindale.

The 8.6 km long subway extension will have 6.7km of twin bored tunnels which extend north-westward from the existing subway, and will include six stations located in the following areas [from south to north

- Sheppard West, Finch West, York University, Steeles West, Highway 407, Vaughan Corporate Centre

Ground conditions anticipated along the tunnel alignment consist of quaternary deposits consisting of glacial till, glaciolacustrine, and glaciofluvial sand, silt and clay deposits and beach sands and gravel. Cobbles and boulders are anticipated along the tunnel alignment with compressive strengths of up to 185Mpa. The entire tunnel alignment is below groundwater levels.

Each 6.12 metre diameter Mixed Face TBMs will be equipped with LOVAT chromium carbide -plated ripper teeth manufactured with high tensile steel, interchangeable with 394 mm (15.5 in.) disc cutters. The main drive consists of variable frequency drive electric water-cooled motors providing a total of 1,200 kW (1600 HP.) available power to the cuttinghead.

To ensure the project schedule is met, the design and manufacturing process for each machine is already well underway. The first two tunnel boring machines are expected to be delivered in winter 2010, and tunnel excavation is anticipated to begin shortly afterwards. The remaining two machines are expected to be delivered by spring 2011.