



**Economic and Rural Development
and Tourism**

January 12, 2015

Mr. Kevin Lacey
2615 Fuller Terrace
Halifax, NS
B3K 3V8

Dear Mr. Lacey:

Re: Attached are the documents responsive to your request – ECD-14-39

This is a follow-up to my letter of December 16, 2014, where you were informed that you are entitled to part of the information you requested.

The third party has not requested a review of our decision and we are now able to release the responsive documents.

As noted in my previous letter, we have removed some of the information from these records as allowed under Section 5(2) of the Act. This was confidential financial information provided by the third party, exempted under Section 21(1)(a)(b) and (c) and personal contact information exempted under Section 20(1).

If you have any questions, you may contact Catherine Lane, Acting IAP Administrator, by email econ_iap@gov.ns.ca or by telephone at 902-424-1727.

Sincerely,

Simon d'Entremont
Deputy Minister

/Enclosure

1660 Hollis Street, Suite 600
Centennial Building

PO Box 2311
Halifax, Nova Scotia
B3J 3C8

**QUEST NAVIGATION™**

2 December 2013

Nova Scotia Economic and Rural Development and Tourism
1660 Hollis Street
Centennial Building, Suite 600
PO Box 2311
Halifax, NS B3J 3C8
Canada

Subject: Amended Financial Assistance to Yarmouth Ferry Project
Monthly Report in accordance to Progress of Start Up

Attention: David Oxner

Dear Mr. Oxner:

The November report is abbreviated as the project was commenced. The December report should contain much more details as we will be well into the project.

November 2013 Progress Report:

- *Traveled to Miami and met with International Shipping Partners to develop modification specification
- *Traveled to Singapore and met with ST Marine to Develop Time Table for Modifications
- *Developing Materials List for Modification

- *Preparing Plans and Documents to submit to USCG for Controlled Verification Examination

- *Funding request sent in for first tranche on 29 November 2013

Very truly yours,

Mark Amundsen
President/CEO

QUEST NAVIGATION, INC.
PO BOX 582
EPOCH, MARINE 03903
603.5.20(1)

ECD-14-39

001

Pratt, Joni

From: Mark Amundsen S 20(1)
Sent: Sunday, January 05, 2014 6:45 PM
To: Oxner, David B; Chow, Jeannie
Cc: 'Steve Durrell', S 20(1)
Subject: December 2013 progress Report
Attachments: Scan0095.pdf

Hi David and Jeannie:

Attached is the December monthly report on the Amended Financial Assistance to Yarmouth Ferry project in accordance to reporting requirements. All the key contracts including the bare boat charter agreement and ISP operational contracts are now in force as of 22 December 2013. The vessel is under modification and is estimated to be delivered on March 10, 2014. Now that we are beyond the holiday periods, we will have a more detailed report in January.

Very truly yours,

Mark Amundsen
President CEO
Quest Navigation, Inc
603 S 20(1)

Nova Star Cruises Limited
Province of Nova Scotia Disbursement Assistance Reconciliation (DAR#1)
 As of December 31, 2013

ECD-14-39

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5 January 2014

Nova Scotia Economic and Rural Development and Tourism
1660 Hollis Street
Centennial Building, Suite 600
PO Box 2311
Halifax, NS B3J 3C8
Canada

Subject: Amended Financial Assistance to Yarmouth Ferry Project
December Monthly Report in accordance to Progress of Start Up

Attention: David Oxner and Jeannie Chow

Dear Mr. Oxner and Ms Chow:

The December monthly report is as follows:

- Received first tranche funding from the Province of Nova Scotia
- Bareboat Charter Executed with 1st month hire payment received buy ST Marine on 22 December 2013. Vessel is officially delivered to Nova Star Cruises Ltd.
- ISP Technical Management and Consultancy Agreement executed on 22 Dec 2013
- ISP Hotel Consultancy Agreement executed on 22 Dec 2013
- ISP executed Flag change documentation to Bahamian Flag
- Vessel Crewed with Senior officers and commence commissioning of vessel
- Commenced Charter Specific Modifications and ordering of materials.
- Commenced Plan Review with Bureau Veritas

January 2014 Planning

- Nova Star to be dry docked for regulatory and coatings on January 29, 2014
- Sea Trials planned for 8-10 February 2014
- Estimated Departure date from Singapore 10 March 2014 after completion of modifications.

We will have a more detailed report in the January now that the bare boat charter and operation contracts with ST Marine and ISP have been executed and we are beyond the holiday season.

Very truly yours,

Mark Amundsen
President

ECD-14-39

NOVA STAR CRUISES LTD.
PO BOX 18001
REDFOOT NS B4A 3Z2
CANADA

004

Nova Star Cruises Limited
Disbursement Assistance Reconciliation (DAR#1)
 As of December 31, 2013

	\$	CAD	CAD
Report Summary (ex HST)			
Total Costs	\$ 17(1)		CAD 17(1)
Canadian US			
Total Costs	\$ 17(1)		CAD 17(1)
Canadian US			
Total Costs Incurred			
Canadian US			
Total Provincial Funds Released			
% PNS Funds Utilized			% 17(1)
Segmented Reporting of Costs Incurred			
Bareboat Charter	STM 17(1)		CAD 17(1) ✓
Marketing / Branding	Various		
Vessel / Hotel / Technical Management	ISP		
Shore-Based Salaries	Nova S		
Legal / Accounting	Cox & Palmer	0.50	
Shore-Based Expenditures	Nova Star	Account's	
Insurance	Various		
Asset Purchase	Steele		17(1)

Agreed to 1st Disbursement
(CAD)
Proof of Payment

V. verified amt 4 prnt.

Oxner, David B

From: Steve Durrell S 20(1)
Sent: January-27-14 9:32 AM
To: Chow, Jeannie
Cc: Oxner, David B; Larsen, Jeff M

Just to advise that the ship went into the dry-dock over the weekend and started the underwater work (cleaning, painting, surveys, etc) I will keep you posted

Best Regards,
Steve Durrell

Nova Star Cruises Limited
Province of Nova Scotia Disbursement Assistance Reconciliation (DAR#2)
As of January 31, 2014

ECD-14-39

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Nova Star Cruises Limited
Disbursement Assistance Reconciliation (DAR#2)
 As of January 31, 2014

*REVIEWED
MARCH 31/14*

<u>Report Summary (ex HST)</u>	\$	CAD	CAD
Total Costs Paid	\$ 17(1)		
Canadian			
US			
Total Costs Accrued			
Canadian			
US			
Total Costs Incurred			
Canadian			
US			
Total Provincial Funds Released			
% PNS Funds Utilized			

Proof of Payment

<u>Segmented Reporting of Costs Incurred</u>	CAD
Bareboat Charter	\$ 17(1)
Marketing / Branding	
Vessel / Hotel / Technical Management	
Shore-Based Salaries	
Legal / Accounting / IT / Safety	
Shore-Based Expenditures	
insurance	
STM	
Various	
ISP	
Nova Star	
Cox & Palmer	
Nova Star	
Various	

✓ VERIFIED FOR PURPOSES OF PROOF OF PAYMENT.

\$ 17(1)

Page 2a

Nova Star Cruises Limited
Province of Nova Scotia Disbursement Assistance Reconciliation (DAR#3)
As of February 28, 2014

ECD-14-39

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February 24th, 2014

Nova Scotia
Economic and Rural Development and Tourism
1600 Hollis Street
Centennial Building,
PO Box 2311
Halifax, NS B3J 3C8

Attention: Jeannie Chow

Subject: Amended Financial Assistance to Yarmouth Ferry Project

In accordance with the Application of the standard Terms and Conditions of the Amended and Restated Letter of Offer (LOO) dated November 1, 2013, and Annex "B" as revised in the ERDT letter dated February 5th, 2014, we request that advance of funds in the amount of \$2,277,000 for start-up costs.

The undersigned authorizes and directs you to transfer the Advance in trust to our lawyers' office

Cox & Palmer
Purdy's Wharf
1100-1959 Upper Water Street
Halifax, NS, B3J 3N2

Attention: S 20(1) QC

The undersigned hereby certifies that the Company is in accordance with all conditions set forth in the LOO and Appendix A and has fulfilled the conditions precedents the LOO and as extended per ERDT letter dated February 21, 2014.

NOVA STAR CRUISES LTD.
20 PANASCUS ROAD SUITE 201
BEEFORDS BAY NS
CANADA

ECD-14-39

010



The undersigned hereby certifies that the Advance Is in accordance with all conditions set forth in the LOO and Appendix A and condition precedents will be fulfilled on or before the amended dates listed herein.

Best Regards,

Mark Amundsen
President

Attachment: Condition Precedent update



February 27th, 2014

Nova Scotia
Economic and Rural Development and Tourism
1600 Hollis Street
Centennial Building,
PO Box 2311
Halifax, NS B3J 3C8

Attention: Jeannie Chow

Subject: Amended Financial Assistance to Yarmouth Ferry Project: Fuel Costs.

In accordance with the Application of the standard Terms and Conditions of the Amended and Restated Letter of Offer (LOO) dated November 1, 2013, and Annex "B" as revised in the ERDT letter dated February 5th, 2014, we request that advance of funds in the amount of \$1,466,000.00 for start-up costs relating to Fuel oil costs for the initial sailing of the vessel from Singapore to Nova Scotia.

The undersigned authorizes and directs you to transfer the Advance in trust to our lawyers' office

Cox & Palmer
Purdy's Wharf
1100-1959 Upper Water Street
Halifax, NS, B3J 3N2

Attention: S 20(1) QC

The undersigned hereby certifies that the Company is in accordance with all conditions set forth in the LOO and Appendix A and has fulfilled the conditions precedents the LOO and as extended per ERDT letter dated February 21, 2014.

NOVA STAR CRUISES LTD.
311 DAMASCUS ROAD SUITE 201
BEDFORD NS B1A 0C1
CANADA



NOVA STAR CRUISES

The undersigned hereby certifies that the Advance is in accordance with all conditions set forth in the LOO and Appendix A and condition precedents will be fulfilled on or before the amended dates listed herein.

Best Regards,

A handwritten signature in dark ink, appearing to read 'Mark Amundsen', written in a cursive style.

Mark Amundsen
President

Nova Star Cruises Limited
Disbursement Assistance Reconciliation (DAR#3)
 As of February 28, 2014

Report Summary (ex HST)

	\$	CAD	CAD
Total Costs Paid	\$ 17(1)		
Canadian			
US			
Total Costs Accrued			
Canadian			
US			
Total Costs Incurred			
Canadian			
US			
Total Provincial Funds Released			
% PNS Funds Utilized			

*Proof of
Payment
CAD*

	CAD
Segmented Reporting of Costs Incurred	\$ 17(1)
Bareboat Charter	
Marketing / Branding	
Vessel / Hotel / Technical Management	
Shore-Based Salaries	
Legal / Accounting / IT / Safety	
Shore-Based Expenditures	
Insurance	
STM	
Various	
ISP	
Nova Star	
Cox & Palmer	
Nova Star	
Various	

Noaa Star - update - Steve
Bruce
mark

1/2
Mar 18/14

- Dates - client had requested 16th but ship will actually sail on 15th from Portland
 - Lisa had mentioned the request for the chg in the sailing date publicly before it was approved
- TMC certification - approved yesterday accepting the bond.
- vessel in Colombo -
 - picked up the security team + will sail w/ a fleet to Suez Canal into Med
 - get picture of ship going thru Suez Canal
 - Doing about 30 knots to save fuel
 - Lisbon, Portugal to pick up equip for install
 - Will continue w/ drills + items required from inspections
- Yarmouth - April 15th + 3 weeks in Portland
- Portland port - ready to sign berth agreement - upgrades in lease 7yrs Homeland Security - better ready
- CP's - except for #3 should be met in next couple of days

2/2

Disbursements:

- 2) - \$1.8 m - CP #3 missed
- \$5.0 m - \$1.5m / \$3.0m / \$0.5 m
- \$1.5 m - April 1/14
- \$2.0 m - Bond funds Minister wants returned.

May 14th - opening event in Portland before sailing on 15th

Disb o/s:

105 =	<u>13-14</u>	
	1.874 m	start-up
	1.5	1.5 m W/C
	<u>12.0</u>	
	1.874	bond
	<u>13.874</u>	

<u>14-15</u>
3.0 W/C
1.5 mktg