



October 21, 2011

**To: Creditors and Shareholders of Natural Valley Farms Inc.  
And Other Interested Parties**

Dear Sirs/Madams:

**Re: Natural Valley Farms Inc. – In Receivership  
Status of Receivership Proceedings**

Natural Valley Farms Inc. (“NVF” or the “Company”) was placed into receivership on September 23, 2008 by Order of the Court of Queen’s Bench of Saskatchewan, and our firm, Sullivan and Associates Inc., was appointed as the Court Appointed Interim Receiver and Receiver Manager (the “Receiver”).

We advise that we have accepted a proposal from an interested party to purchase the NVF assets as a whole. Further, this proposal was approved by the Court on November 12, 2010. In accordance with the terms of the proposal, and as agreed between the parties, it is anticipated that the closing date for completion of the sale transaction will be on or before December 30, 2011. While there is never complete certainty in these types of matters, at this time it does appear reasonably certain that this sale transaction will be completed in the next few months.

Unfortunately, based on the information currently available to us at this time, it is clear that the net realizations that will ultimately be generated from a sale of the Company’s assets will be insufficient to repay the Company’s primary lenders in full. Consequently, we do not anticipate that there will be any funds available for distribution to subordinate secured creditors, unsecured creditors or shareholders.

Yours truly,

**Sullivan & Associates Inc.**

*In its capacity as Interim Receiver and Receiver & Manager of*

**Natural Valley Farms Inc.**

*and not in its personal capacity.*

Per:



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