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CANADA

ECONOMY

Record earnings predicted for non-residential builders

Canada's non-residential construction industry is expected to overcome rising costs and post record profits of \$2 billion in 2007, before tailing off for four years, the Conference Board of Canada says in its industrial outlook report.

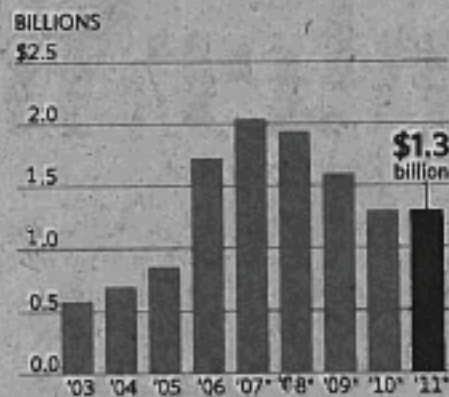
The prediction comes after more than three years of growth.

"Construction of office buildings, especially in Alberta and Ontario, is the main reason for the record financial performance in recent years," board economist Valerie Poulin said in a release. "However, rising material and labour costs are starting to trim builders' profit margins. Since labour accounts for a third of all costs, the tight labour market is of particular concern for the industry."

Economic growth is pushing office vacancy rates down and spurring construction activity leading to record price increases last year and this year, the board said.

Profit forecast

Non-residential construction industry is expected to post a record profit of \$2 billion in 2007, with earnings to then fall through 2011.



*Forecast
SOURCE: Conference Board of Canada

"Profit levels are expected to fall every year through 2011, but they will still be considered high by historical standards."

ENERGY

Emirate's oil company buys assets in Alberta

In its second such deal in recent months, the Abu Dhabi National Energy Co. has bought a major energy asset in Western Canada.

Under an agreement announced yesterday, the state-controlled company will pay \$540 million (U.S.) for Pioneer Natural Resources Canada Inc., a unit of Pioneer Natural Resources Co. based in Dallas.

The acquisition, slated to close in the fourth quarter, gives the firm proven crude oil and natural gas reserves equivalent to 59 million barrels of oil.

The Canadian unit produces more than 10,000 barrels of oil equivalent a day.

It's the fifth international acquisition in less than a year by National Energy, an investor in oil and power assets. Last week, it said wholly owned Taqa North Ltd. had begun operations after the purchase of Calgary-based Northrock Resources Ltd., a unit of the U.S. firm Pogo Producing Co.

WIRELESS

Unique Broadband unit sues over airwave right

A subsidiary of Unique Broadband Systems, Inc. has filed suit against the Inukshuk Wireless Partnership formed by Bell Canada and Rogers Communications over rights to certain wireless spectrum.

The suit is the latest step in a long-standing dispute over who has rights to federal licences for radio frequencies originally awarded in the 1990s to Look Communications and Microcell Telecommunications Inc., who were equal partners in Inukshuk.

The radio frequencies, known collectively as multipoint communications systems (MCS) spectrum, can be used for high-speed wireless data communications.

Microcell is now owned by Rogers.

Look purportedly sold its half of Inukshuk to Microcell but UBS, which has since become Look's majority shareholder, asserts that it also had a legal claim to bid for the MCS spectrum licences.

MINING

Canadian Shield signs deal to buy Peru claim

Canadian Shield Resources Inc., a junior miner based in Toronto, has signed a letter of intent with U.S.-based Solitario Resources Corp. to acquire the 1,000-hectare La Tola gold-silver prospect in southern Peru.

Canadian Shield said yesterday it has completed its due diligence on the property and waived its conditions.

Under terms of the binding letter of intent, Canadian Shield has a four-year option to buy 100 per cent of the property by spending \$2 million (U.S.) on exploration and paying \$2 million in cash to Solitario.

"We have sound geologic evidence that continued exploration could lead to the discovery of economically significant gold mineralization," said Phil Anderson, Canadian Shield's vice-president of exploration.

Canadian Shield focuses on base and precious metal projects in South America, primarily Peru.