

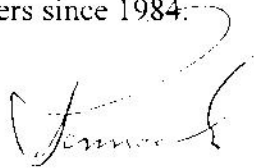
The last few days have been a difficult time for the individuals and families who were affected by Friday's tragic accident. I deeply regret the injuries and damages caused by this accident. My thoughts are with the families as they continue the healing process. Since Friday, my focus has been on trying to provide support to help everyone affected by this tragedy.

Yesterday I met with the Transportation Safety Board who has begun their investigation to determine the cause of the accident. As part of their investigation, the Transportation Safety Board will review the hot air balloon industry, exam the equipment on the balloon and look at any factors that could have contributed to Friday's accident. Fantasy Balloon Charters is co-operating fully with the Transportation Safety Board as we also want to know the cause of Friday's tragic accident.

Fantasy Balloon Charters has voluntarily suspended all flights indefinitely out of respect of the individuals affected by Friday's accident and to keep our company's focus on assisting the Transportation Safety Board's investigation. We look forward to receiving their final report and the recommendations they have for Canada's hot air balloon industry.

I am deeply touched by the many supportive emails and calls from past passengers, hot air balloon pilots, and residents from Hazelmere R.V. Park.

Fantasy Balloon Charters is the Lower Mainland's longest operating hot air balloon company. Prior to Friday night, the company has safely carried tens of thousands of passengers since 1984.

A handwritten signature in black ink, appearing to read "Stephen Pennock". The signature is written in a cursive style with a large, sweeping flourish at the end.

Stephen Pennock