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REPORT ON SPECIFIED AUDITING PROCEDURES

To the Department of Economic and Rural Development and Tourism (the Department)

As specifically agreed, we have performed the specified auditing procedures enumerated below in relation to start-up costs incurred by Nova Star Cruises Limited for the period from inception to April 30, 2014 set forth in the accompanying Schedule of Start-up Expenditures (the Schedule). The specified auditing procedures are summarized, along with the findings, as follows:

Specified Auditing Procedures Performed	Findings
1. Recalculated the mathematical accuracy of the Schedule.	No findings to report
2. Obtained a detailed listing of start-up costs incurred, recalculated the mathematical accuracy of the listing, and agreed the total of the detailed listing to the Schedule.	No findings to report
3. For each item listed on the detailed listing of start-up costs we performed the following: <ul style="list-style-type: none">a. inspected supporting documentation for the expenditure;b. agreed the amount on the listing to the supporting document;c. for amounts that were not expressed in Canadian dollars, recalculated the expenditure based on the disclosed exchange rate used in the preparation of the Schedule; andd. Observed that the expenditure was incurred during the period from inception to April 30, 2014.	No findings to report

Our engagement was performed in accordance with Canadian generally accepted standards for specified auditing procedures engagements. These specified auditing procedures do not constitute an audit or review of the Schedule, and therefore we express no opinion on the Schedule.

Our report is intended solely for the Department and should not be distributed or used by parties other than the Department or officials of the Province of Nova Scotia.

November 7, 2014
Halifax, Canada

Nova Star Cruises

Schedule of Start-up Expenditures

For the period from inception to April 30, 2014

	Actual
Vessel	
Charter	2,870,856
Insurance	343,480
Fuel and Repair	3,126,499
	<u>6,340,835</u>
Passenger Management	
Terminal and Reservation Centre	155,614
Crew	640,630
Provisions and Consumables	411,673
Management Fees	285,466
	<u>1,493,382</u>
Overhead	
Marketing	1,026,905
Salaries	503,816
Travel	227,533
Professional Services	502,318
IT	399,514
Office	45,846
	<u>2,705,931</u>
Capital Expenditures	24,652
	<u><u>10,564,801</u></u>

Actual expenditures incurred in US dollars have been translated during the period using fixed rates between \$0.88 and \$0.96 US dollars per \$1.00 Canadian