

**Innovation Place Newsletter
November 2002 Edition**

Tastad appointed acting SOCO CEO

Zach Douglas, Interim Chair of the SOCO Board, announced on Friday, October 11, 2002, that effective immediately, Douglas Tastad will assume the role of Acting CEO of the Saskatchewan Opportunities Corporation. Nigel Howard, the former CEO, resigned his duties effective October 4, taking a position with CIBC in Toronto.

Doug Tastad has been with Innovation Place since 1979, became General Manager in 1984, and has been the Vice-President of the Research Parks Division since 1998.

Innovation Place is now home to 120 companies, employing over 2,000 individuals. In 2001, Innovation Place tenants generated almost \$250 million in the provincial economy, through the purchases of goods and services and payroll. Regina Research Park is home to 24 companies, employing over 740 individuals. Tenants of Regina Research Park contribute approximately \$140 million annually to the Saskatchewan economy.

BlackSun ranked among country's top web host providers

Jay Tingley and Steve Rogoschewsky had high hopes and aspirations when they founded their web hosting company, BlackSun Inc., in 1998.

Neither fully anticipated the phenomenal growth and outstanding success the web hosting company would achieve in just four short years.

BlackSun opened its doors at Innovation Place in December of 2000, originally located in the research park's Network Centre in the Concourse Building at 116 Research Drive.

"Since then, we've relocated to our current offices on the second floor, at 217 - 116 Research Drive, where we now occupy just over 2,000 square feet," says Steve Rogoschewsky, vice-president and co-founder of BlackSun.

Not only has BlackSun expanded its physical space, its team of dedicated staff members has also been growing at a phenomenal rate.

"Our biggest challenge to date is managing growth," says Rogoschewsky. "One of the ways that we're handling this challenge is through the development and encouragement of a team environment. The teams function independently so they can respond to customers' needs right away. Everyone has an increased level of responsibility, with teams even hiring and training their own members."

BlackSun was recently ranked among the top four hosting companies in Canada by industry experts at ca.tophosts.com.

"This is a really significant milestone. We're really pleased to have achieved this level of recognition," says BlackSun co-founder and president Jay Tingley. The independent survey of customer service applauded BlackSun for its delivery of "reliable, high-performance webhosting and data services, and customer assistance and technical support."

The company was recently selected by Sun Microsystems in California to 'test drive' the corporation's newest generation of server appliances - the high-speed SunCobalt RaQ550 - assisting in the research and development of the new server prior to market release.

How did a Saskatoon webhosting company attract the attention of this California technology giant? Tingley says, "We have a very different way of thinking at BlackSun. We think

abstractly. We have focused on international and national markets first, establishing ourselves as a global company, in addition to providing service on a local basis."

"Our company was the only company to be selected because of our depth of experience with SunCobalt server technology," says Rogoschewsky.

"Sun Microsystems is interested in our company because we've grown so quickly and run our operation on over a hundred Sun Cobalt servers. We offer a very good 'real life' environment to test their product line."

The open relationship that has developed between BlackSun and Sun Microsystems is advantageous to BlackSun customers, says Rogoschewsky. "Having the opportunity to utilize leading edge technology, before it's available on the market, means that our clients potentially receive better performance than they would anywhere else in the world because we've been able to employ technology six months in advance of any else in the industry." The SunCobalt servers have allowed BlackSun to expand service into higher end markets for advanced development and high traffic sites. The company is currently testing Sun Microsystem's new Sun LX50 Intel-based server, which integrates web caching, firewalls and streaming media.

The company has also upgraded to the latest state-of-the-art Cisco equipment, utilizing redundant Cisco routers, layer 3 switches and PIX firewalls, which have virtually eliminated any downtime.

BlackSun's network is now comprised of multiple DS3 and OC3 connections through Group Telecom, Sprint and Innovation Place's own LAN/SaskTel network. These are subsequently linked through OC12 and OC48 backbones. "Having multiple carriers, two separate, unique fibre paths and the hardware redundancy of our routing and switching hardware ensures that there is 100 percent network redundancy with zero downtime," says Rogoschewsky. BlackSun is also leading the industry with its state-of-the-art security features. The company has integrated a new security system that includes realtime virus detection, quarantine and notification, active SPAM/junkmail filtering and intrusion detection.

"The new system is eliminating close to 1,000 viruses and tens of thousands of SPAM junkmail emails per day; it's proven very effective. As a result, all of the email coming into our system is sanitized and viruses/SPAM won't be relayed to our clients. The end result is that our membership is protected," says Tingley.

"All members of BlackSun benefit from the security research we're involved in. Privacy is going to be an issue of mounting importance and it's an area that we're really concentrating on," says Tingley.

It's no wonder that BlackSun's customer base continues to grow by leaps and bounds, with customers located across Canada, the United States and dozens of other countries around the globe.

BlackSun is now the largest hosting company in Saskatchewan, hosting over 10,000 domains across both its shared and dedicated hosting platforms.

Rogoschewsky says that BlackSun has been able to compete successfully against large web hosting companies across Canada and the U.S. by focusing on customer service. "Our focus has always been to offer the very best in customer service, with technical support available 24 hours a day, seven days a week. It's that extra attention to detail that helps us to attract and retain our client base; most of our new clients come to us through referrals from existing customers."

Tingley says, "Our customers are able to pick up the phone or email us directly without the inconvenience of being placed on hold or transferred to a waiting queue. They rely on our ability to deliver a quick, accurate response and in the shortest possible time frame as possible."

An expansion planned for the spring of 2003 is expected to double the size of BlackSun's facilities to over 4,125 square feet. The expansion will facilitate BlackSun's plans to offer co-location services to clients. "We are already offering co-location services to select clients, hosting their critical computer equipment and servers in our facility. By expanding our space, more companies will be able to take advantage of our expertise through performance hosting of their server," says Rogoschewsky.

SRC facility wins ASTech award

The SRC Pipe Flow Technology Centre was honoured October 18 at the Alberta Science and Technology (ASTech) Leadership Foundation's 13th annual Awards Gala in Edmonton. The SRC facility received the foundation's new "Outstanding Achievement in Applied Technology and Innovation Award," in recognition of the significant contribution made to Alberta's energy industry through the research and development of slurry transport technology. The technology is particularly vital to Alberta's heavy oil and tar sand energy sectors.

For more information on the awards and ASTech, check the website at: www.atech.ab.ca/20020916.html.

Innovation Place, PTRC contribute to improved investment climate in Saskatchewan

A new study on Saskatchewan's investment climate by the Chartered Accountants of Saskatchewan indicates that in the past decade, Saskatchewan has come through a fiscal transition and is beginning to realize significant improvements.

"Saskatchewan as a Place to Invest", the first of three reports released in October under the title, "Saskatchewan Check Up 2002," concludes that some of the critical elements needed to attract investment and stimulate growth are in place.

"Our comprehensive review analyzing Saskatchewan over the past decade shows Saskatchewan has improved as a place to invest, despite a number of challenges which remain to be addressed," says Nola Jooristy, FCA, CEO for the Institute of Chartered Accountants.

Factors impacting the province's positive investment climate include:

- Public debt was paid down and the province's credit rating was raised.
- There are a growing number of high value-added and technology-based industries in Saskatchewan including the ag-biotech community centred at Innovation Place in Saskatoon, The Canadian Light Source facility and Regina's Petroleum Technology Research Centre.
- Saskatchewan's government has made significant progress in recent years in reducing taxes. Cuts in the sales, personal income, corporate capital and small business taxes have served to buoy after-tax profits. It is likely that the full benefits of the tax reductions have not yet been felt.
- Average export prices rose 12.6% over the past decade, which should have a favourable impact on Saskatchewan's investment climate.

"Measures to improve the province's finances have been undertaken at considerable cost. The importance of adopting them - and the importance of continued adherence - cannot be overstated," says Jooristy.

She notes that, coming out of the first half of 2002, Saskatchewan's rural economy is still fragile and the turning point is not yet obvious. "Our farmers are going through a painful transition process that is not over yet."

Serious droughts in 2001 and 2002 imposed further economic hardship on our farmers. After many years of positive economic growth, Saskatchewan saw a 1.9 per cent decline in real GDP in 2001. Profit ratios drop in 2000 - 2001 and are assumed to drop again in 2001 - 2002, due to projected decrease in agriculture production.

Despite cuts in other taxes, finding ways of reducing local government reliance on property taxes will be a key future challenge to further improving the province's investment climate. The report also noted such negative impacts as the expected rate of return of investments, non-residential construction costs, market conditions and the level of input costs to the production process.

The complete three-part "Saskatchewan Check-Up 2002" is available by accessing The Institute of Chartered Accountants of Saskatchewan's website at www.icas.sk.ca.

SED contracted to provide Frequency Planning System to Inmarsat

SED Systems recently announced that it has been awarded a contract from Inmarsat Ltd. of London, England, following an open international tender process.

Under the terms of the contract, SED will provide Inmarsat with a satellite communications Frequency Planning System. The system will be used by Inmarsat to do capacity planning and to develop frequency plans for its entire fleet of communications satellites, including its new Inmarsat-4 series that is scheduled for launch starting in 2003.

SED will deliver the computer-based software system to Inmarsat headquarters in London. Installations will be completed by the summer of 2003.

The Frequency Planning System analyzes historical traffic usage along with power, spectrum and carrier requirements to generate a frequency plan that makes optimal use of the satellite resources. It also provides facilities such as interference analysis and computation of intermodulation products.

"The system SED is providing will be particularly important in maximizing frequency re-use and power utilization for our new Inmarsat-4 system," said Ruy Pinto, Inmarsat's Director of Satellite Control. The Inmarsat-4 DSP-based payload system uses multiple spot beams and has a highly-sophisticated routing capability. "Based on our past experience with SED, we are confident they will provide the system performance we need to ensure our customers get the ultimate in rapid, reliable service."

SED has systems operating on six continents, and over the past ten years, has provided Inmarsat with a variety of test and network management systems. These include Network Coordination Stations for Inmarsat M/B/Mini-M and A services, In-orbit Test Systems, Carrier/Spectrum Monitoring Systems, and complete RF systems. SED is also providing a Global Resource Management system to manage and allocate satellite channels carrying high-speed packet data and circuit switched services to fixed and mobile users.

"We are extremely pleased with this additional opportunity to work with Inmarsat and to build on the excellent working relationship we have established with them over the years," said Brent McConnell, Vice-President General Manager of SED Systems. In July of this year, SED announced it had won a contract with Inmarsat for an In-orbit Test and Carrier/Spectrum Monitoring System.

Inmarsat, a global mobile satellite communications provider, operates a constellation of geostationary satellites designed to extend phone, fax and data communications virtually all over the world. The constellation comprises five third-generation satellites backed up by four

earlier spacecraft. The new Inmarsat-4 satellite system will support the Inmarsat Broadband Global Area Network (BGAN) - mobile data communications at up to 432kbit/s for Internet access, mobile multimedia and many other advanced applications. SED Systems, located at Innovation Place, is a division of Calian Ltd. (TSX: CTY). SED provides the communication industry with a range of products and services including In-orbit Test, Carrier/Spectrum Monitoring, RF and TT&C Systems, as well as Network Management Solutions, Satellite Gateways and Up-link Stations.

Beggs elected to AURP board

Austin Beggs, Director of Marketing and Corporate Development for Innovation Place, was recently elected to the Board of Directors of the Association of University Research Parks (AURP) for a three-year term.

The association, headquartered in Reston, Virginia, represents 230 member organizations. The AURP's primary community consists of planned and operating university research parks and technology incubators around the globe.

For more information about the Association of University Research Parks, visit the website at: www.arup.net.

Willie elected to SNN board

Gregg Willie, Manager of the Innovation Place Bio Processing Centre, was recently elected to the Board of Directors of the Saskatchewan Nutraceutical Network.

The Innovation Place Bio Processing Centre is a unique publicly-owned processing facility that provides toll- or custom-processing on a contract basis for clients in the agri-food, nutraceutical and cosmetics industries. The processing centre was established three years ago to enhance the diverse technical and scientific infrastructure supporting Innovation Place.

The Saskatchewan Nutraceutical Network (SNN) was established to support the growth and development of the nutraceutical, functional food and dermaceutical industries in the province.

The SNN reports that sales from Saskatchewan nutraceutical companies now exceed \$60 million annually. This activity will continue to expand as more traditional food manufacturers and pharmaceutical firms increase their involvement in nutraceuticals.

On October 21, the SNN received \$450,000 in funding from the Canada-Saskatchewan Agri-Food Innovation Fund, to cover the association's next three years of operating costs.

Changes of Address

Regina Research Park:

Prairie Adaptation Research Collaborative (PARC) is relocating within Regina Research Park to the PTRC Building at Suite 301 - 6 Research Drive. Call (306) 337-2300.

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