



No. S-088488
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*

AND

IN THE MATTER OF HYDROXYL SYSTEMS INC.

PETITIONER

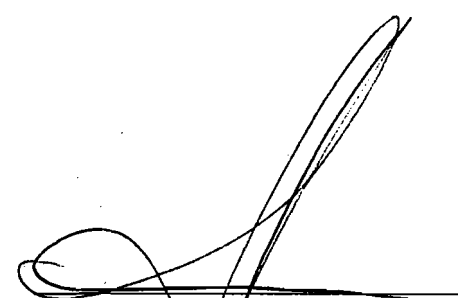
ORDER

BEFORE THE HONOURABLE)
MR. JUSTICE HINKSON) MONDAY, THE 5TH DAY
) OF JANUARY, 2009

THE APPLICATION OF THE PETITIONER, Hydroxyl Systems Inc., having come on for hearing before me this day at Vancouver, British Columbia, and on hearing Scott A. Turner, counsel for the Petitioner, Geoffrey Thompson, counsel for the Royal Bank of Canada, Kibben Jackson, counsel for Alternivest II Fund L.P. and Chris Simard, Counsel for Kan-Pak, LLC; and on reading the Affidavits of David Gray #1 sworn January 2, 2009, and James Steinbacher, sworn December 17, 2008; and on reading the Monitor's First Report dated January 2, 2009, and the materials filed;

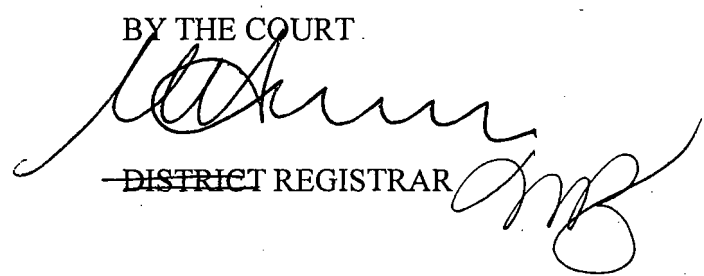
THIS COURT ORDERS:

1. the relief granted by this Court by Order December 5, 2008 (the "Initial Order") in this proceeding, and extended to this date, including without limitation of stay of proceedings decreed by paragraphs 17-26 of the Initial Order, be extended to Wednesday, January 7, 2009, and that the terms of the Initial Order, including the stay of proceedings, shall remain in full force and effect until 11:59 p.m. on that date.

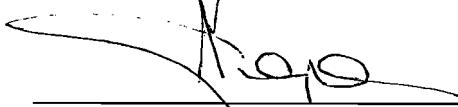


SCOTT A. TURNER
Counsel for the Petitioner

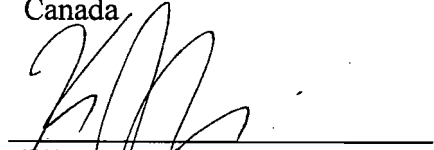
BY THE COURT



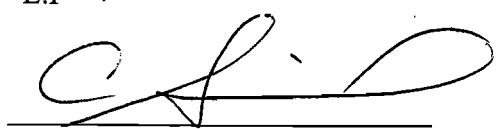
~~DISTRICT REGISTRAR~~



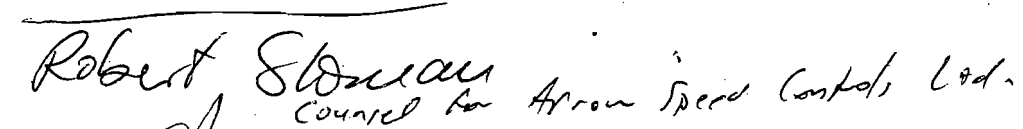
GEOFFREY THOMPSON
Counsel for Rpyal Bank of
Canada



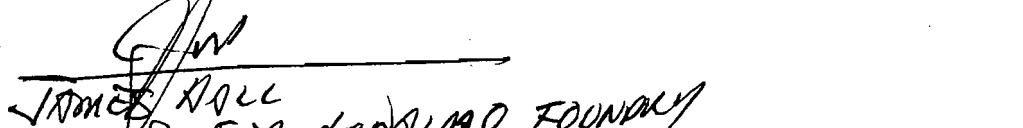
KIBBEN JACKSON
Counsel Alternivest II Fund
L.P



CHRIS SIMARD
Counsel for Kan-Pak, LLC



Robert Stouman
Counsel for Arrow Speed Controls Ltd.



JAMES HALL
COUNSEL FOR HAWKINSO FOUNDRY
& ENGINEERING LTD.