

## **Cervus LP Acquires AR Williams Contractors Equipment Ltd.**

Red Deer, Alberta, November 16, 2005 – Cervus LP (CVL.UN: TSX-VN) is pleased to announce that its previously announced acquisition of all of the outstanding shares of AR Williams Contractors Equipment Ltd. (“Contractors”), an Alberta corporation with its head office located in Calgary, Alberta, Canada, closed earlier today.

A.R. Williams Contractors Equipment Ltd. is an exclusive distributor of Bobcat, JCB and JLG construction equipment within the Northern and Central Alberta trade territory. In addition to selling new and used equipment, Contractors rents equipment, sells parts and provides equipment repair and maintenance service to its customers. Contractors has five dealerships in four cities: one in each of Calgary, Red Deer and Fort McMurray and two in Edmonton.

Cervus LP purchased 100% of the shares of Contractors plus approximately \$4.4 million of shareholder loans from the two existing shareholders for total consideration of \$16.5 million (the “Transaction”) paid as follows:

- (i) \$12 million in cash, such cash proceeds financed through a combination of debt and the net proceeds of a previously completed offering of 1,500,000 subscription receipts (the “Subscription Receipts”) led by Acumen Capital Partners;
- (ii) \$3 million through the issuance of 375,000 Series A Preferred Units of Cervus LP; and
- (iii) \$1.5 million by way of the issuance of promissory notes due January 31, 2006 with interest at 8% per annum.

The Subscription Receipts are exchangeable, without additional payment, into regular limited partnership units (“Cervus LP Units”) of Cervus LP on a one-for-one basis at any time now that the Transaction has been completed by the submission by the holder thereof to the subscription receipt agent of the certificate representing the Subscription Receipt together with the duly completed surrender form. Any Subscription Receipts not exchanged for Cervus LP Units by January 15, 2006 will be deemed to have been exchanged for Cervus LP Units on that date without any further action on the part of the holder. Cervus LP Units will be available for delivery commencing on the second business day following the earlier of the date of surrender of the subscription receipts by the holder thereof to the subscription receipt agent and January 15, 2006.

Each Series A Preferred Unit may, at the option of the holder thereof, at any time and from time to time be converted, for no additional consideration, for Cervus LP Units on the basis of one Cervus LP Unit for each Series A Preferred Unit converted. Any Series A Preferred Unit that has not been converted into a Cervus LP Unit on or before November 16, 2010 shall automatically convert to a Cervus LP Unit on that date. The holders of Series A Preferred Units shall not be entitled to receive notice of, attend at and vote at any meeting of holders of Cervus LP Units, except in respect of an amendment or

alteration to the rights, privileges, restrictions and conditions attaching to such Series A Preferred Units. The holders of Series A Preferred Units shall be allocated the net income of Cervus LP, in priority to the general partner and the holders of Cervus LP Units, in an amount equal to 4% multiplied by the aggregate capital contribution of the Series A Preferred Units, computed annually from November 16, 2005 (the "Interest Allocation") which shall be allocated pro rata to each Series A Preferred Unit, such Interest Allocation in aggregate not to exceed the profit of Cervus LP for the reporting period. To the extent that the aggregate of the Interest Allocation exceeds the profit for Cervus LP for the reporting period, the amount of excess shall be carried forward to future reporting periods without limitation for allocation out of the profits of Cervus LP in future reporting years. Holders of Series A Preferred Units will be entitled to receive, subject to applicable law, distributions in an amount in cash for each Series A Preferred Unit equal to the cash distribution declared on each Cervus LP Unit.

For the fiscal year ended December 31, 2004 Contractors generated \$2.4 million of earnings before management bonus and income taxes on revenues of \$47.1 million. Un-audited earnings before taxes for the ten months ended October 31, 2005 were \$4.1 million on revenues of \$57 million. Results are expected to continue to be strong through 2006 as a result of the significant construction and oil & gas activities in Alberta. The effective date of the Transaction will be June 30, 2005. The earnings will be consolidated for accounting purposes commencing on the date that Cervus LP acquires control of Contractors.

The Transaction is expected to be immediately accretive to Cervus LP.

For further information: Peter Lacey, President and Chief Executive Officer, (403) 342-6892.

*This press release contains forward-looking statements subject to various risk factors and uncertainties, which may cause the actual results, performances or achievements of Cervus LP to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, fluctuations in the market for the products and services offered by Cervus LP, political and economic conditions, industry competition and Cervus LP's ability to attract and retain both customers and key personnel.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*