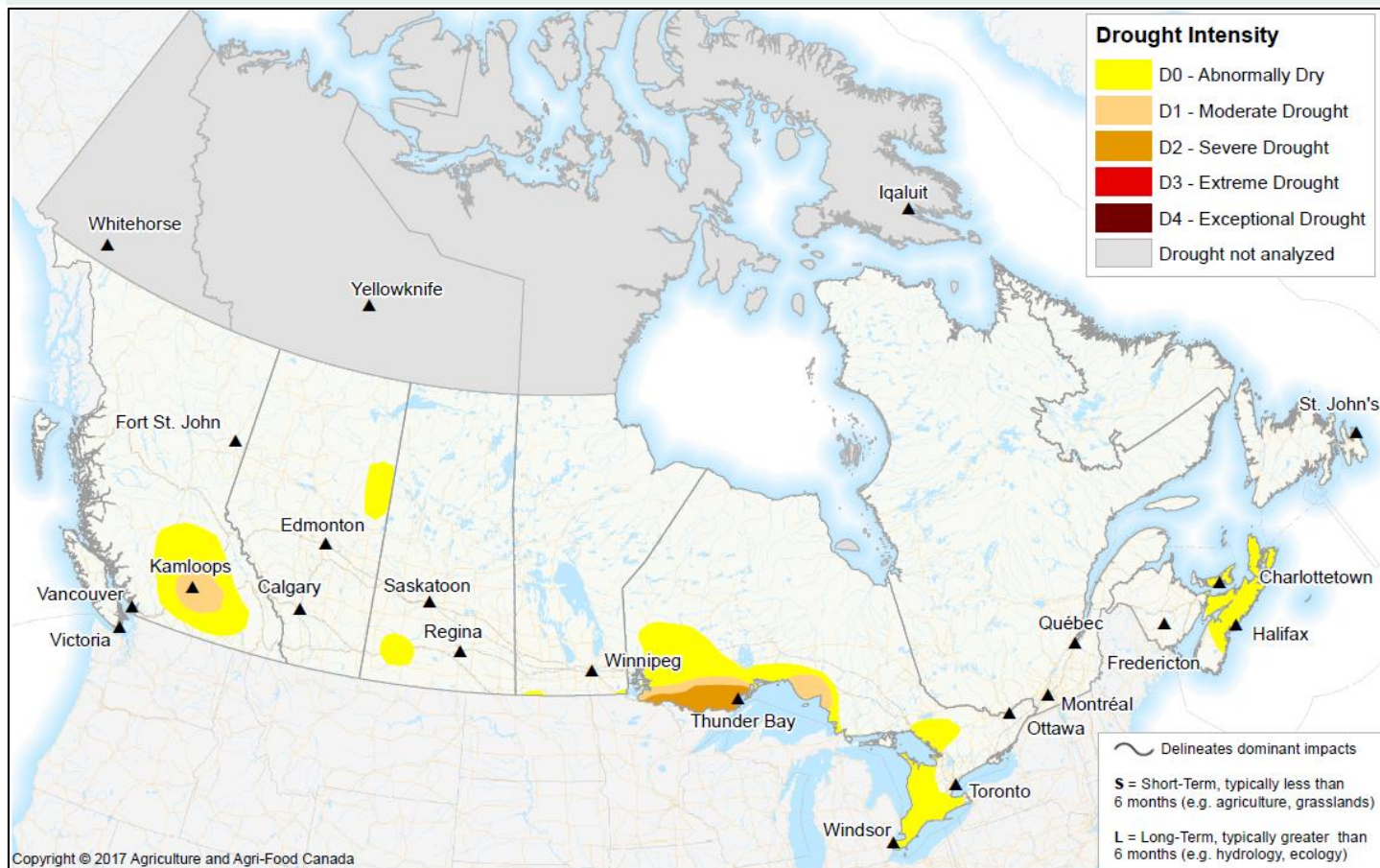


Canadian Drought Monitor

Conditions as of May 31, 2007



Conditions improved in many areas of the country as a result of the cool, wet month. As a result, drought in the southern Prairies was significantly reduced. Significant precipitation fell in portions of northwestern Ontario resulting in improvements in that region as well. At the same time, some regions of the country saw conditions deteriorate due to below average precipitation. These include the southern interior of British Columbia, a portion of southern Ontario, and parts of Prince Edward Island and Nova Scotia.

Pacific Region (BC)

Above normal spring runoff continued in most river basins through out the province as warmer temperatures began to melt the mountain snow packs. This resulted in a large portion of the



province being placed under flood advisories. Flood Warnings are in effect for the: Upper Fraser River, Skeena River, and Nass River. A Flood Watch was issued for Bulkley River. High Streamflow Advisories were issued for the Slocan River, North Thompson River, and Lower Fraser River. In contrast, parts of the southern interior of BC have received below average precipitation during the winter and much below normal during the early spring. The Kamloops-Kelowna area received slightly over 30mm and 55% of normal precipitation over the last 2 months, and a Standardized Precipitation Index value of greater than -2.00. Dry land agricultural production will be affected if dry conditions continue in this region.

Prairie Region (AB, SK, MB)

Drought conditions have improved greatly over the last couple of months as the majority of Alberta has received well-above normal precipitation. The area in the south west, previously identified as a D0, has received well-above normal precipitation over the last month. While the majority of AB has excessive soil moisture and standing water, conditions to the north east, outside the agricultural area, remain dry and thus have been classified as a D0. This region received 35mm of precipitation (60% of normal) during the last 2 months.

Cool, wet conditions prevailed throughout much of the province, hindering seeding. The northeast part of the province is experiencing severe excess moisture impacts, and as a result, a High Stream Flow Advisory has been issued for the Red Deer River and many small streams in the Porcupine Plain area. The area around Swift Current has been labeled a D0 as a result of below average precipitation over the last few months, as well as a dryer than normal winter, although there are no real drought concerns at this point.

Conditions throughout Manitoba have improved greatly over the last couple of months due to cool, wet conditions which have brought well-above normal precipitation. As a result, there are no drought concerns at this time for the province.

Central Region (ON, QC)

Northwestern Ontario has improved slightly over the last couple of months as the region has received normal to above normal precipitation, with isolated areas getting well above normal precipitation. However, the Thunder Bay area remains very dry where growing season precipitation has ranged from 20-65% of normal since September 2006. The Ontario Ministry of Natural Resources has classified the watersheds of Dryden, Fort Frances and Thunder Bay with a confirmed low water flow condition. In the area, the level of Lake Superior is near record low of 1926 for the beginning of June. It is forecast to set a new record September and October monthly low unless it receives well above average precipitation. Southern Ontario has been identified as a D0 drought condition due to below average precipitation over the last two months; although no real concerns are evident at this time.

There are no concerns for drought at this time in Quebec as winter and spring precipitation has been above-average and stream flow levels are greater than normal for this time of year.

Atlantic Region (NS, NB, PE, NL)

A portion of PEI and the majority of Nova Scotia have been classified as a D0 condition due to below-average precipitation since September 2006. However, no real concerns exist at this time.