

**ANNUAL GENERAL MEETING OF
B.C. FERRY AUTHORITY**

**ANNUAL PUBLIC MEETING OF
BRITISH COLUMBIA FERRY SERVICES INC.**

**MONDAY, SEPTEMBER 27, 2004
4:00 p.m. – 6:40 p.m.**

**The Port Theatre
125 Front Street
Nanaimo, BC V9R 6Z4**

MINUTES

Kevin Evans, Moderator, welcomed those in attendance to the first Annual General Meeting of B.C. Ferry Authority ("Authority") and the first Annual Public Meeting of British Columbia Ferry Services Inc. ("Services"). Mr. Evans introduced Elizabeth Harrison, Chair of the Board of Directors of both the Authority and Services, and David L. Hahn, President & Chief Executive Officer and Rob Clarke, Executive Vice President of Finance & Chief Financial Officer, both from Services.

Mr. Evans noted some general guidelines for the conduct of the meeting and reviewed the agenda for the proceedings.

Disclaimer

As Services was in the midst of a second public offering of new bonds, a notification regarding forward looking statements was provided to the meeting.

Video Presentation

A video presentation was provided, showing highlights of the evolution of BC Ferries.

Chair's Report

Ms. Harrison welcomed the group and, as Chair of the proceedings, called the joint meetings to order. As the first order of business, she tabled the following documents as required for the Authority under the Coastal Ferry Act and as required for Services under the Coastal Ferry Services Contract:

B.C. Ferry Authority:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2004.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2004;
- the annual report to the British Columbia Ferries Commissioner, pursuant to Section 69 of the Coastal Ferry Act for the fiscal year ended March 31, 2004; and
- the business plan for 2004/05.

Ms. Harrison introduced the members of the Boards of Directors of the Authority and Services. Her remarks to the meeting included a description of the transition from a Crown Corporation to an independent Company, the improved governance structure including the creation of an Authority, the Board appointment process, the new business model, the objectives of improved service for coastal BC, the role of the British Columbia Ferries Commissioner, the strong accountability measures that are in place, and the vision and mission statements for Services going forward.

President's Report

Mr. Hahn introduced members of Senior Management in attendance. He then reported on the accomplishments and challenges of the first year of operations under the new business model, as well as on various initiatives that are underway and the ongoing efforts to improve customer service.

Financial Report 2003/04

Mr. Clarke provided an overview of the financial results and capital expenditure program of Services for the 2003/04 fiscal year. He also reported on the re-capitalization of Services and the new status of the Company as a reporting issuer under applicable securities law.

Open Dialogue

A lengthy question and answer session ensued. This session was facilitated by the Moderator, with questions being directed to the Chair of the Board of Directors of both the Authority and Services, and to the President & CEO and the Executive Vice President, Finance & CFO, of Services.

Closing Remarks

Ms. Harrison closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services at 6:40 p.m.

Elizabeth J. Harrison, Q.C.
Chair
B.C. Ferry Authority
British Columbia Ferry Services Inc.