

For Immediate Release

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**CHURCHILL CORPORATION TO ACQUIRE SEACLIFF CONSTRUCTION
IN CASH DEAL VALUED AT \$390 MILLION**

TSX: CUQ and SDC

Calgary, AB and Richmond, BC – The Churchill Corporation (“Churchill”) and Seacliff Construction Corp. (“Seacliff”) are pleased to announce they have entered into an arrangement agreement whereby Churchill will acquire, pursuant to an arrangement under the *Business Corporations Act* (British Columbia) (the “Arrangement”), all of the issued and outstanding common shares of Seacliff for total cash consideration, on a fully diluted basis, of approximately \$390 million, which includes approximately \$10 million of indebtedness (the “Transaction”). Under the terms of the Arrangement, Seacliff shareholders will receive \$17.14 in cash for each Seacliff common share. The Transaction is expected to be immediately accretive to Churchill’s earnings per share.

Under the terms of the arrangement, Seacliff shareholders will receive \$17.14 per share in cash for each Seacliff common share. The Transaction represents a 23% premium to the volume-weighted average trading price of Seacliff’s common shares over the last 20 trading days ending on May 14, 2010. The cash-adjusted premium, on a similar 20-day weighted average basis, is 30%, if it is assumed no premium is paid for all of Seacliff’s March 31 cash balance.

The Boards of Directors of Churchill and Seacliff have unanimously approved the Transaction. The completion of the Arrangement is subject to the approval of the Supreme Court of British Columbia, the approval of Seacliff’s shareholders, certain regulatory approvals and customary closing conditions.

“We believe that the combination of Churchill and Seacliff is strategically compelling and will benefit Churchill’s shareholders,” said Jim Houck, President and CEO of Churchill. “Specifically, the combination of Churchill and Seacliff creates a leading publicly-listed Western Canadian construction and industrial services company. We’re creating an unparalleled company leveraged to institutional and commercial construction, yet operationally diversified across many business lines, regions and customers. Churchill will have a growth profile that will create value for its shareholders and enhance its service capabilities with its clients. We also anticipate enhanced access to capital to support future growth initiatives.”

“We were attracted to Seacliff due to the opportunity to build on our strengths to create even greater organizational capability. The combination of Dominion and Stuart Olson will result in Churchill having a presence in markets we currently do not serve. Additionally, the Transaction provides the opportunity to create a more diversified electrical services group. The increased size, scope and scale of the combined entity as well as the ability to leverage the best systems and processes over the combined entity represent a catalyst to value creation.”

“We identified that Churchill and Seaclyff shared similar growth-oriented strategic plans and that our experienced and respected management teams possessed complementary skills,” said Bill Crarer, President and CEO of Seaclyff. “The complementary corporate culture and the strategic fit of people and assets could not be better.”

Transaction Rationale

Both Churchill and Seaclyff operate with a similar business model with little overlap, as 100 percent owners of well-established, individually-branded business units in the construction field. Churchill’s operating subsidiaries include Stuart Olson Construction Ltd., Insulation Holdings Inc. and Laird Electric Inc. Seaclyff’s business units are Dominion Construction Inc., Canem Systems Ltd. and the Broda Group of Companies.

The Transaction is expected to result in:

- Creation of a leading Western Canadian construction and industrial services company;
- Enhanced capability in the industrial segment and in infrastructure development;
- Geographic and client diversification;
- Enhanced ability to service broader and more complex customer requirements;
- Increased trading liquidity, capital markets positioning and access to capital; and
- Complementary cultures and strong strategic fit.

On a pro forma basis, Churchill will employ approximately 3,304 people during peak construction, including approximately 612 full-time salaried employees (310 from Churchill and 302 from Seaclyff) and approximately 2,692 hourly employees (1,337 from Churchill and 1,355 from Seaclyff). 2009 pro forma revenue and EBITDA are approximately \$1.2 billion, and \$101 million, respectively. In addition, the pro forma year-end backlog was approximately \$1.9 billion. Churchill also expects to achieve \$5 to \$7 million in annual pre-tax synergies upon the expected completion of the integration in fiscal 2011. Related non-recurring transaction and integration costs are estimated at approximately \$12 to \$15 million.

Fiscal 2009 (in \$000s)	<u>Churchill</u>	<u>Seaclyff⁽²⁾</u>	<u>Total</u>
Revenue	\$601,241	\$614,300	\$1,215,541
EBITDA ⁽¹⁾	51,322	49,600	100,922
Backlog ⁽¹⁾	1,388,624	492,000	1,880,624

⁽¹⁾ See disclosure related to Non-GAAP measures. Seaclyff backlog reduced by \$84 million of agency work disclosed at Dec. 31, 2009.

⁽²⁾ Seaclyff results presented on a pro-forma basis to include a full year impact of Broda acquisition.

Churchill Financing

Funds to close the Transaction are available through an underwritten \$200 million equity bridge facility arranged in conjunction with a major Canadian chartered bank, together with, cash on hand from the balance sheets of Churchill and Seaclyff. As at March 31, 2010, Churchill and Seaclyff had cash balances of \$158 million and \$71 million, respectively. Churchill’s intention is to replace the equity bridge facility, prior to closing, by raising approximately \$200 million of equity and equity-related capital. Additionally, Churchill has secured a commitment for an underwritten \$200 million, 3 year revolving credit facility. Following completion of the financing, this pro-forma capital structure will provide significant financial flexibility, as Churchill expects to retain a \$100 million cash balance and over \$125 million of unutilized

credit facilities at closing. This flexibility will allow Churchill to assess future opportunities for growth and strategic expansion. In the near-term Churchill's intent is to not pay a dividend, however the Board of Directors considers this regularly.

Seacliff Special Meeting and Information Circular

Seacliff will be convening a special meeting of its shareholders to consider the Transaction. Seacliff currently anticipates that the special meeting will be held in mid-July 2010 and that an information circular containing detailed disclosure regarding the Transaction will be mailed to Seacliff shareholders by mid-June. The Transaction will require the approval of not less than 66 $\frac{2}{3}$ percent of the votes cast by the shareholders of Seacliff.

Certain Seacliff shareholders, including all of Seacliff's directors and executive officers, as well as Phil George, Seacliff's major shareholder, holding in aggregate 63.7 percent of the outstanding Seacliff common shares, have entered into support agreements to vote their shares in favour of the Arrangement, subject to certain exceptions.

Arrangement Agreement

The arrangement agreement contains customary representations, warranties and covenants of each of Churchill and Seacliff, including, among others, covenants of Seacliff to conduct its business in the ordinary course between the execution of the arrangement agreement and the effective date of the Arrangement as well as covenants not to engage in certain kinds of transactions during that period. The arrangement agreement also contains customary conditions to the completion of the Arrangement, including, without limitation, that there be no material adverse change in Seacliff's business.

In addition, Seacliff has agreed that it will not solicit or initiate discussions regarding any other business combination or sale of its shares or material assets, subject to certain conditions. Seacliff has also granted Churchill a right to match competing unsolicited proposals. A \$17 million termination fee is payable by Seacliff to Churchill in certain circumstances if the Transaction is not completed.

A copy of the arrangement agreement will be filed with the Canadian securities regulators and will be available under each of Churchill's and Seacliff's profile on the SEDAR website at www.sedar.com.

Financial Advisors and Fairness Opinion

RBC Capital Markets is acting as exclusive financial advisor to Churchill with respect to the Transaction.

Raymond James Ltd. is acting as exclusive financial advisor to Seacliff's Board of Directors with respect to the Transaction, and has provided its opinion that the consideration to be received by Seacliff shareholders under the Arrangement is fair, from a financial point of view, to Seacliff shareholders. The Seacliff Board of Directors, based upon their investigations, including their consideration of the opinion from their financial advisors, concluded that the Transaction is in the best interests of Seacliff and its shareholders, and will be recommending that Seacliff shareholders vote in favour of the Transaction at a special meeting of Seacliff's shareholders.

Legal Advisors

Macleod Dixon LLP acted as legal advisors to Churchill. McCarthy Tetrault LLP acted as legal advisors to Seaciff. Bull, Housser & Tupper LLP provided additional legal advice to the Board of Directors of Seaciff.

Investor Presentation and Conference Call

A presentation for the investment community with highlights of the Transaction will be available simultaneously with the distribution of this release on Churchill's website in the investor relations section at: <http://www.churchillcorporation.com/index.php>

A conference call will be presented by senior executives of Churchill and Seaciff to analysts and institutional investors by webcast which will include a question and answer session. The call is scheduled for Monday, May, 17, 2010 at 8:00 am (Eastern Time). The conference call and webcast may be accessed live and archived on a listen-only basis via Churchill's website at: http://www.churchillcorporation.com/live_events.php

and from Seaciff's website at:

http://www.seaciffconstruction.ca/s/Upcoming_Events.asp

Interested analysts and institutional investors should call:

- 1 (800) 319-4610 or if preferred 1 (604) 638-5340

Participants are asked to call at least 10 minutes prior to the start of the call. For those unable to participate on the live call, a replay will be made available until Wednesday, June 16, 2010 by dialling (1-800-319-6413) or if preferred (1-604-638-9010) passcode:1514.

About The Churchill Corporation

The Churchill Corporation provides building construction, industrial insulation and electrical contracting services throughout Western Canada. Churchill common shares are listed on the Toronto Stock Exchange under the symbol "CUQ".

About Seaciff Construction Corp.

Seaciff provides general contracting services, electrical contracting and earthmoving services to a wide array of clients in both the public and private sectors, with a majority of its business derived from institutional, commercial, civil and light industrial construction projects. Seaciff is headquartered in Vancouver, BC and operates 22 locations in British Columbia, Alberta, Saskatchewan and Manitoba, as well as two locations in Northwestern Ontario. Seaciff's business is conducted through three business units: Dominion Construction, a general contractor; Canem Systems, an electrical contractor and Broda Construction Group, a Saskatchewan-based earthmoving and heavy civil construction contractor.

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FORWARD LOOKING STATEMENTS

This press release contains statements that may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. These forward-looking statements include, among others, statements regarding business strategy, plans and other expectations, beliefs, goals, objectives, information and statements about possible future events. Specific forward looking statements contained in this press release include statements regarding Churchill's proposed acquisition of Seacliff, the financing and completion of the acquisition and the outcome of the acquisition, as well as statements regarding transaction values and accretion resulting from the completion of the proposed acquisition. Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Churchill and Seacliff and described in the forward-looking statements contained in this press release. Among the various factors that could cause results to vary materially from those indicated in the forward-looking statements include failure to realize anticipated synergies, the result of the review of the proposed acquisition by regulatory authorities and failure to receive approval of the proposed acquisition by Seacliff's shareholders. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits Churchill or Seacliff will derive therefrom.

NON-GAAP MEASURES

Certain non-GAAP measures are utilized by Churchill as a measures of financial and operational performance. Non-GAAP measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Non-GAAP measures included in this release are “backlog” and “EBITDA”. Backlog is non-GAAP measure that is common to the construction industry. Backlog means the total value of work including work-in-hand that has not yet been completed that: (a) is assessed by Churchill or Seacliff (the “Corporation” for the purposes of the disclosure below) as having high certainty of being performed by the Corporation or its subsidiaries by either the existence of a contract or work order specifying job scope, value and timing; or (b) has been awarded to the Corporation or its subsidiaries, as evidenced by an executed binding or non-binding letter of intent or agreement, describing the general job scope, value and timing of such work, and with the finalization of a formal contract respecting such work currently assessed by the Corporation as being reasonably assured. All projects within backlog are classified as active unless the Corporation has received written or verbal notification from the client that a job/project/contract has been delayed, at which point the backlog is classified as Delayed Backlog. The Corporation provides no assurance that additional clients will not choose to defer or cancel their projects in the future. There can be no assurance that the client will resume the project or that the delayed backlog will not be retendered. Jobs or projects subsequently retendered and not awarded to the Corporation or its subsidiaries would at that time be removed from the Corporation’s backlog. EBITDA is a common financial measure widely used by investors to facilitate an “enterprise level” valuation of an entity. The Corporation follows the standardized definition of EBITDA. Standardized EBITDA represents an indication of the Corporation’s capacity to generate income from operations before taking into account management’s financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological currency, and management’s estimate of their useful life. Accordingly standardized EBITDA comprises revenues less operating cost before interest expense, capital asset amortization and impairment charges, and income taxes. This measure as reported by the Corporation may not be comparable to similar measures presented by other reporting issuers.