

THE CHURCHILL CORPORATION
(TSX: CUQ)

ANNUAL INFORMATION FORM
(Form 51-102F2)

March 29, 2005

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1. CORPORATE STRUCTURE

1.1 Name, Address and Incorporation

Full Corporate Name of the Issuer

The Churchill Corporation

Head and Registered Office

12836 – 146 Street
Edmonton, Alberta T5L 2H7

Incorporation

The Churchill Corporation (“Churchill”, “the Corporation” or “the Issuer”) was incorporated as Churchill Development Corporation Ltd. on August 31, 1981 under the Companies Act of Alberta and was continued under the Business Corporations Act (Alberta) on July 30, 1985. The name of the Corporation was changed to The Churchill Corporation by Certificate of Amendment dated July 30, 1985. On June 30, 1987, Churchill acquired A.I.L. – Alberta Investments Ltd. (“AIL”), a closed end mutual fund listed on the Alberta Stock Exchange (the “ASE”), and became a reporting issuer pursuant to an order of the Alberta Securities Commission. Churchill amalgamated with AIL on December 31, 1987 and Churchill common shares were listed and accepted for trading by the ASE on December 1, 1987. On December 8, 1999, Churchill common shares were listed for trading on the Toronto Stock Exchange (the “TSX”). On January 30, 2000 Churchill consolidated its trading onto the TSX and dropped its listing on the ASE, which was then the Canadian Venture Exchange.

Material Amendments to the Constatng Documents

The following material amendments have been made to the articles and other constating documents of the Corporation:

- Certificate and Special Resolution filed June 28, 1985 to reorganize the Corporation's share capital to consolidate the Class “A” Common Shares and the Class “B” Common Shares, modify the Memorandum of Association of the Corporation, authorize the issuance of up to 110,000,000 Class “A” Common Shares and convert all issued and outstanding Class “A” Common Shares and all issued and outstanding Class “B” Common Shares into Class “A” Common Shares on a one-for-one basis.
- Certificate and Articles of Amendment filed July 30, 1985 to change the name of the Corporation from Churchill Development Corporation Ltd. to The Churchill Corporation.
- Certificate and Articles of Amalgamation filed December 31, 1987 to amalgamate The Churchill Corporation and A.I.L. – Alberta Investments Ltd.
- Amended By-law approved by the Board of Directors of the Corporation (the “Board”) and ratified by the Shareholders at the Annual and Special Meeting of Shareholders held May 19, 1999 to reduce the quorum requirement for meetings of shareholders from 30% to 10% of outstanding shares.
- Certificate and Articles of Amendment filed June 13, 2000 to:
 - Change the authorized share capital of the Corporation as follows: a) change the designation of the authorized and issued “Class A Common Shares” to “Common

Shares”; b) change the maximum number of Common Shares that may be issued to an unlimited number; c) cancel the authorized classes and series of preferred shares; and d) create an unlimited number of a new class of shares designated as “Preferred Shares”, issuable in series.

- o Provide that meetings of shareholders of the Corporation may be held inside or outside of Alberta, at any place in Canada.
- o Permit the Directors to appoint one or more additional Directors between annual meetings, with the number of additional Directors not to exceed one-third of the number of Directors who held office at the expiration of the last annual meeting of the Corporation.

1.2 **Intercorporate Relationships**

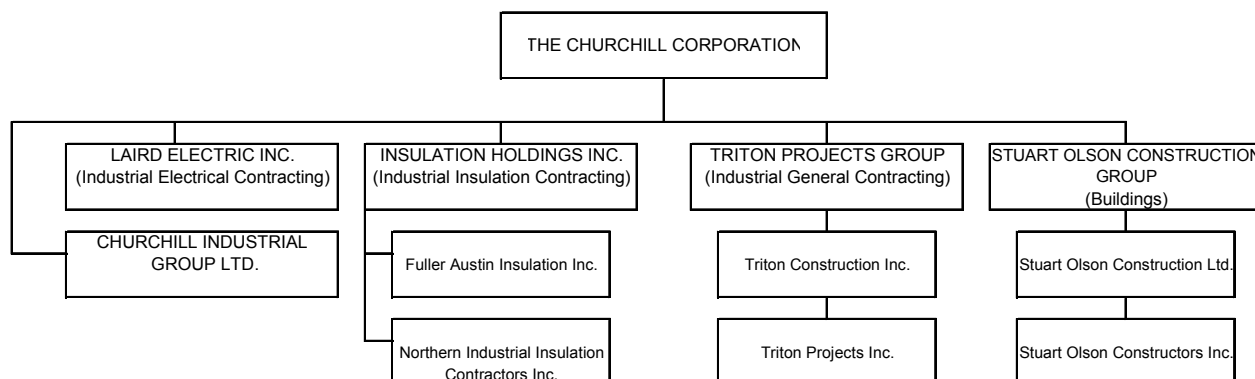
Subsidiaries

The following table lists the principal subsidiaries of the Corporation, their jurisdiction of incorporation and the percentage of voting and non-voting shares thereof, which are owned, directly or indirectly, by the Corporation.

PRINCIPAL SUBSIDIARIES

Name	Jurisdiction of Incorporation or Continuance	% Voting Shares	% Non-voting Shares
Stuart Olson Construction Ltd.	Alberta	100	N/A
Stuart Olson Constructors Inc.	Alberta	100	N/A
Insulation Holdings Inc.	Alberta	100	N/A
Fuller Austin Insulation Inc.	Alberta	100	N/A
Northern Industrial Insulation Contractors Inc.	Alberta	100	N/A
Triton Construction Inc.	Alberta	100	N/A
Triton Projects Inc.	Alberta	100	N/A
Laird Electric Inc.	Alberta	100	N/A
Churchill Industrial Group Ltd.	Alberta	100	N/A

The organizational structure of the Corporation and its principal subsidiaries outlined above is as is set forth below:



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Overview and Three Year History

Prior to January 1, 1989, Churchill was primarily a real estate development corporation with minor interests in a travel agency and several other operating companies. On January 1, 1989, Churchill acquired a group of construction company interests including Stuart Olson Construction Ltd. and its subsidiaries Fuller Austin Insulation Inc. and Northern Industrial Insulation Contractors Inc. Churchill subsequently acquired majority ownership of the Triton Projects group of companies and, with the subsequent purchase by Triton Projects of the minority ownership interests, Churchill's ownership interest has since increased to 100%. During the past three years, Churchill or its subsidiaries have acquired Lakehead Insulation Inc. and Laird Electric Inc. The Stuart Olson Construction group of companies ("Stuart Olson"), Fuller Austin Insulation Inc., Northern Industrial Insulation Contractors Inc., the Triton Projects group of companies ("Triton Projects") and Laird Electric Inc. now represent the main business activity of Churchill. Churchill is presently a construction and industrial maintenance and services business, serving the building and industrial markets, primarily in western Canada.

2.2 Significant Acquisitions, Repurchase of Minority Interest and Sale of Assets

Acquisition of Lakehead Insulation

On January 17, 2002, Churchill subsidiary Fuller Austin Insulation Inc. acquired all of the issued and outstanding shares of Lakehead Insulation Inc. ("Lakehead"), an insulation contractor based in Thunder Bay, Ontario, for \$0.7 million plus future consideration based on Lakehead earnings during the three-year period ending December 31, 2004.

The values assigned to the acquired net assets were:

(\$ millions)

Cash	\$ 0.1
Other Working Capital Items	0.2
Property and Equipment	0.5
Future Income Tax Liabilities	(0.1)
	\$ 0.7

Acquisition of Laird Electric

On February 7, 2003, Churchill acquired all of the issued and outstanding shares of Laird Electric Inc., an electrical, instrumentation and power-line construction and maintenance contractor based in Fort McMurray, Alberta with expanding operations in the Edmonton, Alberta area. The \$9.7 million purchase price was comprised of \$8.5 million cash and the issuance from treasury of 826,412 Common Shares of the Corporation. In conjunction with the acquisition, the Corporation borrowed \$8.0 million by way of secured, floating-rate term debt. This acquisition was reported on page 44 of the Issuer's 2002 Annual Report as a subsequent event in the Notes to the Issuer's 2002 Consolidated Statements, on page 36 of the 2003 Annual Report in the Notes to the Issuer's 2003 Consolidated Statements and reported on page 33 of the Issuer's 2004 Annual Report, incorporated herein by reference.

The values assigned to the acquired net assets were:

(\$ millions)	
Cash	\$ 1.0
Other Working Capital Items	5.2
Property and Equipment	1.0
Intangible Assets	1.5
Goodwill	7.3
Long-term Debt	(0.3)
Shareholders' Loans	(5.4)
Future Income Tax Liabilities	(0.6)
	<hr/>
	\$ 9.7

The purchase price consisted of:

Common Shares	\$ 2.2
Cash	8.5
Refundable Deposit	(1.0)
	<hr/>
	\$ 9.7

Intangible assets were acquired totaling \$1.5 million. The intangibles relate to a customer contract valued on a discounted net present value basis of \$0.5, and employment contracts valued at their recoverable value of \$1.0 million.

Up to \$1.0 million of the purchase price is recoverable in the event that Laird does not achieve a cumulative financial performance objective by December 31, 2005. Potential repayment under the financial performance agreement is secured by 413,205 of Churchill shares held by an escrow agent without further recourse. As the consideration is contingent on achieving specific earnings levels in the future, the \$1.0 million has been recorded as a refundable deposit.

The deposit, or a portion thereof, is also refundable if certain of the key employees resign from Laird or are terminated with cause prior to December 31, 2005.

Repurchase of Triton Projects Minority Interest

Churchill subsidiary Triton Projects purchased the interest of various withdrawing minority shareholders of Triton Projects Inc. and withdrawing minority partners of Triton Projects Limited Partnership in 1998, 1999 and 2001, with the result that Churchill's ownership interest in the Triton Projects group of companies increased from 80% to 100%.

Sale of Assets of Lafrentz Road Services ("Lafrentz")

Churchill's 41% interest in the Lafrentz Road Services business was deemed to be non-core and was sold in early 2003. The distributed proceeds received on the sale were \$1.6 million, resulting in the Corporation recording a small gain. This sale was referred to on page 26 of the Corporation's 2002 Annual Report, pages 25 and 41 of the Corporation's 2003 Annual Report, and pages 14 and 22 of the Corporation's 2004 Annual Report which are incorporated herein by reference.

3. DESCRIPTION OF THE BUSINESS

3.1 General

A. Overview

Churchill provides building construction, heavy-industrial general construction, fabrication, insulation, electrical, instrumentation, power-line construction and maintenance and related services throughout western Canada, northwestern Ontario and the Northwest Territories, through wholly owned subsidiaries.

The services provided by each reportable operating segment of the Issuer are sold directly to: clients; clients' engineers or architects; industrial general contractors; or engineering-procurement-construction ("EPC") contractors. Sales and marketing activities include: maintaining relationships with previous clients and prospecting for new opportunities through personal contact, submitting bids and proposals, and limited advertising.

Large industrial projects are increasingly being constructed utilizing the off-site fabrication of modules that are then transported to the jobsite and assembled. Churchill completed the construction and commenced operation of a new modular fabrication facility in the third quarter of 2004. The facility is owned by Churchill Industrial Group Ltd. and is available for utilization by any of Churchill's industrial companies. Triton Projects was the largest beneficiary of work in 2004, both within this facility, and the related field installation work. Churchill is investing considerable resources to streamline process efficiency and improve control at the fabrication plant. Process changes have been implemented and significant improvements have been achieved to date. Triton will limit plant through-put to allow for completion of these changes and will not gear up to full capacity until consistent profitability has been demonstrated.

While Churchill is active throughout western Canada, northwestern Ontario and the Northwest Territories, 60% to 70% of consolidated revenue is generated in Alberta, and a further 20% to 30% in British Columbia.

A shortage of experienced personnel is a continuing challenge in both the commercial construction and the industrial construction and maintenance sectors.

The nature of Churchill's business is such that the sources, pricing and availability of raw materials, component parts or finished products are not a significant factor in any of the Corporation's reportable operating segments.

Expenditures on research and development activities are modest in all of Churchill's reportable operating segments.

The nature of the business is such that the importance, duration and effect on all of Churchill's reportable operating segments of identifiable intangible properties, such as brand names, circulation lists, copyrights, franchises, patents, software, subscription lists and trademarks, is limited.

Churchill's operating companies have each been in business for many years. Relationships with clients, subcontractors and suppliers, contracts with clients and the goodwill associated with trade names, demonstrated project capabilities and past relationships have an impact on the business.

The business of each reportable operating segment of the Corporation is somewhat cyclical and seasonal, as described in more detail in sections 3.1B through 3.1E of this Annual Information Form.

The Corporation was managed using five operating segments in 2004, as defined in the Canadian Institute of Chartered Accountants Handbook, as follows: Buildings, Industrial General Contracting, Industrial Insulation Contracting, Industrial Electrical Contracting, and Corporate and Other.

Buildings includes the construction of commercial, institutional, light-industrial and multi-unit residential buildings.

Industrial General Contracting includes heavy-industrial general contracting, fabrication, site work and ongoing maintenance.

Industrial Insulation Contracting includes all insulation, siding, fireproofing, asbestos abatement and plant maintenance services including, in certain instances, services provided to our industrial general contracting and industrial electrical contracting companies.

Industrial Electrical Contracting includes industrial electrical, instrumentation and power-line construction and maintenance services including, in certain instances, services provided to our industrial general contracting companies.

Corporate and Other includes the Corporation's non-core investments as well as all corporate costs not allocated directly to another business segment.

Contract Revenue by Operating Segment

Contract Revenue from these reportable operating segments of the Corporation is set forth in the following table:

Year Ended December 31 <u>(\$ thousands)</u>	2004		2003		Increase (Decrease) 2004 over 2003 (%)
<u>Segment</u>	\$	%	\$	%	
Buildings	\$239,156	71	\$192,875	60	24
Industrial General Contracting	40,423	12	38,660	12	5
Industrial Insulation Contracting	41,112	12	63,940	20	(36)
Industrial Electrical Contracting	19,726	6	25,519	8	(23)
Corporate and Other	0	0	0	0	0
Inter-segment Adjustments	(5,799)	(1)	(1,596)	0	0
Total Contract Revenue	\$334,618 =====	100% =====	\$319,398 =====	100% =====	5% =====

The following sections 3.1B through 3.1E of this Annual Information Form contain descriptions of the business, services, markets and competitive environment of each of the reportable operating segments of the Corporation.

B. Buildings

Stuart Olson provides general contracting, construction management and design-build services to private and public sector clients in the commercial, light-industrial and institutional sectors. Stuart Olson projects generally entail the construction, expansion or renovation of a building.

Stuart Olson has branch offices in Vancouver, Edmonton, and Calgary. A small satellite office in Lethbridge, Alberta was closed down in early 2005 due to a lack of project opportunities. The company is active primarily in Alberta and British Columbia.

Most Stuart Olson revenue is procured with repeat clients or through select invitational tenders, reflecting the effectiveness of its target marketing and client development. Less than 20% of revenue is generated from fixed-price bids. Stuart Olson subcontracts up to 90% of project work to subcontractors and suppliers and manages the construction process to deliver a successful project. This high degree of subcontracting reduces the capital required to operate and to grow the business.

Stuart Olson is a leader in alternative methods of project delivery, including construction management and design-build, which complement its general contracting capabilities. These methods entail working with clients and a design team early in the planning phase of a project to value-engineer the design and plan the construction process. These methods enhance client value through increased certainty of project completion on time and on budget and can also provide a single source of responsibility. These methods of project delivery can help build long-term relationships with clients while also lowering Stuart Olson risk and improving margins. Stuart Olson has completed many private and public sector projects under these alternative methods, which now generate more than 80% of the company's revenue.

Stuart Olson has expanded its participation in the larger projects market during the last five years by leveraging its large project experience. Larger projects have a longer duration, which enhances the predictability and sustainability of revenue and earnings.

Stuart Olson has significant expertise in completing projects in a wide range of sectors, including:

- education
- recreation
- multi-unit residential
- retail
- hospitality
- high technology office, biotechnology and laboratory facilities
- food processing and distribution facilities
- office buildings
- healthcare and seniors' care
- light-industrial
- public sector construction management

This diversity enhances the predictability and sustainability of revenue.

The building construction market is highly competitive with relatively low barriers to entry. Stuart Olson has several capable and well-established competitors. Stuart Olson is one of the three largest building contractors in Alberta and British Columbia and has maintained market share. Stuart Olson has been in business since 1939 and has developed strong relationships with clients, subcontractors and suppliers.

Competitive factors include:

- price and approach to project execution
- relevant project experience
- client relationships
- quality of service
- record in completing similar projects on time and on budget
- subcontractor relationships
- strength of project team
- performance bonding capability and financial strength

Stuart Olson's business is not particularly seasonal due to the larger size of their projects, although working conditions and productivity can be impacted by weather conditions during the winter months.

C. Industrial General Contracting

Triton Projects provides heavy-industrial general contracting, fabrication and maintenance services to the resource and industrial sectors. Triton Projects' clients are primarily in the oil and gas, petrochemical, power, mining and forest products industries. Triton Projects is active primarily in Alberta, although the company also has recent project experience in Saskatchewan and British Columbia. Triton Projects is one of the largest open-shop mechanical contractors in its region.

Triton Projects provides a range of complementary services, including:

- plant-site preparation
- installation of pilings and foundations
- fabrication and erection of structural steel and piping
- equipment setting and assembly
- fabrication and installation of process equipment modules
- small diameter pipeline construction
- building erection, electrical, instrumentation, painting and insulation
- industrial maintenance (including on-stream, shutdowns and turnarounds)
- estimating, planning and cost control services

Triton Projects has significant experience in dismantling and relocating existing facilities plus well-site abatement and restoration, in addition to new construction.

In mid 2004, Triton commenced a new service in providing modular fabrication and associated construction work. Many of the fabrication plant contracts also include a field installation component which can be several times larger than the fabrication scope itself.

Triton Projects is based in Edmonton, Alberta with a sales and marketing office in Calgary, Alberta and operations in Fort McMurray and Bonnyville, Alberta. Triton has a base of recurring revenue from providing maintenance services to clients in the expanding heavy oil sectors of Alberta. Cyclical slowness and delayed project starts in early 2004 resulted in increased competitive intensity and lower contract margins. As well, the company incurred higher than expected start-up costs on the new modular fabrication plant that resulted in significant losses on several of their early contracts. This had a major negative impact on its overall profitability in 2004.

The volume of Triton's work on new capital projects tends to be somewhat seasonal with slower activity in the first two calendar quarters. Plant maintenance activity tends to be more consistent throughout the year.

Triton Projects has several large and capable competitors in each of its geographic markets and areas of service. Triton Projects has been in business since 1953, building long-term relationships with clients and subcontractors. It has a reputation for reliability, safety, quality control and efficiency.

Competitive factors include:

- price and approach to project execution
- relationships with clients and client representatives
- scope of service capabilities
- quality of service
- record in completing similar projects on time and on budget
- safety programs and record
- performance bonding capability and financial strength
- relevant project experience
- available capacity in competitors' fabrication facilities

D. Industrial Insulation Contracting

Insulation Holdings Inc. consists of two independent industrial insulation contractors, serving the building-trades union market through Fuller Austin Insulation Inc. ("Fuller Austin") and the open-shop market through Northern Industrial Insulation Inc. ("Northern Industrial"). These companies each provide an integrated range of services, including industrial thermal and acoustic insulation, fireproofing and fire stopping, asbestos abatement, siding application and plant maintenance. These companies primarily serve the petrochemical, oil and gas, power generation, utilities, forest products, pipeline and mining industries.

With offices in Edmonton, Calgary, Fort McMurray and Bonnyville, Alberta; Regina, Saskatchewan and Thunder Bay, Ontario, the insulation businesses are well positioned to serve clients from British Columbia to northwestern Ontario. In mid 2004, Fuller Austin opened a new office in Ancaster, Ontario. The company expects to grow this office over the next few years to take advantage of the large southern Ontario market. Fuller Austin is one of the largest industrial insulation and related service contractors in Canada.

Fuller Austin, Northern Industrial and Lakehead are positioned to benefit from the trend of industrial clients outsourcing maintenance services to preferred contractors.

Although work conditions and productivity are impacted by weather conditions, the volume of insulation business activity for new capital projects is not particularly seasonal in nature. Plant maintenance activity is strongest during the second and fourth calendar quarters.

Fuller Austin, Northern Industrial and Lakehead have several large and capable competitors in each of their geographic markets and areas of service. The Churchill companies provide a more comprehensive range of services than most of their competitors, which enables them to deliver a single-source solution to clients. Fuller Austin has been in business since 1961, Northern Industrial since 1988 and Lakehead since 1953. Each company has a reputation for reliability, safety and efficiency.

Other competitive factors include:

- price and approach to project execution
- relationships with clients and client representatives
- scope of service capabilities
- quality of service
- record in completing similar projects on time and on budget
- safety programs and record
- performance bonding capability and financial strength
- relevant project experience

E. Industrial Electrical Contracting

Laird Electric Inc. provides industrial and commercial electrical, instrumentation and power-line construction and maintenance services. Laird primarily serves the resource and industrial sectors, including the oil sands, oil and gas, petrochemical and power generation markets. Laird is based in Fort McMurray, Alberta and also has an office in Edmonton, Alberta.

The company has been in business since 1962. Laird has established long-term relationships with major oil and gas and power generating companies in the Fort McMurray and Edmonton regions. The company generates 40% to 60% of its revenue from providing maintenance services.

Although field conditions and productivity are impacted by weather conditions, the volume of electrical construction activity is not particularly seasonal for new capital projects. Electrical maintenance activities are generally greater during the second quarter of the year.

Laird incurred a slower than expected activity level in 2004. This was primarily as a result of delays in the start-up of construction on the many new oil sands projects in northern Alberta and was further exacerbated by a postponement into 2005 of a large portion of their on-going maintenance work for a major client. The lower operating margins and resulting operating loss for the year were due to the company more aggressively competing for contracts in a slower than expected market. As well, the deferment of a large amount of its regular maintenance work affected overall margins as this work is generally higher margin than Laird's other types of projects.

Laird has several large and capable competitors in the union electrical, instrumentation and power-line construction and maintenance area. The company is one of the three largest union electrical contractors in the Fort McMurray and Edmonton areas. Laird provides a broader range of complementary services than most of its competitors and has a reputation for reliability, safety, quality control and efficiency.

Competitive factors include:

- price and approach to project execution
- management information and cost management systems
- client relationships
- scope of service capabilities

- quality of service
- record in completing similar projects on time and on budget
- safety programs and record
- performance bonding capability and financial strength
- owner's preference for union vs. non-union workforce
- relevant project experience

F. Environmental Protection

Churchill and its subsidiaries are subject to federal, provincial and municipal environmental legislation and regulations in its construction and maintenance operations. Churchill recognizes it must conduct its business in a manner that protects and preserves the environment and complies with applicable legislation and regulation. Churchill and its subsidiaries have training programs, policies and procedures, as well as compliance procedures, to proactively manage environmental issues and comply with applicable legislation, regulations and conditions of permits and approvals.

The financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive positions of Churchill and its reportable operating segments are not expected to be material in the current financial year.

Churchill management believes the operations of the Corporation are in substantial compliance with all material federal, provincial and municipal laws and regulations as they relate to the environment.

G. Employees

Churchill and its subsidiaries had 283 full-time salaried employees on December 31, 2004. Its operating subsidiaries also employ additional construction personnel on an hourly basis, which vary within a range of 200 to 2,000 people depending on the number, size and stage of active projects. On December 31, 2004, Churchill and its subsidiaries employed 566 personnel on an hourly basis.

H. Risk Factors

In 2004, Churchill completed the construction and initiated operation of a new modular fabrication facility. Many of the components of the operation of the facility are similar to the types of work carried out by the Corporation's various businesses in their normal construction activities; however, there are a number of differences in running a fabrication plant. These differences manifested during the year in unforeseen start-up costs, lower than expected productivity and requirements for new processes and controls. This is a new element of risk for the Corporation. It is being addressed through an external review by independent consultants, as well as internally by senior management and the Board of Directors.

Churchill's operating companies are often required to provide performance bonds as assurance against contract completion. As a result of the recent worldwide reduction in surety and reinsurance capacity, the Corporation is continually monitoring the bonding and surety market. Although the present surety capacity has been sufficient to satisfy the work-in-hand, Churchill is seeking to increase the level through additional working capital in order to take advantage of opportunities in the market. Should the Corporation be unsuccessful in increasing the working capital and in turn the bonding capacity, then this could limit growth as well as potentially having an adverse affect on the on-going operations.

Churchill's industrial operations generally require a higher level of working capital due to a larger manpower workforce on projects. The Corporation's ability to obtain additional capital is important

in order to achieve the strategy of expansion in the industrial market. A shortfall of working capital would limit this growth and reduce the industrial revenue potential.

In past periods of high construction activity in western Canada, there have been shortages of labour, including both Churchill companies' and their subcontractors' work forces. In certain of the companies the labour force is unionized, creating the possibility of labour disruptions if collective agreements cannot be negotiated as they come due. There are no collective agreements expiring in 2005 for any of Churchill's companies.

Churchill's operations are centered in, and primarily focused on, western Canada. The majority of construction in western Canada, particularly industrial construction, is either directly or indirectly connected to oil and gas. Oil and gas pricing and activity levels are directly impacted by worldwide events. The Corporation utilizes various third-party estimates of the price movement direction and level as background information in managing various mid-term aspects of its business. Significant downward movement in oil or gas commodity prices could lead to project delays or cancellations by clients, while significant upward movement could lead to clients looking to accelerate the project schedule. Either movement could put pressure on Churchill's organizational infrastructure in the short term.

Other risks to the Corporation and its operating segments include: adverse weather delays; estimating, procurement, and project execution cost overruns; and design related flaws on design-build projects. These risks are inherent in the construction business and are generally mitigated through Churchill's normal business policies and procedures.

4. DIVIDENDS

The only restrictions on the Corporation paying dividends are the financial capacity and solvency tests under the Alberta Business Corporations Act, and the covenants under its borrowing agreements. No dividends have been declared in the three most recently completed financial years.

The Corporation's current policy is not to pay dividends. Net earnings are being invested in operations and in growth opportunities.

5. CAPITAL STRUCTURE

5.1 General Description of Capital Structure

The Corporation is authorized to issue an unlimited number of shares designated as Common Shares and an unlimited number of shares designated as Preferred Shares.

A. Common Shares

As at December 31, 2004 the Corporation had outstanding 12,238,352 Common Shares. The Common Shares shall have attached to them the rights, privileges, restrictions and conditions as hereinafter set forth.

1. Except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation.
2. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive dividends if, as and when declared by the Directors of the Corporation.

3. Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation, the holders of the Common Shares are entitled to share equally in the remaining property of the Corporation upon liquidation, dissolution or winding-up of the Corporation.

B. Preferred Shares

As at December 31, 2004 the Corporation had no outstanding Preferred Shares.

The Preferred Shares shall have attached to them, as a class, the rights, privileges, restrictions and conditions as hereinafter set forth.

1. The Preferred Shares may from time to time be issued in one or more series and, subject to the following provisions, and subject to the sending of articles of amendment in prescribed form and the issuance of a certificate of amendment in respect thereof, the Directors may fix from time to time and before issue of a series of Preferred Shares, the number of shares which are to comprise that series and the designation, rights, privileges, restrictions and conditions to be attached to that series of Preferred Shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment of dividends, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.
2. The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares and over any other shares of the Corporation ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given other preferences, not inconsistent with these articles, over the Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares of a series as may be fixed in accordance with clause (B) (1).
3. If any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, all series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.
4. Unless the Directors otherwise determine in the articles of amendment designating a series of Preferred Shares, the holder of each share of a series of Preferred Shares shall not, as such, be entitled to receive notice of or vote at any meeting of shareholders, except as otherwise specifically provided in the Business Corporations Act (Alberta).

6 MARKET FOR SECURITIES

The Common Shares of the Corporation are listed and posted for trading on the Toronto Stock Exchange ("TSX") under the stock market symbol "CUQ"

6.1 Trading Price and Volume

The following are the price ranges as well as the total monthly volume for Churchill shares during 2004:

Month	High	Low	Total Monthly Volume
Dec-04	2.50	2.30	149,600
Nov-04	2.61	2.25	267,200
Oct-04	2.73	2.46	321,500
Sep-04	2.65	2.38	140,600
Aug-04	2.90	2.45	85,700
Jul-04	2.80	2.45	105,400
Jun-04	3.08	2.71	356,000
May-04	2.92	2.34	156,600
Apr-04	2.90	2.60	274,500
Mar-04	2.89	2.55	535,800
Feb-04	2.68	2.35	218,500
Jan-04	2.55	2.30	120,800

7. ESCROWED SECURITIES

7.1 Escrowed Securities

Designation of Class	Number of Shares held in Escrow	Percentage of Class
Common Shares	413,205	3.4

The escrow agent for the above shares is Duncan & Craig LLP, Barristers and Solicitors. The shares have been held in escrow since February 7, 2003 and relate to the acquisition by the Corporation of Laird Electric Inc. (Laird). The purchase included a contingent consideration that involves a financial performance objective. This financial performance objective consists of Laird achieving cumulative net aggregate earnings before interest, taxes, depreciation and amortization (EBITDA) of not less than \$7.5 million at any time during the period from January 1, 2003 to December 31, 2005. The contingent consideration will be released from escrow to either the vendors of Laird or to Churchill depending upon whether or not the performance objectives are fulfilled by December 31, 2005. This release from escrow is to be no later than April 30, 2006.

8. DIRECTORS AND OFFICERS

8.1 Name, Occupation and Period of Service

The names, municipalities of residence, position with the Corporation, principal occupation, period of service as a member of the Board and membership in Board committees as at March 29, 2005, are set forth in the following table. Each Director will hold office until the next annual meeting of shareholders or until a successor is elected or appointed. The next annual meeting of shareholders is scheduled to be held on May 12, 2005.

Name and Municipality Of Residence	Position with Corporation	Principal Occupation	Service as a Director since
Dr. Peter F. Adams, Ph.D., P.Eng. Edmonton, Alberta (1) (2) (3)	Chairman and Director	Retired, former President and Managing Director, Canadian Petroleum Institute	May 20, 1993
Brian W. L. Tod, B.A., LL.B., Q.C. Edmonton, Alberta (3)	Deputy Chairman and Director	Partner, Miller Thomson LLP	May 20, 1993
Henry R. Reid, MBA, P.Eng. Gabriola Island, British Columbia (1)	Interim President and Chief Executive Officer and Director	Interim President and Chief Executive Officer, The Churchill Corporation, Business Consultant	February 19, 1991
Stanton K. Hooper, C.E.T. Edmonton, Alberta (2)	Director	President, Stanton Developments Ltd.	November 28, 1990
Harry A. King, B.A., CA Vancouver, British Columbia (1)	Director	President, Harking Investments Ltd.	August 13, 1997
Kim D. McInnes, B.A., M.U.D. Toronto, Ontario (3)	Director	Executive Vice President and Chief Operating Officer, Ivanhoe Cambridge	May 15, 2002
Winston D. Stothert, M.A.Sc., P.Eng. Vancouver, British Columbia (2)	Director	Chairman, Stothert Power Corporation	May 17, 1995

Notes:

- (1) Indicates member of the Audit Committee.
- (2) Indicates member of the Corporate Governance, Nominating and Risk Management Committee
- (3) Indicates member of the Human Resources and Compensation Committee

Each of the Directors of the Corporation has been engaged for more than five years in his present principal occupation or in other capacities with the company or organization (or predecessors thereof) in which he currently holds his principal occupation with the exception of: Mr. Henry R. Reid, who was previously President and Chief Executive Officer of the Corporation from 1990 until October 1, 2002, at which time he acted as a consultant to the Corporation until his subsequent retirement in March 2003. In November 2004, Mr. Reid returned to Churchill as Interim President and Chief Executive Officer. He has been a member of the Board of Directors continuously from February 19, 1991 to the present.

Executive Officers

The following table sets forth the names, municipality of residence and position with the Corporation of each person who is an Executive Officer of Churchill, as at March 29, 2005.

<u>Name and Municipality of Residence</u>	<u>Position with Corporation</u>
Henry R. Reid, MBA, P.Eng., Gabriola Island, British Columbia	Interim President and Chief Executive Officer
L. Bruce Rintoul, MBA, P.Eng. Edmonton, Alberta	Vice President Industrial
Allen W. Stowkowy, B.Sc., P.Eng. Calgary, Alberta	President, Stuart Olson Construction
DeEtte Mack, B. Comm., CA Edmonton, Alberta	Corporate Controller

Each of the Executive Officers of the Corporation has held other principal occupations during the last five years, as follows: Henry R. Reid, who was previously President and Chief Executive Officer of the Corporation from 1990 until October 1, 2002, at which time he acted as a consultant to the Corporation until his subsequent retirement in March 2003. In November 2004, Mr. Reid returned to Churchill as Interim President and Chief Executive Officer. L. Bruce Rintoul, who held various positions including Senior Vice President, Industrial Services Group at Philip Services Corporation from 1997 through 1999; he joined Churchill in February 2000. Allen W. Stowkowy, who was Senior Vice President, Stuart Olson Construction from 1997 through October 2002 when he became President and Chief Operating Officer of Stuart Olson Construction. DeEtte Mack, who held various positions including Accounting Manager and Financial Reporting and Tax Specialist at Stantec Inc. from 1997 until she joined Churchill in July 2004.

The Directors and Executive Officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 1,020,131 Common Shares, or approximately 8.3% of the issued and outstanding Common Shares of the Corporation as at December 31, 2004. This is the only class of voting securities issued by the Corporation.

8.2 Corporate Cease Trade Orders or Bankruptcies

Except as set forth below, to the knowledge of management of the Corporation, no Director or Executive Officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is, or within the 10 years before the date of this Annual Information Form, has been, a Director or Officer of any company (including Churchill) that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the Director or Executive Officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except:

Mr. L. Bruce Rintoul, Vice President Industrial of the Corporation, was an officer of several wholly-owned subsidiaries of Philip Services Corporation prior to his resignation in November, 1999. At the time of his resignation, Philip Services Corporation and its subsidiaries were in bankruptcy in both Canada and the U.S.A. Philip Services Corporation subsequently gained court acceptance of a reorganization and emerged from bankruptcy.

8.3 Penalties or Sanctions

To the knowledge of management of the Corporation, no Director or Executive Officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

8.4 Personal Bankruptcies

To the knowledge of management of the Corporation, no Director or Executive Officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to, or instituted, any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director or Executive Officer.

8.5 Conflicts of Interest

Certain Directors and Officers of the Corporation and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with corporate legislation, Directors who have a material interest or any person who is a party to a material contract, or a proposed material contract, with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the Directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Some of the Directors of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these Directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation.

9. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Corporation incurred legal fees during the three most recently completed financial years with a law firm for which a Director of the Corporation is also a partner of the firm. The fees were for services rendered in the ordinary course of business. The amounts paid during the three years were \$431 thousand in 2002, \$333 thousand in 2003 and \$194 thousand in 2004.

10. TRANSFER AGENTS AND REGISTRARS

CIBC Mellon Trust Company is the transfer agent and registrar of the Common Shares of the Corporation. CIBC Mellon Trust Company's contact information is as follows:

CIBC Mellon Trust Company
600 The Dome Tower, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Telephone: (403) 232-2400
Fax: (403) 264-2100
Email: inquiriesA@CIBCmellon.ca
Website: www.cibcmellon.ca
Answerline: 1-800-387-0825
Contact: Cathy Sargeant cathy_sargeant@CIBCmellon.ca

11. MATERIAL CONTRACTS

11.1 Laird Electric

On February 7, 2003, pursuant to a Share Purchase Agreement made effective on February 7th, 2003, between the Corporation and the shareholders of Laird Electric Inc., Churchill acquired all of the issued and outstanding shares of Laird Electric Inc., an electrical, instrumentation and power-line construction and maintenance contractor based in Fort McMurray, Alberta. This is described more fully in section 2.2 of this AIF. Up to \$1.0 million of the purchase price is recoverable in the event that Laird does not achieve a cumulative financial performance objective by December 31, 2005. This is described more fully in section 7.1 of this AIF. In addition, if George Schneider, the President of Laird Electric Inc. resigns from Laird's employ, or is terminated for cause, prior to December 31, 2005, then \$0.7 million of the purchase price is recoverable. The material contract related to the financial performance agreement that is still in effect is the "Escrow Agreement", made effective February 7th, 2003, between George Schneider and Holly Schneider, Randy Nordick and Holly Nordick and Roger Gosselin (collectively, the "Vendors") and The Churchill Corporation (the "Purchaser") and Duncan & Craig LLP (the "Escrow Agent"). The material contract related to the employment agreement that is still in effect is the "Purchase Price Adjustment Agreement", made effective on January 1st 2003, between George Schneider and Holly Schneider and The Churchill Corporation (the "Purchaser").

12. ADDITIONAL INFORMATION

Additional information, including Directors' and Officers' remuneration and indebtedness, principal holders of Churchill's securities and options to purchase securities is contained in Churchill's Management Information Circular and Proxy Statement for its May 12, 2005 Annual Meeting of Shareholders. Additional financial information is provided in Churchill's Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended December 31, 2004, which are included in Churchill's 2004 Annual Report.

Copies of the foregoing documents, as well as the Corporation's Quarterly and Annual Reports incorporating the quarterly and annual comparative financial statements and Management's Discussion and Analysis for its financial years ended December 31, 2002, 2003 and 2004 and this Annual Information Form and any document, incorporated by reference in this Annual Information Form may be obtained by accessing SEDAR, the electronic system recording Canadian public securities filings, at www.sedar.com. This information is also available upon request from the Investor Relations of Churchill. Churchill may charge a reasonable fee for provision of this additional information to persons who are not shareholders.

To request copies of information, please contact:
Investor Relations
The Churchill Corporation

12836 – 146 Street
Edmonton, Alberta T5L 2H7
Telephone: (780) 454-3667 Fax: (780) 452-8741
www.churchillcorporation.com

13. FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form may constitute “forward-looking statements”. Although management of the Corporation believes that its expectations are based upon reasonable assumptions, it can give no assurance its expectations will be achieved. Such forward-looking statements involve risk, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.