

Clerk's stamp:

Court File Number	1301-04364
Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	CALGARY
Applicants	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF POSEIDON CONCEPTS CORP., POSEIDON CONCEPTS LTD., POSEIDON CONCEPTS LIMITED PARTNERSHIP AND POSEIDON CONCEPTS INC.
Document	FIRST REPORT TO THE COURT SUBMITTED BY PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS MONITOR DATED APRIL 18, 2013
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**POSEIDON CONCEPTS CORP. ET AL
MONITOR'S FIRST REPORT TO COURT**

April 18, 2013

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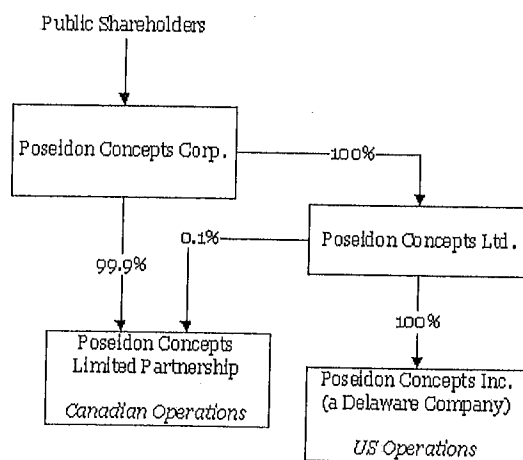
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POSEIDON CONCEPTS CORP., ET AL MONITOR'S FIRST REPORT TO COURT

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1. INTRODUCTION

- 1.1 On April 9, 2013, on the application of Poseidon Concepts Corp. ("PCC"), Poseidon Concepts Ltd. ("PCL"), Poseidon Concepts Limited Partnership ("PCLP") and Poseidon Concepts Inc. ("PCI") (collectively referred to as "Poseidon" or the "Company"), the Court of Queen's Bench of Alberta (the "Court") made an order (the "Initial Order") granting Poseidon protection from its creditors pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA"). Under the Initial Order, PricewaterhouseCoopers Inc. ("PwC") was appointed Monitor of the Company (the "Monitor").
- 1.2 The corporate structure of the entity is as follows, PCC is the 100% parent of PCL, which in turn is the 100% parent of PCI, which runs the US operations. PCC and PCL are partners in PCLP, which runs the Canadian operations.



- 1.3 The Company develops and rents modular, above ground large volume fluid storage tanks for the oil and gas exploration industry. Its core markets are Alberta, British Columbia, North Dakota, Wyoming, Colorado and Texas. The Company is headquartered in Calgary, Alberta and has offices in Denver, Colorado and Dickinson, North Dakota.
- 1.4 As described in a press release filed by the Company, the Company's current financial predicament is primarily attributable to the overstatement of "approximately \$95 to \$106 million...of the Applicants' \$148.1 million in revenue for the 9 months ended September 30, 2013" which resulted in the overstatement of "approximately \$94 to \$102 million...of

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the Applicants' \$125.5 million accounts receivable as at September 30, 2013". The overstatement subsequently caused a liquidity crisis and the Company ran out of cash.

- 1.5 As a result of this overstatement, the Company advised that its financial statements for the first three quarters of fiscal 2012 should not be relied upon along with Management's Discussion and Analysis, which resulted in, among other things, the following:
 - 1.5.1 Defaults under its loan agreement with the Company's Lending Syndicate dated June 29, 2012;
 - 1.5.2 A cease trade order issued against the Company by the Alberta Securities Commission; and,
 - 1.5.3 The commencement of a number of class action lawsuits against Poseidon initiated by various law firms representing certain shareholders of the Company.
- 1.6 Further, the Company has advised that questions have arisen with respect to the recorded revenues in the 2011 audited financial statements.
- 1.7 Pursuant to the Initial Order, among other things, all creditors are stayed from commencing or continuing any proceedings against Poseidon until May 9, 2013, the anticipated date for the Comeback Hearing.
- 1.8 The purpose of this limited scope report is to advise of the Monitor's activities to date, the Company's Chapter 15 proceedings and provide the Court with the Monitor's comments on the reasonableness of the Company's initial cash flow forecast pursuant to section 23 (1) (b) of the CCAA.
- 1.9 This report is not intended to be a comprehensive review of the affairs of the Company. PwC intends to file a comprehensive report in advance of a hearing of the Comeback Hearing.
- 1.10 Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein are as defined in the Company's application materials, including the filed Affidavit of Leigh Cassidy (the "Cassidy Affidavit").

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- 1.11 The Monitor has set up a website at www.pwc.com/car-poseidon. All prescribed materials filed by Poseidon and the Monitor relating to this CCAA proceeding are available to creditors and other interested parties in electronic format on the Monitor's website. The Monitor will make regular updates to the website to ensure creditors and interested parties are kept current and to add prescribed materials as required.

2. MONITORING ACTIVITIES AND NOTICE TO CREDITORS

- 2.1 On April 9, 2013 the Monitor activated its website (www.pwc.com/car-poseidon) and all materials circulated by the Company in these proceedings have now been posted to the website. In addition to the website, the Monitor has set up a toll free hotline (1-888-339-3225) (the "Hotline") for interested parties and stakeholders in these proceedings to make enquiries.
- 2.2 The Monitor has completed its notice requirements pursuant to subsection 23(1) (a) of the CCAA and as provided in paragraph 50 and 51 of the Initial Order. In particular:
- 2.2.1 A notice in the prescribed form, along with a letter from the Company to its creditors, was mailed to creditors on April 12, 2013;
- 2.2.2 The Initial Order has been posted on the Monitor's website along with a list of creditors including their names, addresses and amounts; and
- 2.2.3 Notices were published in the Calgary Herald.
- 2.3 Since its appointment, the Monitor has, among other things:
- 2.3.1 Attended the Company's head office in Calgary, Alberta to review its books and records and operations;
- 2.3.2 Met with employees and participated in town hall meetings at the request of Management to advise of the CCAA process and answer any questions posed by staff;
- 2.3.3 Commenced reviewing the Company's receipts and disbursements and monitoring the Company's performance relative to the initial cash flow forecast;

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- 2.3.4 Responded to all creditor enquiries posted on PwC's website and the Hotline; and,
- 2.3.5 Assisting Ernst & Young Orenda Corporate Finance Inc. ("EYO") with respect to the solicitation process and directing all solicitation process enquiries made of PwC to EYO;

3. CHAPTER 15 PROCEEDINGS

- 3.1 Proceedings in the United States Bankruptcy Court for the District of Colorado (the "US Court") have been commenced in furtherance of the Company's restructuring:
 - 3.1.1 Following the commencement of the CCAA proceedings in Canada, the Monitor sought provisional relief from the US Court pursuant to Chapter 15 of the United States Bankruptcy Code and on April 15, 2013 Temporary Restraining Orders were granted. Copies of these orders along with a Joint Administration Order are attached as Appendix A; and,
 - 3.1.2 A hearing has been scheduled in the US Court for April 25, 2013 where at the Monitor will seek an order granting recognition of the Canadian proceedings as a Foreign Main Proceeding, pursuant to Chapter 15 of the US Bankruptcy Code.

4. CASH FLOW FORECAST

- 4.1 The Company prepared a cash flow forecast for the period April 8 to May 19, 2013 (the "CFF") which is attached as Appendix B.
- 4.2 The 6 week CFF reflects the following:

('000)	\$
Estimated accounts receivable collections	1,089
Estimated operating disbursements	2,713
Estimated restructuring and retention plan disbursements	793
Estimated draw on the Interim Financing facility	2,430
- 4.3 The Monitor's conclusions from its review of the CFF pursuant to section 23(1) (b) of the CCAA are as follows:

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- 4.3.1 The CFF attached as Appendix A to this report has been prepared by the Company for the purpose described in the Notes, using the Probable and Hypothetical Assumptions set out in Notes 1 to 5 to the CFF.
- 4.3.2 The Monitor's review of the CFF consisted of inquiries, analytical procedures and discussion related to information supplied to the Monitor by certain of the management and employees of the Company. Since Hypothetical Assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the CFF. The Monitor has also reviewed the support provided by management of the Company for the Probable Assumptions, and the preparation and presentation of the CFF.
- 4.3.3 Based on the Monitor's review, nothing has come to our attention that causes us to believe that, in all material respects:
 - 4.3.3.1 The Hypothetical Assumptions are not consistent with the purpose of the CFF;
 - 4.3.3.2 As at the date of this report, the Probable Assumptions developed by management are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the CFF, given the Hypothetical Assumptions; or
 - 4.3.3.3 The CFF does not reflect the Probable and Hypothetical Assumptions.
- 4.3.4 Since the CFF is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the CFF will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.
- 4.3.5 The CFF has been prepared solely for the purpose described in the Notes to the CFF, and readers are cautioned that it may not be appropriate for other purposes.

**POSEIDON CONCEPTS CORP. ET AL
MONITOR'S FIRST REPORT TO COURT**

April 18, 2013

This report is respectfully submitted this 18th day of April, 2013.

**PricewaterhouseCoopers Inc.
Court Appointed Monitor of
Poseidon Concepts Corp. et al**



Clinton L.T. Roberts
Senior Vice President



Sean Fleming
Vice President

APPENDIX A

Temporary Restraining Orders and Joint Administration Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:)	
)	
POSEIDON CONCEPTS CORP.,)	Chapter 15
Debtor in Foreign Proceeding.)	Case No. 13-15893-HRT
<hr/>		
In re:)	
)	
POSEIDON CONCEPTS LTD.,)	Chapter 15
Debtor in Foreign Proceeding.)	Case No. 13-15894-HRT
<hr/>		
In re:)	
)	
POSEIDON CONCEPTS LIMITED)	Chapter 15
PARTNERSHIP,)	Case No. 13-15895-HRT
Debtor in Foreign Proceeding.)	
<hr/>		
In re:)	
)	
POSEIDON CONCEPTS INC.,)	Chapter 15
Debtor in Foreign Proceeding.)	Case No. 13-15896-HRT

**ORDER TO SHOW CAUSE WITH
TEMPORARY RESTRAINING ORDER**

Upon the application (the "Application")¹ of PricewaterhouseCoopers Inc. ("PWC"), as the court-appointed monitor (the "Monitor") and authorized foreign representative of Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (collectively referred to as the "PC Debtors") in the proceeding pending in the Court of Queen's Bench of Alberta, Canada (the "Canadian Proceeding") under the Companies' Creditors Arrangement Act (the "CCAA"), pursuant to sections 105(a) and 1519 of title 11 of the United States Code (the "Bankruptcy Code") for entry of an order to show cause with temporary restraining order (the "TRO") and scheduling a hearing on the Monitor's request for a

¹ Capitalized terms undefined herein shall have the meanings ascribed in the Application.

preliminary injunction, and this Court having considered and reviewed: (i) the Application, the petition (the "Petition") pursuant to section 1515 of the Bankruptcy Code for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding; (iii) the Declaration of Clinton L.T. Roberts and the Declaration of Leigh Cassidy (together, the "Declarations") offered in support of the Application and the Petition; (iv) the initial order entered in the Canadian Proceeding on April 9, 2013 (the "CCAA Order"); and (v) all other documents filed in support thereof (together with the Application, Petition, Declarations and CCAA Order, the "Supporting Papers"), and based upon the representations made on the record at such hearing, this Court finds and concludes as follows:

- A. There is a substantial likelihood that the Monitor will be able to demonstrate that the Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code and that the Monitor is a "foreign representative" of the debtor, as defined in section 101(24) of the Bankruptcy Code;
- B. The commencement or continuation of any action or proceeding in the United States against the PC Debtors, the Monitor, in its role as foreign representative of the PC Debtors, or any of the PC Debtors' assets or proceeds thereof should be enjoined pursuant to Sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the PC Debtors' estates in the Canadian Proceeding, and the relief requested either: (i) will not cause undue hardship to; or (ii) any hardship to parties in interest is outweighed by the benefits of the relief requested;
- C. Unless a restraining order issues, there is a material risk that the PC Debtors' assets could be subject to efforts by creditors in the United States to control or possess such assets. Such acts could: (i) interfere with the jurisdictional mandate of this Court under Chapter 15 of the Bankruptcy Code; (ii) interfere with and cause harm to the Canadian Proceeding; and (iii) undermine the PC Debtors and the Monitor's efforts to achieve an equitable result for the benefit of all of the PC Debtors' creditors. Accordingly, there is a material risk that the PC Debtors may suffer immediate and irreparable injury for which it will have no adequate remedy at law and therefore it is necessary that the Court enter this Order;
- D. Notice of the Application was not previously given due to the irreparable harm that would result before the adverse parties had been heard in opposition;
- E. The interest of the public will be served by this Court's entry of this Order;

- F. The Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors are entitled to the full protections and rights available pursuant to section 1519(a) of the Bankruptcy Code; and
- G. The security provision provided in Rule 65(c) of the Federal Rules of Civil Procedure, made applicable through Rule 7065 of the Bankruptcy Rules, is unnecessary in this case and is therefore waived.

THEREFORE, IT IS HEREBY ORDERED, that all parties in interest come before the Honorable Howard R. Tallman on April 25, 2013 at 1:30 ~~XXX~~ p.m. (the "Hearing"), at the Byron G. Rogers United States Courthouse, 1929 Stout Street, Denver, Colorado 80202 in Room C203 to show why a preliminary injunction should not be granted:

1. enjoining: (i) all persons and entities from commencing or continuing any legal proceeding (including, without limitation, arbitration, or any judicial, quasi judicial, administrative or regulatory action, proceeding or process whatsoever), including any discovery, or taking any other action (each, an "Action") against the Monitor, in its role as foreign representative of the PC Debtors, the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) the enforcement of any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Monitor, in its role as foreign representative of the PC Debtors, the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof; (iii) the commencement or continuation of any Action to create, perfect or enforce any lien, setoff or other claim against the Monitor, the PC Debtors or against any of their assets or the proceeds thereof; provided, however, that no Action described in sections 555, 556, 557, 559, 560, 561, 562 and 1519(d) and (f) of the Bankruptcy Code shall be enjoined by such preliminary injunction (the "*Excepted Actions*");
2. requiring that when informed of these proceedings every person and entity that is a plaintiff in an Action in which the PC Debtors is or was named as a party, or as a result of which liability against the PC Debtors may be established, to place the Monitor's U.S. Counsel (as defined below) on the master service list of any such action or proceeding and take such other steps as may be necessary to ensure that such counsel receives: (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) any and all correspondence or other documents circulated to parties listed on the master service list; and
3. prohibiting all persons and entities other than the PC Debtors from possessing or exercising control over the PC Debtors' assets located in the United States, except as authorized in writing by the PC Debtors, by Order of this Court, or in the Canadian Proceeding.

It is further ordered that except with respect to Excepted Actions, pending the Hearing, all persons and entities are hereby enjoined from (i) continuing any Action or commencing any Action involving the Monitor, in its role as foreign representative of the PC Debtors, or relating to the PC Debtors or the PC Debtors' United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) enforcing or taking any steps to enforce any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Monitor, in its role as foreign representative of the PC Debtors, or the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof; or (iii) commencing or continuing any Action to create, perfect or enforce any lien, setoff, or other claim against the Monitor, the PC Debtors, or against any of its property or the proceeds thereof.

It is further ordered that the Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors, are entitled to the full protections and rights available pursuant to Section 1519(a) of the Bankruptcy Code, including: (a) in accordance with and subject to the terms of the CCAA Order, the right and power of the PC Debtors to administer and/or realize all or part of the PC Debtors' assets located in the United States in order to protect and preserve the value of such assets; (b) prohibiting the right and power to transfer, encumber, or otherwise dispose of any assets of the PC Debtors, except by the PC Debtors as provided in this TRO, the CCAA Order, or to facilitate the operation of the PC Debtors' business in the ordinary course; and (c) the right and power to seek additional relief that is available to a trustee, except for relief available under Sections 522, 544, 545, 547, 548, 550, and 724(a) of the Bankruptcy Code. Nothing in this Order shall be deemed to entrust or otherwise vest the PC Debtors or its assets to the Monitor, or provide the Monitor with any greater rights or obligations than those afforded to it under the CCAA Order.

It is further ordered that, pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant to Rule 7065 of the Bankruptcy Procedure (the "Bankruptcy Rules"), no notice to any person is required prior to entry and issuance of this Order.

It is further ordered that (i) any party in interest may make a motion seeking relief from, or modification of, this Order, by filing a motion on not less than two (2) business days notice to the U.S. Counsel (defined below), seeking an order for such relief, and any such request shall be the subject of a hearing scheduled by the Court; and (ii) any party in interest may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing on any subsequent relief sought by the Monitor in this proceeding.

It is further ordered that copies of this Order and the Supporting Papers shall be served by the PC Debtors upon the Office of the United States Trustee, all parties known by the PC Debtors against whom provisional relief is being sought under section 1519 of the Bankruptcy Code, and all parties to any litigation in which the PC Debtors is a party and that is pending in the United States, in accordance with Bankruptcy Rule 2002(q) by mail within five (5) business days of the entry of this Order, or five (5) business days following the time such party is identified by the PC Debtors, whichever is later. Service in accordance with this Order shall constitute adequate and sufficient service and notice.

It is further ordered that the Supporting Papers shall also be made available upon request to counsel for the Monitor, Brent R. Cohen, Esq., Rothgerber Johnson & Lyons LLP, 1200 17th Street, Suite 3000, Denver, CO 80202 (the "U.S. Counsel").

It is further ordered that, objections, if any, submitted for the purpose of opposing the Monitor's request for a preliminary injunction on the terms described above must be made in

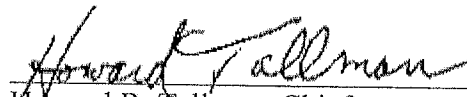
writing describing the basis therefore and shall be filed with this Court electronically by registered users of the Court's ECF System, with hard copy to the Chambers of the Honorable Howard R. Tallman, and served upon the U.S. Counsel, so as to be received on or before April 23, 2013 at 5:00 p.m. (MDT); except that the foregoing is without prejudice to the right of any party in interest to seek, upon appropriate notice and hearing, to terminate or otherwise modify this TRO.

It is further ordered that if no objections to the Monitor's request for a preliminary injunction are made in accordance with the immediately preceding paragraph, the Court may enter an order granting the preliminary injunction requested in the Application without holding the Hearing.

It is further ordered that, pursuant to Bankruptcy Rule 7065, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

BY THE COURT

Dated: April 15, 2013
Time: 11:15 a.m. ~~XXXX~~


Howard R. Tallman, Chief
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:)	
)	Chapter 15
POSEIDON CONCEPTS CORP.,)	Case No. 13-15893-HRT
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In re:)	
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In re:)	
)	Chapter 15
POSEIDON CONCEPTS LIMITED)	Case No. 13-15895-HRT
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preliminary injunction, and this Court having considered and reviewed: (i) the Application, the petition (the "Petition") pursuant to section 1515 of the Bankruptcy Code for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding; (iii) the Declaration of Clinton L.T. Roberts and the Declaration of Leigh Cassidy (together, the "Declarations") offered in support of the Application and the Petition; (iv) the initial order entered in the Canadian Proceeding on April 9, 2013 (the "CCAA Order"); and (v) all other documents filed in support thereof (together with the Application, Petition, Declarations and CCAA Order, the "Supporting Papers"), and based upon the representations made on the record at such hearing, this Court finds and concludes as follows:

- A. There is a substantial likelihood that the Monitor will be able to demonstrate that the Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code and that the Monitor is a "foreign representative" of the debtor, as defined in section 101(24) of the Bankruptcy Code;
- B. The commencement or continuation of any action or proceeding in the United States against the PC Debtors, the Monitor, in its role as foreign representative of the PC Debtors, or any of the PC Debtors' assets or proceeds thereof should be enjoined pursuant to Sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the PC Debtors' estates in the Canadian Proceeding, and the relief requested either: (i) will not cause undue hardship to; or (ii) any hardship to parties in interest is outweighed by the benefits of the relief requested;
- C. Unless a restraining order issues, there is a material risk that the PC Debtors' assets could be subject to efforts by creditors in the United States to control or possess such assets. Such acts could: (i) interfere with the jurisdictional mandate of this Court under Chapter 15 of the Bankruptcy Code; (ii) interfere with and cause harm to the Canadian Proceeding; and (iii) undermine the PC Debtors and the Monitor's efforts to achieve an equitable result for the benefit of all of the PC Debtors' creditors. Accordingly, there is a material risk that the PC Debtors may suffer immediate and irreparable injury for which it will have no adequate remedy at law and therefore it is necessary that the Court enter this Order;
- D. Notice of the Application was not previously given due to the irreparable harm that would result before the adverse parties had been heard in opposition;
- E. The interest of the public will be served by this Court's entry of this Order;

- F. The Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors are entitled to the full protections and rights available pursuant to section 1519(a) of the Bankruptcy Code; and
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2. requiring that when informed of these proceedings every person and entity that is a plaintiff in an Action in which the PC Debtors is or was named as a party, or as a result of which liability against the PC Debtors may be established, to place the Monitor's U.S. Counsel (as defined below) on the master service list of any such action or proceeding and take such other steps as may be necessary to ensure that such counsel receives: (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) any and all correspondence or other documents circulated to parties listed on the master service list; and
3. prohibiting all persons and entities other than the PC Debtors from possessing or exercising control over the PC Debtors' assets located in the United States, except as authorized in writing by the PC Debtors, by Order of this Court, or in the Canadian Proceeding.

It is further ordered that except with respect to Excepted Actions, pending the Hearing, all persons and entities are hereby enjoined from (i) continuing any Action or commencing any Action involving the Monitor, in its role as foreign representative of the PC Debtors, or relating to the PC Debtors or the PC Debtors' United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) enforcing or taking any steps to enforce any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Monitor, in its role as foreign representative of the PC Debtors, or the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof; or (iii) commencing or continuing any Action to create, perfect or enforce any lien, setoff, or other claim against the Monitor, the PC Debtors, or against any of its property or the proceeds thereof.

It is further ordered that the Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors, are entitled to the full protections and rights available pursuant to Section 1519(a) of the Bankruptcy Code, including: (a) in accordance with and subject to the terms of the CCAA Order, the right and power of the PC Debtors to administer and/or realize all or part of the PC Debtors' assets located in the United States in order to protect and preserve the value of such assets; (b) prohibiting the right and power to transfer, encumber, or otherwise dispose of any assets of the PC Debtors, except by the PC Debtors as provided in this TRO, the CCAA Order, or to facilitate the operation of the PC Debtors' business in the ordinary course; and (c) the right and power to seek additional relief that is available to a trustee, except for relief available under Sections 522, 544, 545, 547, 548, 550, and 724(a) of the Bankruptcy Code. Nothing in this Order shall be deemed to entrust or otherwise vest the PC Debtors or its assets to the Monitor, or provide the Monitor with any greater rights or obligations than those afforded to it under the CCAA Order.

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It is further ordered that copies of this Order and the Supporting Papers shall be served by the PC Debtors upon the Office of the United States Trustee, all parties known by the PC Debtors against whom provisional relief is being sought under section 1519 of the Bankruptcy Code, and all parties to any litigation in which the PC Debtors is a party and that is pending in the United States, in accordance with Bankruptcy Rule 2002(q) by mail within five (5) business days of the entry of this Order, or five (5) business days following the time such party is identified by the PC Debtors, whichever is later. Service in accordance with this Order shall constitute adequate and sufficient service and notice.

It is further ordered that the Supporting Papers shall also be made available upon request to counsel for the Monitor, Brent R. Cohen, Esq., Rothgerber Johnson & Lyons LLP, 1200 17th Street, Suite 3000, Denver, CO 80202 (the "U.S. Counsel").

It is further ordered that, objections, if any, submitted for the purpose of opposing the Monitor's request for a preliminary injunction on the terms described above must be made in

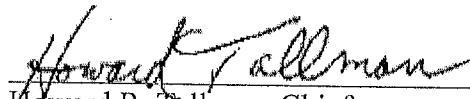
writing describing the basis therefore and shall be filed with this Court electronically by registered users of the Court's ECF System, with hard copy to the Chambers of the Honorable Howard R. Tallman, and served upon the U.S. Counsel, so as to be received on or before April 23, 2013 at 5:00 p.m. (MDT); except that the foregoing is without prejudice to the right of any party in interest to seek, upon appropriate notice and hearing, to terminate or otherwise modify this TRO.

It is further ordered that if no objections to the Monitor's request for a preliminary injunction are made in accordance with the immediately preceding paragraph, the Court may enter an order granting the preliminary injunction requested in the Application without holding the Hearing.

It is further ordered that, pursuant to Bankruptcy Rule 7065, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

BY THE COURT

Dated: April 15, 2013
Time: 11:15 a.m. ~~xxxx~~


Howard R. Tallman, Chief
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:)	
)	Chapter 15
POSEIDON CONCEPTS CORP.,)	Case No. 13-15893-HRT
Debtor in Foreign Proceeding.)	
<hr/>		
In re:)	
)	Chapter 15
POSEIDON CONCEPTS LTD.,)	Case No. 13-15894-HRT
Debtor in Foreign Proceeding.)	
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In re:)	
)	Chapter 15
POSEIDON CONCEPTS LIMITED)	Case No. 13-15895-HRT
PARTNERSHIP,)	
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In re:)	
)	Chapter 15
POSEIDON CONCEPTS INC.,)	Case No. 13-15896-HRT
Debtor in Foreign Proceeding.)	

**ORDER TO SHOW CAUSE WITH
TEMPORARY RESTRAINING ORDER**

Upon the application (the "Application")¹ of PricewaterhouseCoopers Inc. ("PWC"), as the court-appointed monitor (the "Monitor") and authorized foreign representative of Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (collectively referred to as the "PC Debtors") in the proceeding pending in the Court of Queen's Bench of Alberta, Canada (the "Canadian Proceeding") under the Companies' Creditors Arrangement Act (the "CCAA"), pursuant to sections 105(a) and 1519 of title 11 of the United States Code (the "Bankruptcy Code") for entry of an order to show cause with temporary restraining order (the "TRO") and scheduling a hearing on the Monitor's request for a

¹ Capitalized terms undefined herein shall have the meanings ascribed in the Application.

preliminary injunction, and this Court having considered and reviewed: (i) the Application, the petition (the "Petition") pursuant to section 1515 of the Bankruptcy Code for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding; (iii) the Declaration of Clinton L.T. Roberts and the Declaration of Leigh Cassidy (together, the "Declarations") offered in support of the Application and the Petition; (iv) the initial order entered in the Canadian Proceeding on April 9, 2013 (the "CCAA Order"); and (v) all other documents filed in support thereof (together with the Application, Petition, Declarations and CCAA Order, the "Supporting Papers"), and based upon the representations made on the record at such hearing, this Court finds and concludes as follows:

- A. There is a substantial likelihood that the Monitor will be able to demonstrate that the Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code and that the Monitor is a "foreign representative" of the debtor, as defined in section 101(24) of the Bankruptcy Code;
- B. The commencement or continuation of any action or proceeding in the United States against the PC Debtors, the Monitor, in its role as foreign representative of the PC Debtors, or any of the PC Debtors' assets or proceeds thereof should be enjoined pursuant to Sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the PC Debtors' estates in the Canadian Proceeding, and the relief requested either: (i) will not cause undue hardship to; or (ii) any hardship to parties in interest is outweighed by the benefits of the relief requested;
- C. Unless a restraining order issues, there is a material risk that the PC Debtors' assets could be subject to efforts by creditors in the United States to control or possess such assets. Such acts could: (i) interfere with the jurisdictional mandate of this Court under Chapter 15 of the Bankruptcy Code; (ii) interfere with and cause harm to the Canadian Proceeding; and (iii) undermine the PC Debtors and the Monitor's efforts to achieve an equitable result for the benefit of all of the PC Debtors' creditors. Accordingly, there is a material risk that the PC Debtors may suffer immediate and irreparable injury for which it will have no adequate remedy at law and therefore it is necessary that the Court enter this Order;
- D. Notice of the Application was not previously given due to the irreparable harm that would result before the adverse parties had been heard in opposition;
- E. The interest of the public will be served by this Court's entry of this Order;

- F. The Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors are entitled to the full protections and rights available pursuant to section 1519(a) of the Bankruptcy Code; and
- G. The security provision provided in Rule 65(c) of the Federal Rules of Civil Procedure, made applicable through Rule 7065 of the Bankruptcy Rules, is unnecessary in this case and is therefore waived.

THEREFORE, IT IS HEREBY ORDERED, that all parties in interest come before the Honorable Howard R. Tallman on April 25, 2013 at 1:30 ~~XXX~~p.m. (the "Hearing"), at the Byron G. Rogers United States Courthouse, 1929 Stout Street, Denver, Colorado 80202 in Room C203 to show why a preliminary injunction should not be granted:

1. enjoining: (i) all persons and entities from commencing or continuing any legal proceeding (including, without limitation, arbitration, or any judicial, quasi judicial, administrative or regulatory action, proceeding or process whatsoever), including any discovery, or taking any other action (each, an "Action") against the Monitor, in its role as foreign representative of the PC Debtors, the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) the enforcement of any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Monitor, in its role as foreign representative of the PC Debtors, the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof; (iii) the commencement or continuation of any Action to create, perfect or enforce any lien, setoff or other claim against the Monitor, the PC Debtors or against any of their assets or the proceeds thereof; provided, however, that no Action described in sections 555, 556, 557, 559, 560, 561, 562 and 1519(d) and (f) of the Bankruptcy Code shall be enjoined by such preliminary injunction (the "*Excepted Actions*");
2. requiring that when informed of these proceedings every person and entity that is a plaintiff in an Action in which the PC Debtors is or was named as a party, or as a result of which liability against the PC Debtors may be established, to place the Monitor's U.S. Counsel (as defined below) on the master service list of any such action or proceeding and take such other steps as may be necessary to ensure that such counsel receives: (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding, and (ii) any and all correspondence or other documents circulated to parties listed on the master service list; and
3. prohibiting all persons and entities other than the PC Debtors from possessing or exercising control over the PC Debtors' assets located in the United States, except as authorized in writing by the PC Debtors, by Order of this Court, or in the Canadian Proceeding.

It is further ordered that except with respect to Excepted Actions, pending the Hearing, all persons and entities are hereby enjoined from (i) continuing any Action or commencing any Action involving the Monitor, in its role as foreign representative of the PC Debtors, or relating to the PC Debtors or the PC Debtors' United States assets or the proceeds thereof, rights, obligations, or liabilities; (ii) enforcing or taking any steps to enforce any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Monitor, in its role as foreign representative of the PC Debtors, or the PC Debtors, or the PC Debtors' United States assets or the proceeds thereof; or (iii) commencing or continuing any Action to create, perfect or enforce any lien, setoff, or other claim against the Monitor, the PC Debtors, or against any of its property or the proceeds thereof.

It is further ordered that the Monitor, in its role as foreign representative of the PC Debtors, and the PC Debtors, are entitled to the full protections and rights available pursuant to Section 1519(a) of the Bankruptcy Code, including: (a) in accordance with and subject to the terms of the CCAA Order, the right and power of the PC Debtors to administer and/or realize all or part of the PC Debtors' assets located in the United States in order to protect and preserve the value of such assets; (b) prohibiting the right and power to transfer, encumber, or otherwise dispose of any assets of the PC Debtors, except by the PC Debtors as provided in this TRO, the CCAA Order, or to facilitate the operation of the PC Debtors' business in the ordinary course; and (c) the right and power to seek additional relief that is available to a trustee, except for relief available under Sections 522, 544, 545, 547, 548, 550, and 724(a) of the Bankruptcy Code. Nothing in this Order shall be deemed to entrust or otherwise vest the PC Debtors or its assets to the Monitor, or provide the Monitor with any greater rights or obligations than those afforded to it under the CCAA Order.

It is further ordered that, pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant to Rule 7065 of the Bankruptcy Procedure (the "Bankruptcy Rules"), no notice to any person is required prior to entry and issuance of this Order.

It is further ordered that (i) any party in interest may make a motion seeking relief from, or modification of, this Order, by filing a motion on not less than two (2) business days notice to the U.S. Counsel (defined below), seeking an order for such relief, and any such request shall be the subject of a hearing scheduled by the Court; and (ii) any party in interest may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing on any subsequent relief sought by the Monitor in this proceeding.

It is further ordered that copies of this Order and the Supporting Papers shall be served by the PC Debtors upon the Office of the United States Trustee, all parties known by the PC Debtors against whom provisional relief is being sought under section 1519 of the Bankruptcy Code, and all parties to any litigation in which the PC Debtors is a party and that is pending in the United States, in accordance with Bankruptcy Rule 2002(q) by mail within five (5) business days of the entry of this Order, or five (5) business days following the time such party is identified by the PC Debtors, whichever is later. Service in accordance with this Order shall constitute adequate and sufficient service and notice.

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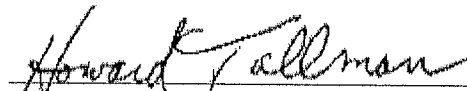
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BY THE COURT

Dated: April 15, 2013
Time: 11:15 a.m. ~~xxxx~~


Howard R. Tallman, Chief
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

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preliminary injunction, and this Court having considered and reviewed: (i) the Application, the petition (the "Petition") pursuant to section 1515 of the Bankruptcy Code for entry of an order recognizing the Canadian Proceeding as a foreign main proceeding; (iii) the Declaration of Clinton L.T. Roberts and the Declaration of Leigh Cassidy (together, the "Declarations") offered in support of the Application and the Petition; (iv) the initial order entered in the Canadian Proceeding on April 9, 2013 (the "CCAA Order"); and (v) all other documents filed in support thereof (together with the Application, Petition, Declarations and CCAA Order, the "Supporting Papers"), and based upon the representations made on the record at such hearing, this Court finds and concludes as follows:

- A. There is a substantial likelihood that the Monitor will be able to demonstrate that the Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code and that the Monitor is a "foreign representative" of the debtor, as defined in section 101(24) of the Bankruptcy Code;
- B. The commencement or continuation of any action or proceeding in the United States against the PC Debtors, the Monitor, in its role as foreign representative of the PC Debtors, or any of the PC Debtors' assets or proceeds thereof should be enjoined pursuant to Sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the PC Debtors' estates in the Canadian Proceeding, and the relief requested either: (i) will not cause undue hardship to; or (ii) any hardship to parties in interest is outweighed by the benefits of the relief requested;
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- D. Notice of the Application was not previously given due to the irreparable harm that would result before the adverse parties had been heard in opposition;
- E. The interest of the public will be served by this Court's entry of this Order;

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It is further ordered that, pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant to Rule 7065 of the Bankruptcy Procedure (the "Bankruptcy Rules"), no notice to any person is required prior to entry and issuance of this Order.

It is further ordered that (i) any party in interest may make a motion seeking relief from, or modification of, this Order, by filing a motion on not less than two (2) business days notice to the U.S. Counsel (defined below), seeking an order for such relief, and any such request shall be the subject of a hearing scheduled by the Court; and (ii) any party in interest may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing on any subsequent relief sought by the Monitor in this proceeding.

It is further ordered that copies of this Order and the Supporting Papers shall be served by the PC Debtors upon the Office of the United States Trustee, all parties known by the PC Debtors against whom provisional relief is being sought under section 1519 of the Bankruptcy Code, and all parties to any litigation in which the PC Debtors is a party and that is pending in the United States, in accordance with Bankruptcy Rule 2002(q) by mail within five (5) business days of the entry of this Order, or five (5) business days following the time such party is identified by the PC Debtors, whichever is later. Service in accordance with this Order shall constitute adequate and sufficient service and notice.

It is further ordered that the Supporting Papers shall also be made available upon request to counsel for the Monitor, Brent R. Cohen, Esq., Rothgerber Johnson & Lyons LLP, 1200 17th Street, Suite 3000, Denver, CO 80202 (the "U.S. Counsel").

It is further ordered that, objections, if any, submitted for the purpose of opposing the Monitor's request for a preliminary injunction on the terms described above must be made in

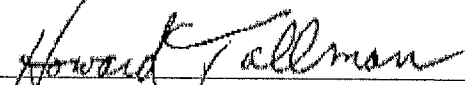
writing describing the basis therefore and shall be filed with this Court electronically by registered users of the Court's ECF System, with hard copy to the Chambers of the Honorable Howard R. Tallman, and served upon the U.S. Counsel, so as to be received on or before April 23, 2013 at 5:00 p.m. (MDT); except that the foregoing is without prejudice to the right of any party in interest to seek, upon appropriate notice and hearing, to terminate or otherwise modify this TRO.

It is further ordered that if no objections to the Monitor's request for a preliminary injunction are made in accordance with the immediately preceding paragraph, the Court may enter an order granting the preliminary injunction requested in the Application without holding the Hearing.

It is further ordered that, pursuant to Bankruptcy Rule 7065, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

BY THE COURT

Dated: April 15, 2013
Time: 11:15 a.m. ~~xxxx~~


Howard R. Tallman, Chief
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

In re:)	
)	Chapter 15
POSEIDON CONCEPTS CORP.,)	Case No. 13-15893-HRT
Debtor in Foreign Proceeding.)	
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<hr/>		
In re:)	
)	Chapter 15
POSEIDON CONCEPTS INC.,)	Case No. 13-15896-HRT
Debtor in Foreign Proceeding.)	

ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS' CASES

Upon the motion of PricewaterhouseCoopers Inc. ("PWC"), as the court-appointed monitor (the "Monitor") and authorized foreign representative of Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership, and Poseidon Concepts Inc. (collectively referred to as the "PC Debtors") in the proceeding pending in the Court of Queen's Bench of Alberta, Canada (the "Canadian Proceeding") under the Companies' Creditors Arrangement Act (the "CCAA"), and the Court having considered the Motion, and it appearing that the notice was appropriate in the particular circumstances presented,

IT IS HEREBY ORDERED:

1. The Motion is **GRANTED**.

2. The above-captioned Chapter 15 cases shall be jointly administered by the Court for procedural purposes only.
3. The above-captioned Chapter 15 cases are not being substantively consolidated.
4. The caption of the jointly administered Chapter 15 cases shall read as follows:

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF COLORADO**

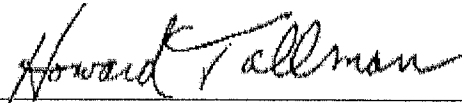
In re:)	
)	Chapter 15
POSEIDON CONCEPTS CORP.,)	Case No. 13-15893-HRT
)	
Debtor in foreign proceeding.)	<i>(Jointly Administered)</i>

5. The Clerk of the Court shall make a docket entry in each of the Chapter 15 cases substantially as follows:

An Order has been entered in this case directing the joint administration of the Chapter 15 cases of Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership, and Poseidon Concepts Inc. The docket in Case No. 13-15893-HRT should be consulted for all matters affecting this case.

Dated: April 15, 2013.

BY THE COURT:



Howard R. Tallman, Chief
United States Bankruptcy Judge

APPENDIX B

Cash Flow Forecast

(\$'000's) CDN			Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	
WEEK BEGINNING		Notes	8-Apr-13	15-Apr-13	22-Apr-13	29-Apr-13	6-May-13	13-May-13	Total
WEEKLY NET CHANGE IN CASH									
Receipts									
Accounts Receivable Collections	2		150	144	139	133	267	256	1,089
Draw on Interim Financing Facility	3		170	520	310	1,040	40	350	2,430
TOTAL RECEIPTS			320	664	449	1,173	307	606	3,519
Disbursements									
Disbursements - Operating Expenses	4								
Canadian Operating Disbursements			-	10	70	110	110	45	345
US Operating Disbursements			-	269	269	269	269	269	1,343
General & Administrative Disbursements			197	163	56	321	66	224	1,026
TOTAL DISBURSEMENTS			197	441	395	699	444	537	2,713
NET CHANGE IN CASH FROM OPERATIONS			123	223	54	474	(137)	68	805
Restructuring Costs including Employee Retention Plan	5		121	222	46	471	(137)	68	793
NET CHANGE IN CASH			1	1	8	3	(0)	(0)	12
CUMULATIVE NET CHANGE IN CASH									
Net change in cash			1	1	8	3	(0)	(0)	12
Opening Cash Position			-	1	2	10	12	12	-
Total Ending Cash			1	2	10	12	12	12	12

Notes:

Management of Poseidon Concepts has prepared this Projected Cash Flow Statement based on the probable and hypothetical assumptions detailed in Notes 1 - 5. Consequently, actual results will likely vary from performance projected and such variations may be material.

1. Receipts and disbursements are based upon historical results and forecast operational activities.
2. Receipts include the collection of outstanding accounts receivable as at April 9, 2013.
3. The Company anticipates receiving \$3.0 million in available Interim Financing to fund ongoing operations.
4. Operating costs are forecast based upon minimal tank set-up and tear down activity.
5. Restructuring Costs include professional fees for consultants, the Company's legal counsel, Monitor and Monitor's counsel and costs associated with the employee retention plan. The Company's legal counsel is holding \$700,000 to cover obligations associated with the employee retention plan and these funds will be received by the Company as the employee

Leigh Cassidy
Financial Consultant

Date