

COURT FILE NUMBER

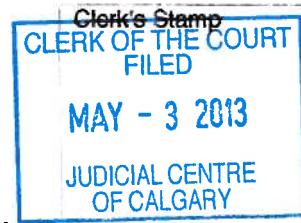
1301-04364

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY



**IN THE MATTER OF THE COMPANIES'
CREDITORS
ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED**

APPLICANTS

**AND IN THE MATTER OF POSEIDON
CONCEPTS CORP., POSEIDON
CONCEPTS LTD., POSEIDON CONCEPTS
LIMITED PARTNERSHIP AND POSEIDON
CONCEPTS INC.**

DOCUMENT

**AFFIDAVIT OF LEIGH CASSIDY sworn
May 3, 2013 (Stay Extension and Amend
CCAA Initial Order)**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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Attention: Howard A. Gorman
File No. 01024527-0002

I, Leigh Cassidy, of the Municipal District of Rocky View, in the Province of Alberta, consultant,
MAKE OATH AND SAY THAT:

1. I am an employee of Whitewater Inc. ("Whitewater") which is a third party providing financial consulting to Poseidon Concepts Corp. ("PSN"), which is the 100% parent of Poseidon Concepts Ltd., ("Poseidon Ltd."), which is in turn the 100% parent of Poseidon Concepts Inc. ("Poseidon USA"). Poseidon Concepts Limited Partnership (the "Partnership") whose partners are PSN and Poseidon Ltd., is a wholly-owned direct and indirect subsidiary of PSN (PSN, Poseidon Ltd., Poseidon USA and the Partnership shall hereinafter be referred to collectively as "the Applicants".) As such I have personal knowledge of the facts and matters deposed to herein except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.
2. Capitalized terms not defined herein are as defined in the Originating Application filed April 9, 2013 herein or in the CCAA Initial Order granted April 9, 2013 herein.

EXTENSION OF STAY OF PROCEEDINGS

3. The Applicants sought and obtained creditor protection under the *Companies' Creditors Arrangement Act* (the "CCAA") pursuant to the CCAA Initial Order. The stay of proceedings granted in the CCAA Initial Order currently expires on May 9, 2013.
4. The Applicants, their officers, employees and consultants, in consultation with the Monitor and under the restrictions set out in the CCAA Initial Order, to my understanding, continue to work diligently with the Court appointed Monitor with respect to the CCAA proceedings including the Solicitation Process in compliance with the terms of the CCAA Initial Order with the view and the objective of how to maximize value for the Applicants' stakeholders.
5. In this regard, in consultation with the Monitor, and in accordance with the terms of the CCAA Initial Order, the Applicants have curtailed, but not completely abandoned, standing of tanks and incurring the costs thereto where such continued business is demonstrably concluded and agreed to be in the Applicants' best interests in conjunction with the ongoing CCAA proceedings and Solicitation Process.
6. The Applicants are working with the Monitor to finalize cash flow projections through to the end of July 2013 and I do verily believe that based upon the receipts and recoveries to date and the availability of the Interim Financing authorized in the CCAA Initial Order that the Applicants are reasonably projected to have cash on hand through the ongoing Solicitation Process and beyond the stay extension requested herein.
7. I do verily believe the Applicants have been working diligently and in good faith with their advisors and the Monitor so as to justify the extension of the CCAA proceedings as requested herein.

NEW KERP

8. In finalizing the pleadings and proceedings including the Originating Application, paragraph 51(b) in the Originating Application inadvertently included a reference to a cap on the Eligible Employees' one-third participation in the Incentive Pool through the insertion of the words "up to an amount equal to their entitlement from April 9, 2013 onward under the Old KERP". I have reviewed this issue with Mr. Richardson and the Monitor who were primarily involved in the negotiations with respect to the New KERP and do verily believe that, with the support of the Monitor, this cap and the words referenced herein should be removed.

SOLICITATION PROCESS

9. The Applicants, the Monitor and EYO have been working to advance the Solicitation Process as set out in Schedule Z to the Originating Application. It is now apparent that the dates and milestones set out therein need to be amended or extended, retroactively, to the proposed date and milestones set

out in Schedule A attached to the Applicants' Application filed concurrently with this Affidavit. Those projected dates and milestones may prove to be required to be further amended or extended but only by agreement amongst the Applicants, EYO, the Monitor and the Lending Syndicate or by further Order of this Court.

10. Further, I do verily believe that it is appropriate that EYO be confirmed to be protected from any claims or liabilities with respect to its performance of obligations under the Solicitation Process by inserting a new paragraph 42.1, retroactively, to the CCAA Initial Order as proposed in paragraph 3(b) of the Applicants' concurrent Application.

ONGOING REGULATORY INVESTIGATIONS

11. In light of the circumstances set out in the Originating Application and the attachments thereto, the Applicants are subject to certain regulatory investigations. The Applicants' potential costs of responding to these regulatory information requests, document requests, interview requests or investigations could be significant but have not been included in the draft cash flows prepared by the Applicants in consultation with the Monitor.

DOCUMENT PRESERVATION

12. The Applicants have expended considerable time and financial resources to preserve their physical and electronic books and records. At the time of execution of this Affidavit, I understand further demands for additional document preservation may be requested but no agreement amongst the parties has yet been concluded in that regard.

RELIEF REQUESTED

13. I make this Affidavit in support of an Application by the Applicants for an Order extending the stay of proceedings up to and including July 9, 2013 and for the various amendments to the CCAA Initial Order set out above and in the filed Application.

SWORN before me at the City of Calgary, in)
the Province of Alberta, this 3rd day of May,)
2013)

A Commissioner for Oaths in and for the)
Province of Alberta)

KARI L. BECKER
Barrister & Solicitor


Leigh Cassidy