

**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>

**ORDER AUTHORIZING THE SALE OF THE PURCHASED ASSETS FREE AND
CLEAR OF ALL LIENS, CLAIMS, AND INTERESTS**

The above-entitled matter, having come before the Court on a Motion for an Order Authorizing Sale of Purchased Assets Free and Clear of Liens, Claims and Interest (the "Motion") filed by PricewaterhouseCoopers Inc. ("PWC"), as the court-appointed monitor (the "Monitor") and authorized foreign representative of Poseidon Concepts Corp. ("PC Canada"), Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership, and Poseidon Concepts Inc. (collectively referred to as the "Vendors") 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 this Court having determined that the relief requested in the Motion is in the best interests of the Vendors, their estates, their creditors, and other parties-in-interest; and after due deliberation thereon; and good and sufficient cause appearing therefor: THE COURT HEREBY FINDS THAT:

Jurisdiction, Final Order, and Statutory Bases

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, this Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein.

C. The statutory predicates for the relief requested in the Motion are Bankruptcy Code Sections 105(a), 363(b), (f), and (m), and 365 and Bankruptcy Rules 2002(a)(2), 6004(a), (b), (c), (e), (f), and (h), 6006(a), (c), and (d), 9007, and 9014.

Notice

D. Actual written notice of the Motion, the sale of the Purchased Assets, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded pursuant to Rule 2002(a) of the Rules of Bankruptcy Procedure and Rule 9013 of the Local Rules of Procedure to all known creditors and interested entities.

E. As evidenced by the affidavits of service previously filed with this Court, proper, timely, adequate, and sufficient notice of the Motion, the Solicitation Procedures, the Sale Hearing and the Agreement has been provided in accordance with Bankruptcy Code sections 102(1), 363, and 365 and Bankruptcy Rules 2002, 6004, 6006, and 9014, along with Local Bankruptcy Rule 9013. The notices described above were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Motion, the Solicitation Procedures, the Sale Hearing or the Agreement is required.

F. The Vendors conducted an auction process in accordance with, and have otherwise complied in all respects with, the Solicitation Procedures. The auction process set

forth in the Solicitation Procedures afforded a full and fair-opportunity for any entity to make a higher or otherwise better offer to purchase the Purchased Assets. The auction process was duly noticed and conducted in a non-collusive, fair, and good faith manner, and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Purchased Assets.

Validity of Transfer

G. The Vendors have full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, and no further consents or approvals are required for the Vendors to consummate the transactions contemplated by the Agreement, except as otherwise set forth in the Agreement.

H. The transfer of each of the Purchased Assets to the Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of such assets, and each such transfer vests or will vest the Purchaser with all right, title, and interest of the Vendors to the Purchased Assets free and clear of all Liens, Claims, and interests accruing, arising, or relating thereto any time prior to the Closing Date.

Good Faith of Purchaser

I. Rockwater Energy Solutions Inc. ("Purchaser") is not an "insider" of any of the Vendors, as defined in Bankruptcy Code section 101(31).

J. The Vendors have demonstrated compelling circumstances and a good and sufficient business purpose and justification for the Sale.

K. Purchaser is purchasing the Purchased Assets in good faith and is a good faith buyer within the meaning of Bankruptcy Code section 363(m). Purchaser is, therefore, entitled to the full protections of section 363(m) and has proceeded in good faith in all respects in

connection with this proceeding in that, among other things: (i) all payments to be made by Purchaser and other agreements or arrangements entered into by Purchaser in connection with the Agreement have been disclosed; (ii) Purchaser has not violated Bankruptcy Code section 363(n) by any action or inaction; (iii) no common identity of directors or controlling stockholders exists between Purchaser and any of the Vendors; and (v) the Agreement was negotiated at arm's length and in good faith.

L. The Agreement represents a fair and reasonable offer to purchase the Purchased Assets under the circumstances of these Chapter 15 cases. No other entity or group of entities has offered to purchase the Purchased Assets for greater economic value to the Vendors' estates than Purchaser.

M. Approval of the Motion and the Agreement and the consummation of the transactions contemplated thereby is in the best interests of the Vendors, their creditors, their estates and all other parties-in-interest.

Satisfaction of Section 363(f)

N. The Purchaser would not have entered into the Agreement and would not consummate the transactions contemplated thereby if the sale of the Purchased Assets to the Purchaser were not free and clear of all Liens, Claims, and interests of any kind or nature whatsoever including, but not limited to, (i) any employment or labor agreements; (ii) any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of the Vendors; (iii) any other employee, worker's compensation, occupational disease, or unemployment or temporary disability related Claim, including without limitation Claims that might otherwise arise under or pursuant to (a) the Employee Retirement, Income, Security Act of 1974, as amended, (b) the Fair

Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and Retraining Act of 1988, (g) the Age Discrimination and Employee Act of 1967, and (h) the Consolidated Omnibus Budget Reconciliation Act of 1986; (iv) environmental Claims or Liens arising from conditions first existing on or prior to the Closing (including, without limitation, the presence of hazardous toxic, polluting, or contaminating substances or waste) that may be asserted on any basis, including, without limitation, under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.* or similar state statute, (v) any bulk sales or similar law; and (vi) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended.

O. The Vendors may sell the Purchased Assets free and clear of all Liens, Claims and interests against the Vendors, their estates, or any of the Purchased Assets (except for Assumed Contracts) because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Liens, Claims and interests against the Vendors, their estates, or any of the Purchased Assets who did not object, or who withdrew their objections, to the Agreement or the Motion are deemed to have consented thereto pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of such Liens, Claims and interests who did object fall within one or more of the other subsections of section 363(f) and are adequately protected by having their Liens, Claims and interests, if any, in each instance against the Vendors, their estates, or any of the Purchased Assets, attach to the cash proceeds of the transactions ultimately attributable to the Purchased Assets in which such creditor alleges an interest, in the same order of priority, with the same validity, force and effect that such creditor had prior to the transactions, and subject to any claims and defenses the

Vendors and their estates may possess with respect thereto.

P. The transfer of the Purchased Assets to Purchaser free and clear of all Liens, Claims and interests, if any, will not result in any undue burden or prejudice to any holders of any Liens, Claims and interests, if any, as all such Liens, Claims and interests of any kind or nature whatsoever shall attach, except as otherwise provided in this Order, to the net proceeds of the sale of the Purchased Assets received by the Vendors in the order of their priority, with the same validity, force and effect which they now have as against the Purchased Assets and subject to any claims and defenses the Vendors or other parties may possess with respect thereto. All persons having Liens, Claims and interests of any kind or nature whatsoever against or in any of the Vendors or the Purchased Assets shall be forever barred, estopped and permanently enjoined from pursuing or asserting such Liens, Claims and interests, if any, against Purchaser, any of their Purchased Assets, property, successors or assigns or the Purchased Assets.

Compelling Circumstances for Immediate Sale

Q. To maximize the value of the Purchased Assets and preserve the viability of the business to which the Purchased Assets relate, it is essential that the closing of the Sale occur within the time constraints set forth in the Agreement. Time is of the essence in consummating the transactions set forth in the Agreement.

R. Given all of the circumstances of these Chapter 15 cases and the adequacy and fair value of the purchase price under the Agreement, the transactions constitute a reasonable exercise of the Vendors' business judgment and should be approved.

S. The consummation of the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, Bankruptcy Code sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements

of such sections have been complied with in respect of the transactions.

AND THE COURT HEREBY ORDERS THAT:

General Provisions

1. The relief requested in the Motion is GRANTED. The transactions contemplated by the Motion and the Agreement are approved as set forth in this Order.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to this Court at the Sale Hearing or by stipulation filed with this Court or as otherwise provided in this Order, and all reservations of rights included therein, are hereby overruled on the merits.

3. Pursuant to section 363(b) and (f) of the Bankruptcy Code, the Vendors are authorized and empowered to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement, (b) close the Sale as contemplated in the Agreement and this Order, and (c) execute and deliver, perform under, consummate, implement, and close the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the transactions contemplated thereby, including any other ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Agreement and such other ancillary documents.

4. This Order shall be binding in all respects upon the Vendors and their estates and creditors, all holders of equity interests in the Vendors, all holders of any Claim(s), whether known or unknown, against the Vendors, any holders of Liens, Claims and interests against or on all or any portion of the Purchased Assets, including, but not limited to the Secured Lenders, all Contract Counterparties, Purchaser and all successors and assigns of Purchaser, and any trustees,

examiners, responsible officers, estate representatives, or similar entities for any of the Vendors, if any, subsequently appointed in any of the Vendors' Chapter 15 cases or upon a conversion to Chapter 7 under the Bankruptcy Code of any of the Vendors' cases. This Order and the Agreement shall inure to the benefit of the Vendors, their estates and creditors, Purchaser, and their respective successors and assigns.

5. The Approval and Vesting Order, a copy of which is attached to this Order as Exhibit A, is hereby recognized and given full force and effect in the United States.

Approval of Purchase Agreement

6. The Agreement and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

7. Pursuant to section 363(b) and (f) of the Bankruptcy Code, the Vendors are authorized and empowered to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement, (b) close the Sale as contemplated in the Agreement and this Order, and (c) execute and deliver, perform under, consummate, implement, and close the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the transactions contemplated thereby, including any other ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Agreement and such other ancillary documents.

8. This Order shall be binding in all respects upon the Vendors and their estates and creditors, all holders of equity interests in any of the Vendors, all holders of any Claim(s), whether known or unknown, against any Debtor, any holders of Liens, Claims, and interests against or on all or any portion of the Purchased Assets, including, but not limited to the Secured

Lenders, the Purchaser and all successors and assigns of the Purchaser, and any trustees, examiners, responsible officers, estate representatives, or similar entities for any of the Vendors, if any, subsequently appointed in any of the Vendors' Chapter 15 cases or upon a conversion to Chapter 7 under the Bankruptcy Code of any of the Vendors' cases. This Order and the Agreement shall inure to the benefit of the Vendors, their estates and creditors, the Purchaser, and their respective successors and assigns.

Transfer of Purchased Assets

9. Pursuant to Bankruptcy Code sections 105(a), 363(b), 363(f), 365(b), and 365(f), the Vendors are authorized to transfer the Purchased Assets on the Closing Date and Purchaser is directed to pay the Purchase Price to the Vendors as provided in the Agreement. Except as otherwise provided in the Agreement, the Purchased Assets shall be transferred to Purchaser "as is, where is" with all faults in accordance with the Agreement upon and as of the Closing Date and such transfer shall constitute a legal, valid, binding, and effective transfer of such Purchased Assets and, upon the Vendors' receipt of the Purchase Price, shall be free and clear of all Liens, Claims and interests. Upon the closing of the Sale, Purchaser shall take title to and possession of the Purchased Assets.

10. Certain third-parties in possession of any of the Purchased Assets ("Parties in Possession") identified on Exhibit B, attached and incorporated herein, and all other entities that are in possession of some or all of the Purchased Assets on the Closing Date are directed to surrender possession of such Purchased Assets to Purchaser at the closing of the Sale. All entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Vendors to sell and transfer the Purchased Assets to Purchaser in accordance with the terms of the Agreement and this Order.

11. Pursuant to section 363(f) of the Bankruptcy Code, the transfer of title to the Purchased Assets shall be free and clear of any and all Liens, Claims and interests, including, but not limited to Liens, Claims and interests held by, maintained by, or otherwise in favor of the Secured Lenders. Except to the extent set forth in the Agreement, Purchaser is not and shall not be liable as a successor under any theory of successor liability for Liens, Claims, and interests that encumber or relate to the Purchased Assets. All Liens, Claims and interests shall attach solely to the proceeds of the Sale with the same validity, priority, force, and effect that they now have as against the Purchased Assets, and subject to any claims and defenses the Vendors and their estates may possess with respect thereto.

12. On the Closing Date, each creditor is authorized and directed to execute such documents and take all other actions as may be necessary to release Liens, Claims and interests on the Purchased Assets, if any, as provided for herein, as such Liens, Claims and interests may have been recorded or may otherwise exist.

13. This Order shall be effective as a determination that, as of the Closing Date, all Liens, Claims and interests of any kind or nature whatsoever existing as to the Purchased Assets prior to the Closing have been unconditionally released, discharged and terminated and that the conveyances described herein have been effected with such Liens, Claims and interests to attach to the Purchase Price received by the Vendors at the Closing in the same priority that existed as of the Petition Date.

14. If any entity (a "Claim Holder") which has filed statements or other documents or agreements evidencing Liens, Claims and interests on or in, all or any portion of the Purchased Assets shall not have delivered to the Vendors prior to the Closing of the Sale, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction,

releases of Liens and easements, and any other documents necessary or desirable to Purchaser for the purpose of documenting the release of all Liens, Claims and interests that such Claim Holder has or may assert with respect to all or any portion of the Purchased Assets, then (i) the Vendors are authorized to execute and file such statements, instruments, releases, and other documents on behalf of such Claim Holder with respect to the Purchased Assets and (ii) Purchaser is authorized to file, register, or otherwise record a certified copy of this Order with the appropriate clerk(s) and/or recorder(s), which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens, Claims and interests in the Purchased Assets as of the Closing Date of any kind or nature whatsoever; provided, however, that any Liens held by the Secured Lenders shall be released and the authorization set forth herein shall apply to the release of such Liens only upon the receipt by Vendors of the Purchase Price.

15. Except as expressly permitted or otherwise specifically provided by the Agreement or this Order, all entities holding Liens, Claims and interests in all or any portion of the Purchased Assets arising under or out of, in connection with, or in any way relating to the Vendors, the Purchased Assets, the operation of the Vendors' business prior to the Closing Date, or the transfer of the Purchased Assets to Purchaser, are hereby forever prohibited and permanently enjoined from asserting such Liens, Claims and interests against Purchaser, its successors or assigns, their property or the Purchased Assets.

16. Except as otherwise provided by the Sale Documents or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, employees, former employees, tort claimants, litigants, trade and other creditors, holding Liens, Claims or interests of any kind or

nature whatsoever against or in any of the Vendors or the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, the Vendors, the Purchased Assets, the operation of the Purchased Assets prior to the Closing or the Sale, are forever barred, estopped and permanently enjoined from asserting, other than in this Court which shall retain exclusive jurisdiction to hear such controversies, against Purchaser, its successors or assigns, its property or the Purchased Assets, such persons' or entities' Liens, Claims or interests.

17. This Order is and shall be binding upon and govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease, and each of the foregoing entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

Other Provisions

18. Except as otherwise expressly set forth in this Order or the Agreement, Purchaser shall not have any liability or other obligation of the Vendors arising under or related to any of the Purchased Assets.

19. Purchaser shall not be liable for any Liens, Claims and interests of any kind or nature whatsoever in or against the Vendors or any of their predecessors or affiliates, and

Purchaser shall have no successor or vicarious liabilities of any kind or character including, but not limited to (except as agreed to in the Sale Documents), liabilities on account of any tax arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Purchased Assets prior to the closing of the Sale, and Purchaser shall be exonerated of any successor liability to any state or federal taxing authority with regard to any tax, including sales tax.

20. Except as otherwise expressly set forth in this Order or the Agreement, Purchaser shall not have any liability or other obligation of the Vendors arising under or related to any of the Purchased Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Agreement, Purchaser shall not be liable for any Claims against the Vendors or any of their predecessors or affiliates, and Purchaser shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger, substantial continuity, the WARN Act and employee benefit and/or welfare plan(s) (including, without limitation (i) any employment or labor agreements; (ii) any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of the Vendors (iii) any other employee, workers' compensation, occupational disease, or unemployment or temporary disability related Claim, including without limitation Claims that might otherwise arise under or pursuant to (a) the Employee Retirement, Income, Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and Retraining Act of 1988, (g) the Age Discrimination and Employee Act of 1967, and (h) the Consolidated Omnibus Budget

Reconciliation Act of 1986; (iv) environmental Claims or Liens arising from conditions first existing on or prior to the Closing (including, without limitation, the presence of hazardous toxic, polluting, or contaminating substances or waste) that may be asserted on any basis, including, without limitation, under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. or similar state statute, (v) any bulk sales or similar law; and (vi) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, or liquidated or unliquidated with respect to the Vendors or any obligations of the Vendors arising prior to the Closing Date.

21. Under no circumstances shall Purchaser be deemed a successor of or to the Vendors for any Liens, Claims and interests of any kind or nature whatsoever against or in the Vendors or the Purchased Assets. The sale, transfer, assignment and delivery of the Purchased Assets shall not be subject to any Liens, Claims and interests of any kind or nature whatsoever, which shall remain with, and continue to be obligations of, the Vendors. Following the Closing, no Claim Holder shall interfere with Purchaser's title to or use and enjoyment of the Purchased Assets based on or related to such Lien, Claim or interest, or any actions that the Vendors may take in their Chapter 15 cases.

22. The transactions contemplated by the Agreement are undertaken by Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the transactions contemplated by the Agreement, unless such authorization and consummation of such transactions are duly stayed

pending such appeal. Purchaser is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

23. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (a) these Chapter 15 cases, (b) any subsequent Chapter 7 case into which any such Chapter 15 cases may be converted, or (c) any related proceeding subsequent to entry of this Order, shall conflict with or derogate from the provisions of the Agreement or the terms of this Order.

24. Pursuant to Bankruptcy Rules 7062, 9014, 6004(h), and 6006(d), this Order shall be effective immediately upon entry and the Vendors and Purchaser are authorized, but are not required, to close the Sale immediately upon entry of this Order, notwithstanding the fourteen-day stay periods in Bankruptcy Rules 6004(h) and 6006(d), which are expressly waived.

25. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in these Chapter 15 cases, the terms of this Order shall govern.

26. To the extent there are any inconsistencies between the terms of this Order and the Agreement (including all ancillary documents executed in connection therewith), the terms of this Order shall govern.

27. The Vendors are authorized to take all actions necessary to effect the relief granted pursuant to this Order in accordance with the Motion.

28. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the findings of fact set forth herein constitute conclusions of law, they are adopted as such. To the extent any of the

conclusions of law set forth herein constitute findings of fact, they are adopted as such.

29. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Agreement, all amendments thereto and any waivers and consents there under and each of the agreements executed in connection therewith to which the Vendors are a party or which has been assigned by the Vendors to Purchaser, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale.

Dated: _____, 2013

United States Bankruptcy Judge