

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.

COURT FILE NUMBER **APPLICATION APPROVING INTERIM  
DISTRIBUTION AND PAYMENT OF LENDING  
SYNDICATE FEES**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION  
OF THE PARTY  
FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7  
Attention: Ken Lenz

Telephone No.: 403-298-3317  
Fax No.: 403-265-7219  
Client File No.: 11866.66

**NOTICE TO RESPONDENT:**

This application is made against you. You are a respondent.  
You have the right to state your side of this matter before the master/judge.  
To do so, you must be in Court when the application is heard as shown below:

Date: **June 25, 2013**

Time: 11:00 a.m.

Where: Calgary Courts Centre, 601 - 5 Street SW, Calgary, AB

Before Whom: Madame Justice B. Romaine on the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. An Order abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient.
2. An Order substantially in the form appended as Schedule "A" to this Application providing, among other items, the following:
  - (a) a declaration that the Lenders' Security is valid according to its terms and duly registered such that it has a first priority charge over the assets of the Applicants, subject to other charges or claims which rank in priority to duly registered first in time lender's security over personal property in Canada or in the United States;
  - (b) permitting Poseidon to distribute to the Lending Syndicate the sum of \$4,000,000;
  - (c) permitting the Monitor to distribute to the Lending Syndicate the sum of \$27,000,000, provided that the Monitor withholds the amounts set out in its Eighth Report to satisfy any lien or other Priority Claims, which amounts maybe reduced as such claims are paid;
  - (d) declaring that the Monitor has made appropriate provision for Priority Claims, both in Canada and the United States; and
  - (e) directing that Poseidon shall, until these proceedings are concluded, pay the reasonable legal fees and expenses of counsel for the Lending Syndicate, as provided for and required by the Lenders' Security.
3. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem just and appropriate in the circumstances.

**Grounds for making this application:**

4. Poseidon and several of its affiliates applied for and obtained an Initial Order under the *Companies' Creditors Arrangement Act* on April 9, 2013 (the "CCAA Initial Order").

5. In excess of \$80 Million is owing to the Lending Syndicate and the Security was duly entered into by Poseidon and its affiliates.
6. The Eighth Report of the Monitor appends legal opinions of Bennett Jones LLP (on Canadian law) and Spector and Ehrenworth PC (on United States law) which opinions provide that the Security documents are enforceable according to their terms, and that the Security is duly registered first in time in the Canadian and U.S. registry systems, which entitles it to priority over other registered and unregistered interests, save and except a narrow category of claims like certain lien claims, tax claims, equitable remedies (the "Priority Claims").
7. In its Eight Report to the Court, the Monitor has carefully analyzed the Priority Claims and the funds available and concluded that adequate provision has been made for these Priority Claims, that since the Lending Syndicate is first in priority with respect to the remainder of the funds, and that it is appropriate that the Lending Syndicate receive an interim distribution.
8. The Monitor has also concluded that counsel for the Lending Syndicate should receive its ordinary and reasonable fees and expenses, like other professionals working with respect to this matter, in part due to its conclusion on the priority of the Lending Syndicate security.
9. The relief requested is fair, reasonable and in the best interests of Poseidon, its stakeholders and the within CCAA restriction proceedings.
10. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

11. The pleadings and proceedings filed in the within action, including the Initial Order.
12. The Eight Report of the Monitor, filed concurrently with this Application.
13. The inherent jurisdiction of this Honourable Court.

14. Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

15. None.

**Applicable Acts and regulations:**

16. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

**Any irregularity complained of or objection relied on:**

17. None.

**How the application is proposed to be heard or considered:**

18. Oral submissions by counsel in an application in Justice Chambers as scheduled.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

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

**ORDER**

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**BENNETT JONES LLP**  
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Calgary, Alberta T2P 4K7

Attention: Ken Lenz  
Telephone No.: (403) 298-3317  
Facsimile No.: (403) 265-7219  
Client File No.: 11866.66

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**

**June 25, 2013**

**LOCATION WHERE ORDER WAS  
PRONOUNCED:**

**Calgary**

**NAME OF JUSTICE  
WHO MADE THIS ORDER:**

**Madame Justice B. E. C. Romaine**

UPON the application of the Monitor, PricewaterhouseCoopers Inc. ("PWC"); AND  
UPON noting the consent of counsel for the Applicants, Poseidon Concepts Corp., Poseidon

Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (the "Applicants" or "Poseidon"); AND UPON having read the Application of the Monitor dated June 20, 2013, the Eighth Monitor's Report dated June 20, 2013, and the pleadings and proceedings filed in this action;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the application for this order is hereby abridged and service thereof is deemed good and sufficient.
2. The Lenders' Security is valid according to its terms and duly registered such that it has a first priority charge over the assets of the Applicants, subject to other charges or claims which rank in priority to duly registered first in time lender's security over personal property in Canada or in the United States.
3. Poseidon shall distribute to the Lending Syndicate the sum of \$4,000,000.
4. The Monitor shall distribute to the Lending Syndicate the sum of \$27,000,000, provided that the Monitor withholds the amounts set out in its Eighth Report to satisfy any lien or other Priority Claims, which amounts maybe reduced as such claims are paid.
5. The Monitor has made appropriate provision for Priority Claims, both in Canada and the United States.
6. Poseidon shall, until these proceedings are concluded, pay the reasonable legal fees and expenses of counsel for the Lending Syndicate, as provided for and required by the Lenders' Security.

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J.C.C.Q.B.A.