

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF COLORADO**

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

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**MOTION FOR AUTHORITY TO ALLOW THE PC DEBTORS AND THE MONITOR  
TO MAKE INTERIM DISTRIBUTION TO THE LENDING SYNDICATE**

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PricewaterhouseCoopers Inc. (the “Monitor”), as the court-appointed 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” or the “Canadian Court”) under the Companies’ Creditors Arrangement Act (the “CCAA”), by and through its undersigned counsel, Rothgerber Johnson & Lyons LLP, hereby files its Motion for Authority to Allow the PC Debtors and the Monitor to Make Interim Distribution to the Lending Syndicate (the “Motion”). In support of the Motion, the Monitor states as follows:

**BACKGROUND**

1. The PC Debtors initiated a proceeding under the CCAA on April 9, 2013. On April 9, 2013, the Canadian Court issued its CCAA Order.

2. On April 12, 2013, the Monitor filed four Chapter 15 petitions on behalf of the PC Debtors (collectively, the “Petitions”). On the same date, the Monitor filed its Motion for Order Directing Joint Administration of the Debtors’ Cases (Docket No. 8). On April 15, 2013, the Court entered its Order Directing Joint Administration of the PC Debtors’ Chapter 15 Cases (Docket No. 12).

3. In conjunction with the Petitions, the Monitor, as the foreign representative in each case, also filed Petitions for Recognition as Foreign Main Proceeding Pursuant to Sections 1515 and 1517 of the Bankruptcy Code and Related Relief (Docket No. 3) (the “Petitions for Recognition”). On May 15, 2013, the Court entered its Order Granting Recognition as a Foreign Main Proceeding and Related Relief (Docket No. 60).

4. On April 22, 2013, the Monitor filed its Omnibus Motion for Order (A) Authorizing the Sale of Assets Free and Clear of Liens, Claims and Interests; (B) Authorizing the Debtor to Employ Ernst & Young Orenda Corporate Finance Inc. as Financial Advisor; and (C) Approving Procedures for Sale of Assets (Docket No. 22) (the “Sale Procedures Motion”). Thereafter, on May 10, 2013, the Court entered its Order approving the Sale Procedures Motion (Docket No. 55).

5. On May 31, 2013, the Monitor filed its Motion for Order Approving Sale of Assets Free and Clear of Liens, Claims and Interests (Docket No. 83) (the “Sale Motion”). As specified in the Sale Motion, the party designated as having submitted the highest and best bid and therefore the successful bidder was Rockwater Energy Solutions, Inc. (“Rockwater”)

6. On June 19, 2013, the Court entered its Amended Order Authorizing the Sale of the Purchased Assets Free and Clear of All Liens, Claims and Interests, approving the sale to Rockwater (Docket No. 119). The sale of the PC Debtors’ assets to Rockwater closed on June 24, 2013.

#### **A. Interim Distribution From the Sale Proceeds**

7. On June 25, 2013, in the Canadian Proceeding, the Monitor filed his Eighth Report to the Court Submitted by PricewaterhouseCoopers Inc., in its capacity as Monitor, dated June 20, 2013 (the “Eighth Report”), a copy of which is attached hereto as **Exhibit A**. The Eighth Report was filed in conjunction with the Monitor’s Application Approving Interim Distribution and Payment of Lending Syndicate Fees (the “Interim Distribution Application”), a copy of which is attached hereto as **Exhibit B**.

8. Pursuant to the Interim Distribution Application, the Monitor sought to make an interim distribution to certain prepetition lenders, including The Toronto-Dominion Bank, as lead lender, along with the participating bank lenders, HSBC Bank Canada, National Bank of Canada and the Bank of Nova Scotia (collectively, the “Lending Syndicate”). In support of the Interim Distribution Application and as set forth in the Eighth Report, the Monitor represented the following to the Canadian Court:

(a) As a result of certain adjustments made pursuant to the Asset Purchase Agreement,<sup>1</sup> the net amount received by the PC Debtors from the sale of their assets to Rockwater is approximately \$47,253,000 (the “Sale Proceeds”).

(b) From the Sale Proceeds, the Monitor intends to hold back and reserve for the following potential claims:

(i) On the basis of the PC Debtors’ books and records, the Monitor estimates that approximately \$2.4 million of prepetition debts of Poseidon Concepts, Inc. (the U.S. entity) may be subject to claimed liens. The Monitor has reserved 150% of the potential lienable amounts;

(ii) On the basis of the PC Debtor’s books and records, approximately \$1.9 million may be owed to various suppliers in the United States who may potentially claim possessory liens for prepetition debts. The Monitor has reserved 150% of the potential lienable amount;

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<sup>1</sup> See Sale Procedures Order and Sale Motion at Docket Nos. 22 and 83, respectively.

(iii) The Monitor estimates that the transaction fee owed to Ernst & Young Orenda Corporate Finance Inc. will range between \$1.2 and \$1.35 million. The Monitor has reserved \$1.35 million for the transaction fee; and

(iv) The Canadian Court has approved the payment of key employee retention plans to designated personnel. The Monitor estimates the obligation of the PC Debtors for these amounts to be approximately \$2.35 million, which amount has been reserved.

9. Based on the foregoing, the Monitor has calculated that \$27,403,000 is available from the Rockwater Sale Proceeds for an interim distribution to the Lending Syndicate.

**B. Interim Distribution from the Net Cash Operating Proceeds**

10. In addition to the Sale Proceeds, the Monitor has also determined that an interim distribution to the Lending Syndicate is appropriate from the net cash balance operating funds on hand in the approximate amount \$14.35 million (the "Net Cash Operating Proceeds"). In determining the interim distribution to the Lending Syndicate from the Net Cash Operating Proceeds, the Monitor has calculated the following amounts that are to be reserved for purposes of paying ongoing obligations of the PC Debtors, as follows:

- (a) Repayment of interim financing - \$2,873,000
- (b) Employee retention payments and AR collection payments - \$700,000
- (c) Post-filing accounts payable - \$1,000,000
- (d) Operating costs, professional fees and general provisions - \$3.7 million
- (e) Administration charge - \$1,000,000
- (f) Directors' charge - \$1,000,000
- (g) Available for interim distribution - \$4,081,000

11. Based on the foregoing, the Monitor is prepared to make an interim distribution from the Net Cash Operating Proceeds in the amount of \$4,000,000.

**C. Canadian Court's Authorization and Approval of the Interim Distribution Application**

12. On July 3, 2013, the Canadian Court, after a hearing, entered an Order approving an interim distribution to the Lending Syndicate (the "Distribution Order"), a copy of which is attached hereto as **Exhibit C**. The Distribution Order, in relevant part, provides the following::

- a. The [Lending Syndicates'] 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. [The Debtors] shall distribute to the Lending Syndicate the sum of \$4,000,000.

c. The Monitor shall distribute to the Lending Syndicate the sum of \$27,403,000, provided that the Monitor withholds the amounts set out in paragraph 7.2 of its Eighth Report to satisfy the potential claims listed in such paragraph 7.2 (the "Priority Claims"), which amounts may be reduced as such claims are paid.

d. The Monitor has made appropriate provision for the Priority Claims, both in Canada and the United States.

*Distribution Order*, p. 2.

### **RELIEF REQUESTED**

13. By and through this Motion, the Monitor seeks recognition of the Canadian Court's Distribution Order authorizing an interim distribution in the amount of \$31,403,000 million to the Lending Syndicate. The Distribution Order approves the payment of \$27,403,000 from the Rockwater Sale Proceeds and \$4 million from the Net Cash Operating Proceeds, for a total interim distribution of \$31,403,000 (the "Interim Distribution"). According to the Monitor's calculations, the PC Debtors will retain approximately \$16 million of the Rockwater Sale Proceeds and approximately \$10 million of Net Cash Operating Proceeds in order to resolve any claimed lien interests and for operating costs. Accordingly, the Monitor requests this Court's grant of comity and cooperation in the form of its recognition of the Distribution Order issued by the Canadian Court in the Canadian Proceeding which authorizes the Interim Distribution.

### **BASIS FOR RELIEF REQUESTED**

14. Section 1509(b) of the Bankruptcy Code provides that:

If the Court grants recognition under Section 1517, and subject to any limitations that the court may impose consistent with the policy of this chapter –

...

(2) the foreign representative may apply directly to a court in the United States for appropriate relief in that court; and

(3) a court in the United States *shall* grant comity or cooperation to the foreign representative.

11 U.S.C. § 1509(b)(2)-(b)(3) (emphasis added). Here, the Monitor has been designated as the

foreign representative for the PC Debtors. Therefore, the Monitor seeks comity and cooperation in the form of recognition of the Distribution Order.

15. While the language set forth in Section 1509(b)(3) is mandatory, it is subject to any limitations the Court may impose consistent with the policy of Chapter 15. However, the public policy exception should be “narrowly interpreted” and is restricted to “the most fundamental policies of the United States.” *In re Ephedra Prod. Liab. Litig.*, 349 B.R. 333, 336 (S.D.N.Y. 2006).

16. In considering whether to grant relief, it is not necessary that the result achieved in a foreign bankruptcy proceeding be identical to that which would be had in the United States. It is sufficient if the result is “comparable.” *In re Schimmelpenninck*, 183 F.3d 147, 364 (5th Cir. 1999); *Overseas Inns S.A.P.A. v. United States*, 911 F.2d 1146, 1148 (5th Cir. 1990). The framework for analyzing requests for comity or assistance in Chapter 15 proceedings was analyzed by the Fifth Circuit in *In the Matter of Vitro S.A.B. de C.V.*, 701 F.3d 1031, 1056 (5th Cir. 2012), as follows:

First, because Section 1521 lists specific forms of relief, a court should initially consider whether the relief requested falls under one of these explicit provisions. Other courts have held that, where the requested relief is explicitly provided for under Section 1521, it is necessary to consider Section 1507. Second, if Section 1521(a)(1)-(7) & (b) does not list the requested relief, a court should decide whether it can be considered “appropriate relief” under Section 1521(a). This in turn requires consideration of whether such relief has previously been provided under Section 304. Third, only if the requested relief appears to go beyond the relief previously available under Section 304 or currently provided for under United States law, should a court consider Section 1507. This approach recognizes that relief under Section 1507 “is in nature more extraordinary” than that provided under Section 1521, as a result of which “the test for granting the relief is more rigorous.” It also acknowledges that, while Section 1507’s broad grant of assistance is intended to be a “catchall,” it cannot be used to circumvent restrictions present in other parts of Chapter 15, nor to provide relief otherwise available under other provisions.

(Citations omitted.)

17. While authorization of the Interim Distribution is not specifically enumerated in Section 1521(a)(1)-(7), the payment of an interim distribution does fall within the language of “any additional relief” contained in Section 1521(a)(7). Here, the Monitor seeks authority to allow the Debtor to make an Interim Distribution on the claim of the Lending Syndicate. A review of reported decisions in the United States reveals that interim distributions are commonly authorized by bankruptcy courts under a variety of contexts. *See, e.g., In re Energy Coop., Inc.*, 173 B.R. 363, 372-373 (N.D. Ill. 1994) (“the Trustee’s motion for an interim distribution of 20% to general unsecured creditors is granted.”); *In re Griffin Trading Co.*, 270 B.R. 883, 904 (N.D. Ill. 2001) (“The trustee may make an interim distribution . . . .”); *In re Field*, 226 B.R. 178, 185 (Bankr. D.S. Car. 1998) (“The trustee may, at his discretion, propose an interim distribution to

other creditors.”); *In re Inspire Ins. Solutions, Inc.*, 2006 WL 6508275 \*5 (Bankr. N.D. Tex. May 18, 2006) (unpublished disposition) (“the Court therefore finds that it is appropriate to authorize the Trustee to make interim distributions . . . .”); *In re Industria Office Bldg. Corp.*, 171 F.2d 890, 893 (3d Cir. 1949) (“we cannot say that the court below abused its discretion in authorizing the interim distribution.”).

18. Also, as reflected in the Eighth Report, the Monitor has carefully analyzed the status of the members of the Lending Syndicate as secured creditors. The Monitor has obtained opinions from independent counsel in Canada and the United States confirming that the Lending Syndicate has a properly perfected security interest in the assets of the PC Debtors. *See Eighth Report*, pp. 3-4. The Monitor has further carefully analyzed potential claims which may take priority over the lien interests asserted by the Lending Syndicate. *Id.* at pp. 6-8. For each category of potential claims, the Monitor has reserved 150% of the amounts shown in the PC Debtors’ books and records. *Id.* p. 10. Finally, the Monitor has calculated those postpetition obligations which remain to be satisfied from operating capital and has reserved a sufficient amount to also satisfy those claims. *Id.*

19. Under these circumstances, including the fact that the proposed Interim Distribution has previously been authorized and approved by the Canadian Court, the Monitor asserts that the proposed distribution falls within the spirit, purpose and intent of Chapter 15 and requests the Court grant this Motion.

WHEREFORE, the Monitor respectfully requests that the Court enter its Order authorizing the proposed interim distribution to the Lending Syndicate in the amount of \$27,403,000 from the Sale Proceeds and \$4 million from the Net Cash Operating Proceeds, for a total of \$31,403,000, and requests such other and further relief as is appropriate.

Respectfully submitted this 3rd day of July, 2013.

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Clerk's stamp:

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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	EIGHTH REPORT TO THE COURT SUBMITTED BY PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS MONITOR DATED June 20, 2013

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**Exhibit A**

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

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- A. Bennett Jones LLP Security Opinion**
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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 Pursuant to the Initial Order, among other things, all creditors are stayed from commencing or continuing any proceedings against Poseidon until May 9, 2013.
- 1.3 Subsequently, on May 8, 2013 the Company applied for and was granted an extension of the stay of proceedings to June 28, 2013.
- 1.4 The Monitor has filed six reports to date, and issued one unfiled confidential report (the Sixth Report). Copies of the filed reports are available from the Monitor's website, [www.pwc.com/car-poseidon](http://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 makes regular updates to the website to ensure creditors and interested parties are kept current and to add prescribed materials as required.
- 1.5 This is the Monitor's Eighth Report to the Court. The purpose of this report is to:
  - 1.5.1 Inform the Court of the Monitor's review of the security granted by Poseidon to the Toronto Dominion Bank, agent for a syndicate of lenders comprising of HSBC Bank Canada, the Bank of Nova Scotia, National Bank of Canada and the Toronto Dominion Bank (collectively referred to as the "Lending Syndicate"); and,
  - 1.5.2 Seek Court approval for an interim distribution to the Lending Syndicate of a portion of the sales proceeds currently being held by the Monitor from the sale of the Company's assets to Rockwater Energy Solutions Inc. ("Rockwater") (the "Rockwater Transaction").

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- 1.6 In addition, the Lending Syndicate is also seeking an interim distribution of a portion of the cash on hand currently held in the Company's bank accounts. The Monitor has provided an analysis in this report of the amount of the cash on hand that could be distributed to the Lending Syndicate in an interim distribution should the Court approve such a distribution.
- 1.7 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 Cassidy Affidavit and the Monitor's reports filed to date.

**2. BACKGROUND**

- 2.1 On June 6, 2013, a Sale Approval and Vesting Order was granted by the Canadian Court approving the Rockwater Transaction with a preliminary price of \$53.2 million (the "Purchase Price"). Subsequently, on June 18, 2013, the U.S. Court approved the Rockwater Transaction and the Monitor currently understands that it will close on or around June 24, 2013.
- 2.2 Pursuant to these orders, all of Poseidon's right title and interest in and to the purchased assets shall vest in the name of Rockwater free and clear of and from all security interests, claims, liens and other encumbrances; however, the proceeds from the Rockwater Transaction shall be held in trust by the Monitor and all claims as against the assets sold shall attach to the related net proceeds with the same validity, priority and in the same amounts that were or may have been available immediately prior to the closing of the Rockwater Transaction.
- 2.3 The Monitor notes that a very significant majority of the assets being purchased by Rockwater are owned by Canadian entities (PCC and PCLP), comprising of all the tanks and heaters, Canadian accounts receivable as well as certain inventory, intellectual property and fixed assets. The balance of the assets purchased by Rockwater are owned by the U.S entity, PCI, and comprise of U.S. accounts receivable and some miscellaneous fixed assets and intellectual property. The Monitor prepared a preliminary estimate of the Adjusted Purchase Price (as hereinafter defined) allocated to PCC, PCLP and PCI, which totals approximately \$47 million reflects that the Canadian assets are being purchased for approximately \$43 million and the U.S. assets are being purchased for approximately \$4 million.

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- 2.4 As noted in paragraph 3 below, the Monitor obtained independent legal opinions from its legal counsel in Canada and the U.S. that the security granted by the Company to the Toronto Dominion Bank (as agent for the Lending Syndicate) was valid and enforceable in Canada and the U.S. as against the assets of the Company.
- 2.5 The Lending Syndicate has requested that an interim distribution be made as soon as possible after closing, to be applied against Poseidon's outstanding indebtedness to the Lending Syndicate of approximately \$79.2 million.
- 2.6 The Monitor notes that there are two sources of funds from which an interim distribution can be made from:
  - 2.6.1 Net proceeds from the sale of assets to Rockwater – to be held by the Monitor; and,
  - 2.6.2 Net cash on hand from operations – held by the Company in various of its bank accounts.
- 2.7 The Monitor has prepared an analysis which contemplates the various potential priority claims that may rank ahead of the Lending Syndicate's security in order to determine an amount that could be paid to the Lending Syndicate in an interim distribution. In addition, the Monitor has provided for a number of provisions to be held back from the proceeds. These priority claims and provisions are discussed in further detail below.

**3. REVIEW OF SECURITY OF THE LENDING SYNDICATE**

- 3.1 As described in the Company's Originating Application, Poseidon entered into a Credit Agreement dated June 29, 2012 with the Lending Syndicate which granted security over all of the Company's assets in Canada and the United States.
- 3.2 As at April 9, 2013, the date of the commencement of these proceedings, it was estimated that Poseidon was indebted to the Lending Syndicate in the total amount of \$79.5 million. That number has subsequently been revised to \$79.2 million; however, we note that interest continues to accrue on a daily basis in respect of this outstanding balance.

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**Canada**

- 3.3 The Monitor obtained copies of the Lending Syndicate's security documents so that the Monitor's independent legal counsel, Bennett Jones LLP ("Bennett Jones"), could commence a review of the security granted by Poseidon to the Lending Syndicate.
- 3.4 On May 31, 2013, the Monitor obtained from Bennett Jones, an opinion to the effect that the security granted to Lending Syndicate by Poseidon is valid and enforceable as against the Company for the assets located in Canada.
- 3.5 We attach a copy of this opinion as Appendix A to this report.

**United States**

- 3.6 In addition to the opinion received above, copies of the Lending Syndicate's security documents were also provided to the Monitor's independent U.S. legal counsel, Rothgerber Johnson & Lyons LLP ("RJL").
- 3.7 Upon the advice of RJL, the Monitor retained Spector & Ehrenworth, P.C. ("S & E") for the limited purpose of determining, under New York law, the validity of the security interest of the Lending Syndicate. We are advised by RJL that although PCI (the entity that conducts operations in the U.S.) is incorporated in Delaware, the U.S. security documents are governed by the laws of New York.
- 3.8 On June 7, 2013, the Monitor obtained from S & E, an opinion to the effect that the security granted to the Lending Syndicate by Poseidon is valid and enforceable as against the Company for the assets located in the United States.
- 3.9 We attach a copy of this opinion as Appendix B to this report.

**4. ADJUSTED PURCHASE PRICE OF THE ROCKWATER TRANSACTION**

- 4.1 As contemplated in the Asset Purchase Agreement ("APA"), some adjustments have been made to the original purchase price. These adjustments have reduced the Purchase Price to approximately \$47 million (the "Adjusted Purchase Price") to account for the following:

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- 4.1.1 Working capital adjustment - the amount of accounts receivable proposed to be purchased by Rockwater is reduced by approximately \$2.1 million. Poseidon has collected certain accounts receivable since Rockwater's offer and, therefore, the accounts receivable purchased by Rockwater is reduced with a corresponding adjustment to the Purchase Price;
- 4.1.2 SFI of Tennessee, LLC ("SFI") Tanks – an agreement between SFI and Poseidon with regard to the payment of amounts to SFI for the tanks has not been finalized. The Monitor notes that SFI may have sold a number of tanks during the CCAA proceedings. The Monitor's counsel has requested additional information from SFI to allow for a full understanding of what has happened to the tanks SFI manufactured for Poseidon. The Monitor does not anticipate this agreement being completed prior to the Rockwater Transaction closing, which is scheduled for June 24, 2013. Accordingly, the original purchase price has been reduced by \$1,372,875, the amount of the purchase price allocated to the SFI tanks;
- 4.1.3 Rugged Tanks and Fabricating ("Rugged") Tanks – Rugged and Poseidon were unable to come to an agreement on the amount Rugged should be paid to release the tanks in its possession and Rockwater has decided not to pursue the matter any further. Accordingly, the original purchase price has been reduced by \$616,125, the amount of the purchase price allocated to the Rugged tanks. Rugged has scheduled an application in this Court on June 25, 2013 to determine its rights with regard to the tanks in its possession; and,
- 4.1.4 Edson real estate – Rockwater advises it will not be in a position by the closing of the Rockwater Transaction to determine whether it will exercise its option to purchase the Edson real estate. Pursuant to the APA, Rockwater has until June 25, 2013 to exercise its option to purchase the Edson property. Accordingly, the original purchase price has been reduced by \$1.85 million.

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- 4.2 Set out below is a summary of the Adjusted Purchase Price calculation.

	<u>\$ 000's</u>
Purchase Price	53,200
Less: Working Capital adjustment	(2,108)
Less: SFI Tanks - Excluded	(1,373)
Less: Rugged Tanks - Excluded	(616)
Less: Edson Real Estate - Excluded	<u>(1,850)</u>
Adjusted Purchase Price	<u>47,253</u>

**5. REVIEW OF POTENTIAL PRIORITY CHARGES RANKING AHEAD OF  
THE LENDING SYNDICATE'S SECURITY**

- 5.1 In determining an appropriate interim distribution to the Lending Syndicate, the Monitor has taken reasonable steps to ensure that sufficient funds are reserved to satisfy all claims that may rank in priority to the Lending Syndicate. Paragraphs 5 and 6 of this report set out the Monitor's comments in respect of these priority claims.

**CCAA Court Ordered Priority Charges**

- 5.2 The Initial Order authorized a number of charges (the "CCAA Charges") against the property of the Company. The validity and priority of the CCAA Charges is set out at paragraph 43 of the Initial Order as follows in descending priority (all as defined in the Initial Order):
- 5.2.1 Administration Charge (to the maximum amount of \$1,000,000);
- 5.2.2 Directors' Charge (to a maximum amount of \$1,000,000); and,
- 5.2.3 Interim Lender's Charge.
- 5.3 The Monitor is of the view that it is highly unlikely that claims under these charges will be made, as:
- 5.3.1 All professional accounts have been paid or have been provided for below (Administration Charge);

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- 5.3.2 All post-filing wages, payroll taxes and sales taxes have been paid in the normal course or are provided for below and there are no amounts overdue (Directors' Charge);
  - 5.3.3 Payments in respect of the Key Employee Retention Plan ("KERP") have been made to former employees or have been provided for below in respect of the New KERP (Directors' Charge); and,
  - 5.3.4 The Interim Financing will be repaid in full on or before the closing of the sale to Rockwater (Interim Lender's Charge).
- 5.4 Although these Court ordered charges are unlikely to be utilized, the Monitor has provided for them in calculating the proposed interim distribution from cash on hand.

**Wellsite Liens**

- 5.5 In Canada, suppliers who provide tank set up and tear down services on wellsites are contracted and paid directly by Poseidon's customers; however, in the U.S these services are contracted and paid for by Poseidon. Certain of these suppliers may have lien rights as against wellsites where these services were provided ("Wellsite Liens"). As such, the incurrence of Wellsite Liens is generally limited to the U.S. operations.
- 5.6 The Monitor understands that a number of liens were recently filed in the U.S. against certain customer wellsites. The total value of these liens as filed is approximately \$100,000, but the Monitor has not yet made an assessment of the validity of same.
- 5.7 Pursuant to the Sale Approval and Vesting Order granted on June 6, 2013, the claims of valid lien holders will attach to the net proceeds realized from the lien assets sold in the Rockwater Transaction.
- 5.8 The Monitor notes that the Company's books and records for PCI (the U.S. entity) reflect \$2.4 million of pre-filing amounts outstanding that may be lienable.
- 5.9 For interim distribution purposes, the Monitor has reserved 150% of the full potential lienable amounts as per the Company's books and records.

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**Possessory Liens**

- 5.10 The Monitor understands that a number of suppliers, who are currently in possession of certain tanks, heaters and miscellaneous inventory, may potentially claim possessory liens for pre-filing amounts due. The total amount owing to these suppliers is approximately \$1.9 million (as per the Company's books and records), and they currently hold approximately 130 tanks and heaters. These amounts exclude tanks currently held by SFI and Rugged, which are not being purchased by Rockwater, as noted above. However, included in this amount is \$525,000 claimed by King Oilfield Services LLP which was directed to be withheld by the U.S. Bankruptcy Court.
- 5.11 The Monitor has not made an assessment of the validity of these potential possessory liens.
- 5.12 For purposes of making an interim distribution, the Monitor has reserved 150% of the full potential possessory lienable amounts as per the Company's books and records.

**6. OTHER AMOUNTS PAYABLE FROM THE SALES PROCEEDS**

**Ernst & Young Orenda Corporate Finance Inc. ("EYO") Transaction Fee**

- 6.1 On April 9, 2013, the Company engaged EYO to act as Financial Advisor to Poseidon for the purposes of the Solicitation Process. The engagement of EYO and the Solicitation Process were approved by the Court when it granted the Initial Order on April 9, 2013.
- 6.2 The EYO engagement letter contemplated the following fees payable to EYO in the event of the sale of Poseidon's assets:
  - 6.2.1 3% of the Transaction Value, defined as cash consideration received net of any interim financing utilized and subject to a number of other adjustments; and,
  - 6.2.2 \$25,000 monthly progress fee, to be credited against the Transaction Fee.
- 6.3 The Monitor estimates the Transaction Fee to range between \$1.2 million to \$1.35 million, dependant on certain post closing adjustments pertaining to the verification of assets and accounts receivable quantification.



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- 6.4 The Monitor has provided for the highest estimated EYO Transaction Fee in its calculation of funds available for an interim distribution.

**Solicitation Process Incentive Pool Payable to Poseidon Employees and Total Water Management**

- 6.5 Pursuant to the Initial Order, the Court approved a new key employee retention plan (the "New KERP"). The New KERP is comprised of an incentive pool based on the collection of U.S. accounts receivable, sale of surplus assets and the results of the sale of assets through the Solicitation Process (the "Incentive Pool"). The Incentive Pool is to be split between the employees and Total Water Management ("TWM"), with one-third paid to the eligible employees and two-thirds paid to TWM.
- 6.6 In addition, there are certain payments due under the Old KERP for the remaining eligible employees of Poseidon.
- 6.7 The Monitor estimates the amount payable under these plans as follows:
- 6.7.1 Old KERP – approximately \$160,000 (payable out of cash on hand);
  - 6.7.2 New KERP incentive pool for post-filing U.S. accounts receivable collections – approximately \$540,000 (payable out of cash on hand); and
  - 6.7.3 New KERP incentive pool for the sale of assets to Rockwater – approximately \$1.65 million (payable from the Rockwater Transaction sales proceeds) and subject to certain post closing adjustments pertaining to the verification of assets and accounts receivable quantification.
- 6.8 The Monitor has provided for these estimated payments in its calculation of funds available for interim distribution purposes.

**7. PROPOSED INTERIM DISTRIBUTION FROM THE ROCKWATER SALES PROCEEDS**

- 7.1 Based on the foregoing estimates, the Monitor proposes to make an interim distribution from the Rockwater sales proceeds of \$27.4 million of the Adjusted Purchase Price (the "Interim Distribution"), subject to approval of this Court.

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- 7.2 For Interim Distribution purposes, the Monitor has estimated the claims which may be made against the assets of the Company ranking ahead of the security of the Lending Syndicate. To summarize, the Monitor proposes the following:
- 7.2.1 To withhold \$9.4 million of the Adjusted Purchase Price, to account for the 20% holdback required by paragraph 4.1 (j) of the APA;
  - 7.2.2 To withhold \$3.6 million of the Adjusted Purchase Price as a provision of 150% of the potential Wellsite Liens in the U.S;
  - 7.2.3 To withhold \$2.85 million of the Adjusted Purchase Price as a provision of 150% of the potential possessory lien claimants who are currently holding Poseidon tanks and heaters being purchased by Rockwater;
  - 7.2.4 By providing for 150% of the potential U.S. wellsite and possessory liens claims, the Monitor notes that this additional amount would be significantly in excess of the pre-filing amount due to the Company's U.S. trade creditors, as shown in the Company's accounts payable listing;
  - 7.2.5 To withhold \$1.35 million of the Adjusted Purchase Price as a provision for the estimated maximum Transaction Fee payable to EYO;
  - 7.2.6 To withhold \$1.65 million of the Adjusted Purchase Price as a provision for estimated amounts payable under the New KERP Incentive Pool payable to Poseidon employees and TWM; and,
  - 7.2.7 To withhold \$1 million of the Adjusted Purchase Price to account for the "Safe Locations" provision contemplated in paragraph 4.1 (f) of the APA.
- 7.3 Set out below is a summary of the amounts the Monitor proposes to withhold from the Rockwater sales proceeds.

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	<u>\$ 000's</u>
Adjusted Purchase Price	47,253
Less: Required 20% holdback of Adjusted Purchase Price as per APA	(9,400)
Less: Potential Well Site Liens (1)	(3,600)
Less: Potential Possessory Liens (1)	(2,850)
Less: EYO Transaction Fee	(1,350)
Less: New KERP - Incentive Pool on sales proceeds	(1,650)
Less: Provision in APA relating to Safe Locations	(1,000)
	<u>(19,850)</u>
Available for Interim Distribution	<u>27,403</u>

(1) calculated as 150% of total amount owing per the Company's books and records

- 7.4 The Monitor is of the view that \$27.4 million is an appropriate amount for an interim distribution from the Adjusted Purchase Price having regard to the total amounts which need to be reserved for potential Wellsite and possessory liens, and other payments secured against the Sales Proceeds.

**8. PROPOSED INTERIM DISTRIBUTION FROM CASH ON HAND**

- 8.1 As noted above, the Lending Syndicate has also requested an interim distribution from the cash on hand currently held in the Company's bank accounts (the "Cash Interim Distribution").
- 8.2 We are advised that the Company is supportive of the Lending Syndicate's request for the Cash Interim Distribution.
- 8.3 The Monitor advises that the Company had a net cash balance on hand of approximately \$14.35 million as at June 16, 2013. For purposes of calculating the Cash Interim Distribution Amount, the Monitor proposes the following:
- 8.3.1 To withhold \$2,873,000 of the cash on hand for the repayment of the outstanding Interim Financing balance;
- 8.3.2 To withhold \$0.7 million of the cash on hand as a provision for the payment of the Old KERP and incentive payments due in respect of post-filing U.S. accounts receivable collections;

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- 8.3.3 To withhold \$1 million of the cash on hand as a provision for the payment of post-filing trade accounts payable;
  - 8.3.4 To withhold \$3.7 million of the cash on hand for the remaining operating and administrative costs, professional fees and as a general provision;
  - 8.3.5 That the Company pay the fees of the Lending Syndicate, that were not included in the Initial Order, because of the Monitor's conclusion with respect to the priority of the Lending Syndicate's security;
  - 8.3.6 To withhold \$1 million of the cash on hand as a provision for the Administration Charge; and,
  - 8.3.7 To withhold \$1 million of the cash on hand as a provision for the Directors' Charge.
- 8.4 Set out below is a summary of the amounts the Monitor proposes to withhold from the cash on hand.

	\$ 000's
Cash on Hand as at June 16, 2013	14,354
Less: Repayment of Interim Financing	(2,873)
Less: Old KERP and Post-Filing AR Collection Incentive Payments	(700)
Less: Estimated Outstanding Post-Filing Accounts Payable	(1,000)
Less: Operating Costs, Professional Fees, and General Provision	(3,700)
Less: Administration Charge	(1,000)
Less: Directors' Charge	(1,000)
Less: Interim Financing Charge	-
Available for Interim Distribution	4,081

- 8.5 The Monitor is of the view that \$4.0 million is an appropriate amount for the Cash Interim Distribution to be paid to the Lending Syndicate having regard to the total amounts which need to be reserved for. Further, the Monitor notes that significant provisions are built in to the schedule to account for outstanding liabilities.

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**9. CONCLUSION**

- 9.1 The schedules above illustrate that the Monitor and/or Poseidon will hold sufficient funds to adequately protect any potential claims as against the CCAA Charges, in addition to funds already otherwise reserved for potential Wellsite and possessory liens and other post-closing amounts due to various stakeholders as well as post-filing suppliers.
- 9.2 Based on the opinions issued by the Monitor's independent counsel in Canada and the United States, the Lending Syndicate has a secured claim over all the assets of the Company ranking in priority to all other creditors with the potential exception of the following:
  - 9.2.1 Creditors claiming valid possessory liens;
  - 9.2.2 Creditors who have filed valid Wellsite Lien claims in accordance with provincial or state laws in the relevant jurisdictions; and,
  - 9.2.3 Deemed trust claims of various government agencies (i.e. outstanding payroll tax remittances etc.).
- 9.3 The Monitor notes that Canada Revenue Agency has recently conducted a payroll audit and advises that no amounts are outstanding in respect of payroll remittances. With respect to other potential priority creditors, the Monitor has fully provided for any potential claims when considering the appropriate amount of an interim distribution to the Lending Syndicate.
- 9.4 The Monitor respectfully requests the Court approve the Monitor's request to make an Interim Distribution to the Lending Syndicate of \$31.4 million, comprised of \$27.4 million from the Available Net Sales Proceeds and the \$4 million Cash Interim Distribution.

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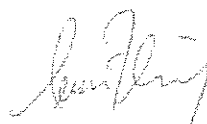
**June 20, 2013**

This report is respectfully submitted this 20<sup>th</sup> day of June, 2013.

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



Clinton L. T. Roberts, CIRP  
Senior Vice President



Sean E. Fleming, CIRP  
Vice President

## **APPENDIX A**

### **Bennett Jones LLP Security Opinion**





Bennett Jones LLP  
4500 Bankers Hall East, 855 - 2nd Street SW  
Calgary, Alberta, Canada T2P 4K7  
Tel: 403.298.3100 Fax: 403.265.7219

May 31, 2013

Via Email  
Via Courier

PricewaterhouseCoopers Inc.  
Suite 3100, 111 - 5th Avenue SW  
Calgary AB T2P 5L3

Attention: Mr. Clinton Roberts

Dear Sir:

**Re: Credit Agreement dated as of June 29, 2012 (the "Credit Agreement") among Poseidon Concepts Corp., as borrower (the "Borrower"), The Toronto-Dominion Bank, HSBC Bank Canada, The Bank of Nova Scotia, National Bank of Canada, and the other banks and financial institutions from time to time parties thereto, as lenders (collectively, the "Lenders") and The Toronto-Dominion Bank, as administrative agent (the "Agent")**

We have acted as legal counsel to PricewaterhouseCoopers Inc., the Court-appointed Monitor of the Borrower and the Guarantors (as defined herein) in respect of reviewing the documents listed in Schedule "A" attached hereto (collectively, the "**Documents**") given by the Transaction Parties (as defined herein) in favour of the Agent pursuant to the Credit Agreement. By the terms of the Documents, the Agent was granted: (i) a security interest in all of the Borrower's present and after-acquired personal property and a floating charge on all real property pursuant to a Debenture dated June 29, 2012 granted by the Borrower in the amount of \$200,000,000 (the "**Borrower Debenture**") that was pledged by the Borrower to the Agent pursuant to a Debenture Pledge dated June 29, 2012 (the "**Borrower Debenture Pledge**"); (ii) a security interest in all of the present and after-acquired personal property and a floating charge on all real property of Poseidon Concepts Limited Partnership ("**PCLP**") pursuant to a Debenture dated June 29, 2012 from PCLP in the amount of \$200,000,000 (the "**PCLP Debenture**") that was pledged by PCLP to the Agent pursuant to a Debenture Pledge dated June 29, 2012 (the "**PCLP Debenture Pledge**"); (iii) a security interest in all of the present and after-acquired personal property and a floating charge on all real property of Poseidon Concepts Ltd. ("**PCL**") pursuant to a Debenture dated June 29, 2012 from PCL in the amount of \$200,000,000 (the "**PCL Debenture**" and collectively with the Borrower Debenture and the PCLP Debenture, the "**Debentures**") that was pledged by PCL to the Agent pursuant to a Debenture Pledge dated June 29, 2012 (the "**PCL Debenture Pledge**" and collectively with the Borrower Debenture Pledge and the PCLP Debenture Pledge, the "**Debenture Pledges**"); and (iv) a security interest in the partnership units of PCLP and shares of PCL held by the Borrower pursuant to a Securities Pledge Agreement dated June 29, 2012 from the Borrower (the "**Share Pledge**").

In this opinion letter, PCLP and PCL are collectively referred to as the "**Guarantors**" and individually as a "**Guarantor**"; the Borrower and the Guarantors are collectively referred to as the "**Transaction Parties**" and individually as a "**Transaction Party**"; the Debentures, the Debenture Pledges and the Share Pledge are collectively referred to as the "**Security Documents**" and individually as a "**Security Document**"; the personal property on which security has been granted pursuant to the Security Documents is referred to as the "**Collateral**"; the security interests granted to the Agent in the Collateral created by the Security Documents are referred to as the "**Security Interests**"; the real property on which security has been granted pursuant to the Debentures is referred to as the "**Real Property**"; and the liens of the Agent on the Real Property created by the Debentures are referred to as the "**Floating Charges**".



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For the purposes of this opinion, we have examined the following:

- (a) copies of the Documents set out in Schedule "A" attached hereto; and
- (b) copies of search results dated May 23, 2013 from the Alberta Personal Property Security Registry (the "PPR"), a summary of which is set out in Schedule "B" attached hereto.

We have also made such investigations, examined such certificates of public authorities, and other documents certified or otherwise identified to our satisfaction, and have considered such questions of law, as we have considered necessary and appropriate as a basis for providing the opinions expressed herein.

For the purposes of the opinions expressed herein, we have assumed with your concurrence and without independent investigation:

- (a) that the individuals who executed the Security Documents had all requisite power, authority and capacity to execute and deliver such documents on behalf of the Transaction Parties, the Lenders or the Agent, as applicable;
- (b) the genuineness and authenticity of all signatures of all parties;
- (c) the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified, notarial or photostatic copies or facsimiles thereof and the authenticity of the originals of such certified, notarial or photostatic copies or facsimiles;
- (d) the accuracy, currency and completeness of the indices and filing systems maintained by the public offices and registries where we have searched or enquired or have caused searches or enquiries to be made, on the dates of such searches or enquiries, and upon the information and advice provided to us by appropriate government, municipal, regulatory or other like officials with respect to those matters referred to herein;
- (e) that each of the parties to the Security Documents (other than individuals) is a subsisting corporation, partnership or financial institution, as the case may be, under the laws of its jurisdiction of incorporation or formation and has not been dissolved and is a valid and/or subsisting corporation, partnership or financial institution, as the case may be;
- (f) that each of the parties to the Security Documents has all requisite power, authority and capacity to execute and deliver the Security Documents to which it is a party and to exercise its rights and perform its obligations thereunder, has taken all necessary action to authorize the execution and delivery of the Security Documents to which it is a party and the exercise of its rights and the performance of its obligations thereunder, and has duly executed and delivered the Security Documents to which it is a party;
- (g) that each Security Document is a legal, valid and binding obligation of each of the parties thereto, other than any Transaction Party which is a party thereto, enforceable against each such party in accordance with its terms;
- (h) value has been given by the Agent and the Lenders to each Transaction Party;

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- (i) each Transaction Party has rights in its respective Collateral and will have rights in its after-acquired Collateral when such is acquired;
- (j) neither the Agent nor any other Lender has agreed in writing with any Transaction Party to postpone the time for attachment of the Security Interests;
- (k) neither the Agent nor any other Lender has done anything to release or discharge the Security Documents or any Security Interests or the Floating Charges in respect of the Collateral or the Real Property; and
- (l) neither the Agent nor any other Lender has done anything to waive, subordinate, assign or otherwise negatively affect the priority of the Security Documents, the Security Interest or the Floating Charges.

We are solicitors qualified to practice law in Alberta and we express no opinion as to any laws or any matters governed by any laws other than the laws of Alberta and the federal laws of Canada applicable in Alberta that are in effect on the date hereof (collectively, "**Alberta Law**"). Without limiting the generality of the foregoing, we express no opinion as to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of Alberta Law conflict of laws rules, including, without limitation, those contained in sections 5 to 8.1 of the *Personal Property Security Act* (Alberta) (the "**PPSA**"). In addition, we express no opinion as to whether, pursuant to Alberta Law conflict of laws rules, Alberta Law would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests. We have not made any investigation of the laws of any other jurisdiction and do not express or imply any opinion thereon.

Based upon and subject to the foregoing and subject to the qualifications hereinafter set forth, we are of the opinion that:

1. Each Security Document constitutes legal, valid and binding obligations of each Transaction Party which is a party thereto enforceable against it in accordance with its terms.
2. Each Security Document creates a valid security interest in the Collateral in favour of the Agent to secure payment and performance of the obligations purported to be secured thereby, which security interests have been registered at the PPR.
3. Each Debenture creates a valid floating charge against the Real Property of each Transaction Party which is a party thereto, notices of which have been filed at the PPR pursuant to the *Law of Property Act* (Alberta) (the "**LPA Registrations**").
4. Based entirely on our review of the search results against each of the Transaction Parties at the PPR dated May 23, 2013, as summarized in Schedule B attached hereto, no financing statement has been registered at the PPR by any secured party that is prior in time to the registrations of the Agent against any such Transaction Party.

The foregoing opinions are subject to the following qualifications:

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1. The validity and enforceability of the Security Documents and the rights and remedies set out therein are subject to the following:
  - (a) applicable bankruptcy, insolvency, reorganization, liquidation, arrangement, fraudulent transfer, winding-up, moratorium, fraudulent preference or other laws of general application relating to or affecting the enforcement of the rights of creditors generally;
  - (b) general principles of equity including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies;
  - (c) the statutory power of a court to grant relief from forfeiture;
  - (d) applicable laws regarding limitations of actions;
  - (e) the powers of a court to stay proceedings before it and to stay the execution of judgments;
  - (f) the discretion that a court may reserve to itself to decline to hear an action if it is contrary to public policy for it to do so or if it is not the proper forum to hear such action;
  - (g) limitations that may be imposed by law on the effectiveness of terms exculpating a party from a liability;
  - (h) limitations that may be imposed by law upon the right of a creditor to receive immediate payment of amounts stated to be payable on demand or which have been accelerated;
  - (i) limitations upon the right of a party to any Security Documents to enforce such document on the basis of a default of a minor or non-substantive nature, such as the failure to produce a document in a timely manner;
  - (j) provisions of the Security Documents that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in their application and determinations or references based upon the practice of a certain person or the publication or reporting of certain rates or yields may not be enforceable if the practice of such person changes or the rates or yields are not ascertainable or are equivocal;
  - (k) provisions of the Security Documents which provide that delay or failure by a party to exercise any right, remedy or option will not operate as a waiver thereof may not be enforceable;
  - (l) provisions of the Security Documents that provide for the waiver of certain legal or equitable rights or that absolve or purport to absolve a party from responsibility for its acts may not be enforceable;
  - (m) Canadian courts will not give a monetary judgment in any currency other than that of Canada and such judgment may be based on a rate of exchange in existence on a day other than the date of payment of such judgment;

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- (n) determinations or demands made by a person in the exercise of a discretion purported to be given to it may be unenforceable if made in an unreasonable or arbitrary fashion;
  - (o) under the *Judgment Interest Act* (Alberta), interest after judgment may be limited to a rate that is lower than the rate provided for contractually;
  - (p) provisions in the Security Documents providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to review or assessment; and
  - (q) provisions of the Security Documents relating to the choice of Alberta law may not be recognized if, or to the extent it is determined that, such choice of law was made to evade mandatory provisions or public policy considerations of the law of another jurisdiction.
2. We express no opinion as to the enforceability of any provision of the Security Documents that:
- (a) purports to render any person liable for a higher rate of interest after default than before;
  - (b) creates an obligation to pay interest (as defined in the *Criminal Code* (Canada)) in an amount or at a rate prohibited by the *Criminal Code* (Canada);
  - (c) purports to allow the severance of an invalid, illegal, prohibited or unenforceable provision or restrict its effect;
  - (d) states that amendments or waivers of or with respect to any document that are not made in writing will not be effective;
  - (e) requires any Transaction Party to pay or indemnify any person for the costs and expenses of such person in connection with judicial proceedings; or
  - (f) is inconsistent with or contrary to any provision of the Credit Agreement except where such inconsistency is addressed by a paramountcy clause.
3. The validity and enforceability of the Security Documents and the rights and remedies set out therein are also subject to the following:
- (a) all rights, duties or obligations arising under the Security Documents, under the PPSA or under any other applicable law must be exercised or discharged in good faith and in a commercially reasonable manner;
  - (b) any provision of the Security Documents that purports to exclude a duty or onus imposed by the PPSA or that purports to limit the liability of a person for failure to discharge duties imposed on it by the PPSA may be void;
  - (c) the PPSA may affect the enforcement of certain remedies contained in the Security Documents to the extent that those remedies are inconsistent with or contrary to provisions of the PPSA;
  - (d) the rights and privileges of the Crown and its agents;

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- (e) the Security Interests may not be enforceable in respect of any proceeds of the Collateral that are not identifiable or traceable;
  - (f) if the Collateral now or hereafter includes an intangible or chattel paper (as those terms are defined in the PPSA), the Security Interest therein is subject to the provisions of section 41 of the PPSA, including, *inter alia*, requirements regarding the giving of proper notice and proof of assignment to the account debtors obligated thereunder;
  - (g) if the Collateral now or hereafter includes an interest or claim in or under any contract of annuity or policy of insurance, no opinion is expressed herein as to the creation or validity of the Security Interests therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral;
  - (h) any assignment of debts or moneys due or accruing due from the Crown in right of any province or in right of Canada or from any provincial or federal Crown corporation may not be enforceable unless the provisions of certain provincial or federal statutes are complied with;
  - (i) we express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration that has not been made or given;
  - (j) we express no opinion as to the creation or validity of the Security Interests in any part of the Collateral which is of a type or kind that would not be governed by the PPSA or in respect of which there is applicable federal legislation that is paramount. Without limiting the foregoing, we express no opinion with respect to the application of the *Bank Act* (Canada) to the Security Interests or any security registration permitted to be made thereunder; and
  - (k) we express no opinion as to the validity or enforceability of the Security Documents, or the validity of any security interest or charge created by the Security Documents, or whether an Alberta court would accept jurisdiction in respect of a determination of such validity or enforceability if such validity or enforceability is governed by any laws other than Alberta Law.
4. To the extent that the Security Interests:
- (a) attach intangibles (as defined in the PPSA), which would include accounts receivable,
  - (b) attach goods (as defined in the PPSA) that are of a kind that are normally used in more than one jurisdiction ("**Mobile Goods**"), if such goods are classified as equipment (as defined in the PPSA) or as inventory (as defined in the PPSA) leased or held for lease by the applicable Transaction Party to others, or
  - (c) are non-possessory security interests in chattel paper, a negotiable document of title, an instrument or money (as such terms are defined in the PPSA),

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the validity, perfection and effect of perfection or non-perfection of the applicable Security Interest is governed by the laws of the jurisdiction where the applicable Transaction Party is located at the time such Security Interest attaches. If at such time such Transaction Party has more than one place of business, such Transaction Party is deemed to be located at its chief executive office.

5. To the extent that the Security Interests:

- (a) attach goods (as defined in the PPSA) other than Mobile Goods, or
- (b) are possessory security interests in chattel paper, a negotiable document of title, an instrument or money (as such terms are defined in the PPSA),

subject to paragraph 4 above and except as otherwise provided in the PPSA, the validity, perfection and effect of perfection or non-perfection of the applicable Security Interest are governed by the laws of the jurisdiction where the relevant Collateral is situated at the time such Security Interest attaches.

6. To the extent that the Security Interests attach investment property (as defined in the PPSA), the validity of the applicable Security Interest is governed by the laws, at the time such Security Interest attaches:

- (a) of the jurisdiction where the certificate is located if the Collateral is a certificated security (as defined in the PPSA),
- (b) of the issuer's jurisdiction if the Collateral is an uncertificated security (as defined in the PPSA),
- (c) of the securities intermediary's jurisdiction if the Collateral is a security entitlement or a securities account (as such terms are defined in the PPSA), or
- (d) of the futures intermediary's jurisdiction if the Collateral is a futures contract or a futures account (as such terms are defined in the PPSA); and

the perfection and the effect of perfection or non-perfection of such Security Interest are governed by the laws:

- (e) of the jurisdiction in which the certificate is located if the Collateral is a certificated security,
- (f) of the issuer's jurisdiction if the Collateral is an uncertificated security,
- (g) of the securities intermediary's jurisdiction if the Collateral is a security entitlement or a securities account, or
- (h) of the futures intermediary's jurisdiction if the Collateral is a futures contract or a futures account;

provided that the laws of the jurisdiction in which the applicable Transaction Party is located governs:



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- (i) perfection of a security interest in investment property by registration,
  - (j) perfection of a security interest in investment property granted by a broker or securities intermediary where the secured party relies on attachment of the security interest as perfection, and
  - (k) perfection of a security interest in a futures contract or futures account granted by a futures intermediary where the secured party relies on attachment of the security interest as perfection.
7. We express no opinion as to:
- (a) any Transaction Party's title or rights to or ownership of any property, assets, real property or rights that it purports to charge and secure under the Security Documents or the completeness or accuracy of any description of such property, assets, real property or rights included in the Security Documents and therefore no opinion is expressed as to the effectiveness of the Security Documents as security where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be;
  - (b) whether any contracts, agreements, licences, permits or other property purporting to be made subject to a security interest or charge under the Security Documents are subject to any contractual, statutory or other provisions restricting or limiting the ability of any Transaction Party to grant a security interest or charge in its interest thereunder;
  - (c) the priority or ranking of the Security Interests in any of the Collateral; or
  - (d) the priority or ranking of the Floating Charges on any of the Real Property.
8. We express no opinion as to the enforceability of any provision of the Security Documents that purports to make a receiver, a receiver and manager or other enforcement agent appointed thereunder the agent of any Transaction Party or that purports to absolve the Agent or the Lenders from liability for the acts or omissions of such persons.
9. We express no opinion as to any tax matters.
10. If the Collateral now or hereafter includes any chattel which is or becomes a fixture to real property then to protect the Security Interests therein further filings will be required at the appropriate Land Titles Office(s) or registries.
11. The LPA Registrations are subject in all respects to the interests and registrations under the *Land Titles Act* (Alberta) and the *Mines and Minerals Act* (Alberta).
12. The opinions expressed herein are qualified with respect to any errors or omissions in:
- (a) any search result received from the PPR; and
  - (b) the records of, or search results provided by, any other registry or office at which we have conducted searches.



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13. The enforceability of the Debentures granted by certain of the Transaction Parties is subject to the terms of each Debenture Pledge granted by such Transaction Party in respect of such Debenture and, notwithstanding the principal amount and rate of interest actually expressed in such Debenture, the amount owing under such Debenture will not exceed the obligations for which such Debenture has been pledged under such Debenture Pledge.
14. The opinions expressed herein are given as at the date hereof and are based upon, and subject to, legislation and regulations in effect as of the date hereof and the facts of which we are aware as of the date hereof. We specifically disclaim any obligation, and make no undertaking to supplement our opinions herein, as changes in the law occur and facts come to our attention that could affect such opinions, or otherwise advise any person of any change in law or fact which may come to our attention after the date hereof.

This opinion is for the sole benefit of the addressee hereto and may not be relied upon by other parties or in respect of other transactions without our express written consent.

Yours truly,

BENNETT JONES LLP



**SCHEDULE "A"**

**DOCUMENTS**

1. a Credit Agreement dated as of June 29, 2012 among Poseidon Concepts Corp., as borrower, The Toronto-Dominion Bank, HSBC Bank Canada, The Bank of Nova Scotia, National Bank of Canada, and the other banks and financial institutions from time to time parties thereto, as lenders and The Toronto-Dominion Bank, as administrative agent;
2. a Debenture dated June 29, 2012 from Poseidon Concepts Corp. to The Toronto-Dominion Bank;
3. a Debenture Pledge dated June 29, 2012 from Poseidon Concepts Corp. to The Toronto-Dominion Bank;
4. a Debenture dated June 29, 2012 from Poseidon Concepts Limited Partnership to The Toronto-Dominion Bank;
5. a Debenture Pledge dated June 29, 2012 from Poseidon Concepts Limited Partnership to The Toronto-Dominion Bank;
6. a Debenture dated June 29, 2012 from Poseidon Concepts Ltd. to The Toronto-Dominion Bank;
7. a Debenture Pledge dated June 29, 2012 from Poseidon Concepts Ltd. to The Toronto-Dominion Bank;
8. a Securities Pledge Agreement dated June 29, 2012 from Poseidon Concepts Corp. to The Toronto-Dominion Bank;
9. a Guarantee dated June 29, 2012 from Poseidon Concepts Limited Partnership to The Toronto-Dominion Bank;
10. a Guarantee dated June 29, 2012 from Poseidon Concepts Ltd. to The Toronto-Dominion Bank;
11. a Guarantee dated June 29, 2012 from Poseidon Concepts Inc. to The Toronto-Dominion Bank;
12. an Assignment of Insurance dated June 29, 2012 from Poseidon Concepts Corp. to The Toronto-Dominion Bank;
13. an Assignment of Insurance dated June 29, 2012 from Poseidon Concepts Limited Partnership to The Toronto-Dominion Bank;
14. an Assignment of Insurance dated June 29, 2012 from Poseidon Concepts Ltd. to The Toronto-Dominion Bank; and
15. an Assignment of Insurance dated June 29, 2012 from Poseidon Concepts Inc. to The Toronto-Dominion Bank.

**SCHEDULE "B"**

**ALBERTA PPR SEARCH SUMMARY**

The following registrations were made against each of the below-noted debtors under the Alberta Personal Property Registry:

Search Date: 2013-May-23

*Poseidon Concepts Corp.*

**Secured Party:** GE VFS Canada Limited Partnership

**Registration Type:** Security Agreement

**Registration No.:** 12011904263

**Registration Date:** 2012-Jan-19

**Expiry Date:** 2017-Jan-19

**Collateral:** ALL GOODS WHICH ARE COPIERS TOGETHER WITH ALL REPLACEMENTS AND SUBSTITUTIONS THEREOF AND ALL PARTS, ACCESSORIES, ACCESSIONS AND ATTACHMENTS THERETO AND ALL PROCEEDS THEREOF, INCLUDING ALL PROCEEDS WHICH ARE ACCOUNTS, GOODS, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLES, INSTRUMENTS, MONEY, INTANGIBLES, CROPS OR INSURANCE PROCEEDS (REFERENCE LEASE NO. 8715649-001)

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Security Agreement

**Registration No.:** 12062743891

**Registration Date:** 2012-Jun-27

**Expiry Date:** 2022-Jun-27

**Collateral:** All present and after-acquired personal property of the Debtor.

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Land Charge

**Registration No.:** 12062743949

**Registration Date:** 2012-Jun-27

**Registration Term:** Infinity

**Secured Party:** GE VFS Canada Limited Partnership

**Registration Type:** Security Agreement

**Registration No.:** 12011904263

**Registration Date:** 2012-Jul-04

**Expiry Date:** 2017-Jul-04

**Collateral:** ALL GOODS WHICH ARE COPIERS TOGETHER WITH ALL REPLACEMENTS AND SUBSTITUTIONS THEREOF AND ALL PARTS, ACCESSORIES, ACCESSIONS AND ATTACHMENTS THERETO AND ALL PROCEEDS THEREOF, INCLUDING ALL PROCEEDS WHICH ARE ACCOUNTS, GOODS, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLES, INSTRUMENTS, MONEY, INTANGIBLES, CROPS OR INSURANCE PROCEEDS (REFERENCE LEASE NO. 8715649-002)

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Security Agreement

**Registration No.:** 13041215805

**Registration Date:** 2013-Apr-12

**Expiry Date:** 2016-Apr-12

**Collateral:** 2007 SNAKE RIVER TRAILER S/N 5PTBS202870114170; 2010 CHEVROLET SILVERADO K1500 S/N 3GCRKPE34AG227962; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE37BG267688; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKTE37BG365285; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE3XBG403490; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE32BG399922; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE35BG366865; 2011 FORD F-150 S/N 1FTFW1ET3BKD96885; 2011 CHEVROLET SILVERADO K1500 S/N 1GC1KYCGBF163432; 2011 TOYOTA TUNDRA S/N

5TFHY5F11BX167714; 2011 TOYOTA TUNDRA S/N  
5TFUY5F14BX197594; 2011 TOYOTA TUNDRA S/N  
5TFUY5F11BX181675; 2011 TOYOTA TUNDRA S/N  
5TFUY5F13BX165543; 2011 FORD F-150 4X4 S/N 1FTFW1EF5BFC41404;  
2011 TOYOTA TUNDRA S/N 5TFHY5F1XBX166903; 2011 ABU  
10232SG310 TRAILER S/N 4UGFG323XCD020921; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GCPKSE79CF125199; 2012 CHEVROLET  
SILVERADO K1500 S/N 3GCPKE8CG179369; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GCPKSE71CF156723; 2012 CHEVROLET  
SILVERADO K1500 S/N 3GCPKTE76CG254120; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GC1KXCG2CF192474; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GC1KXCG7CF226022; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GCPKSE71CF181931; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GCPKSE73CF186614; 2012 CHEVROLET  
SILVERADO K1500 S/N 1GCPKSE74CF200469; 2012 CHEVROLET  
SILVERADO K1500 S/N 3GCPKSE70DG108419; 2012 CHEVROLET  
SILVERADO K1500 S/N 3GCPKSE70DG120098; 2012 CHEVROLET  
SILVERADO K1500 S/N 3GCPKSE78DG105218; 2012 DODGE [sic] RAM  
2500 S/N 3G6UD5FL1CG245997; 2012 CHEVROLET SILVERADO K1500  
S/N 3GCPKTE71DG167260; 2012 DODGE RAM 3500 4WD S/N  
3C63D3KL3CG292180; 2012 DODGE RAM 2500 4WD S/N  
3C6UD5FL3CG250084; 2012 DODGE RAM 2500 4WD S/N  
3C6UD5FL6CG300462; 2012 DODGE RAM 2500 4WD S/N  
3C6UD5FL1CG293645; 2012 DODGE RAM 3500 4WD S/N  
3C63DRJL4CG310657; 2012 TOYOTA TUNDRA S/N 5TFUY5F17CX236664;  
2012 PJ TRAILERS F8202 S/N 46UFU3020C1142937; 2012 DRAIR  
TRRRP3500 S/N 2DRUS617912000456; 2012 ROADCLIPPER  
FMAX210L30X10 S/N 46UFU3020C1142937; 2013 CHEVROLET  
SILVERADO 1/2 T S/N 3GCPKT372DG118844; 2013 CHEVROLET  
SILVERADO 3/4 T S/N 1GC1KXCG2DF126301; 2013 CHEVROLET  
SILVERADO 3/4 T S/N 1GC1KXCG7DF124074; 2013 CHEVROLET  
SILVERADO 1/2 T S/N 3GCPKTE77DG200651; 2013 CHEVROLET  
SILVERADO 1/2 T S/N 3GCPKTE75DG201295; 2013 CHEVROLET  
SILVERADO 1/2 T S/N 3GCPKTE7XDG176636; 2012 ABU TRAILER S/N  
4UGFH2023CD021622; 2012 ABU TRAILER S/N 4UGFM2021CD023221;  
2012 ABU TRAILER S/N 4UGFM2023CDCD023222; 2012 HAULMARK  
TRAILER S/N 16HCB1214CH196282; 2012 HKLMK TRAILER 2012  
16HCB1213CU078862; 2012 TITAN TRAILER S/N 4TGF22205D1063559;  
2011 TOYOTA TUNDRA S/N 5TFHY5F13BX161364

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE  
DEBTOR.

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS  
GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED  
PARTNERSHIP.

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Land Charge

**Registration No.:** 13041218580

**Registration Date:** 2013-Apr-12

**Registration Term:** Infinity

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED PARTNERSHIP.

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*Poseidon Concepts Limited Partnership*

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Security Agreement

**Registration No.:** 12062744082

**Registration Date:** 2012-Jun-27

**Expiry Date:** 2022-Jun-27

**Collateral:** All present and after-acquired personal property of the Debtor.

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Land Charge

**Registration No.:** 12062744285

**Registration Date:** 2012-Jun-27

**Registration Term:** Infinity

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Security Agreement

**Registration No.:** 13041215805

**Registration Date:** 2013-Apr-12

**Expiry Date:** 2016-Apr-12

**Collateral:** 2007 SNAKE RIVER TRAILER S/N 5PTBS202870114170; 2010 CHEVROLET SILVERADO K1500 S/N 3GCRKPE34AG227962; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE37BG267688; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKTE37BG365285; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE3XBG403490; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE32BG399922; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE35BG366865; 2011 FORD F-150 S/N 1FTFW1ET3BKD96885; 2011 CHEVROLET SILVERADO K1500 S/N 1GC1KYCGOBF163432; 2011 TOYOTA TUNDRA S/N 5TFHY5F11BX167714; 2011 TOYOTA TUNDRA S/N 5TFUY5F14BX197594; 2011 TOYOTA TUNDRA S/N 5TFUY5F11BX181675; 2011 TOYOTA TUNDRA S/N 5TFUY5F13BX165543; 2011 FORD F-150 4X4 S/N 1FTFW1EF5BFC41404; 2011 TOYOTA TUNDRA S/N 5TFHY5F1XBX166903; 2011 ABU 10232SG310 TRAILER S/N 4UGFG323XCD020921; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE79CF125199; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKE8CG179369; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE71CF156723; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKTE76CG254120; 2012 CHEVROLET SILVERADO K1500 S/N 1GC1KXCG2CF192474; 2012 CHEVROLET SILVERADO K1500 S/N 1GC1KXCG7CF226022; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE71CF181931; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE73CF186614; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE74CF200469; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE70DG108419; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE70DG120098; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE78DG105218; 2012 DODGEG [sic] RAM 2500 S/N 3G6UD5FL1CG245997; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKTE71DG167260; 2012 DODGE RAM 3500 4WD S/N 3C63D3KL3CG292180; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL3CG250084; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL6CG300462; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL1CG293645; 2012 DODGE RAM 3500 4WD S/N 3C63DRJL4CG310657; 2012 TOYOTA TUNDRA S/N 5TFUY5F17CX236664; 2012 PJ TRAILERS F8202 S/N 46UFU3020C1142937; 2012 DRAIR TRRRP3500 S/N 2DRUS617912000456; 2012 ROADCLIPPER

FMAX210L30X10 S/N 46UFU3020C1142937; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKT372DG118844; 2013 CHEVROLET SILVERADO 3/4 T S/N 1GC1KXCG2DF126301; 2013 CHEVROLET SILVERADO 3/4 T S/N 1GC1KXCG7DF124074; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKTE77DG200651; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKTE75DG201295; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKTE7XDG176636; 2012 ABU TRAILER S/N 4UGFH2023CD021622; 2012 ABU TRAILER S/N 4UGFM2021CD023221; 2012 ABU TRAILER S/N 4UGFM2023CDCD023222; 2012 HAULMARK TRAILER S/N 16HCB1214CH196282; 2012 HKLMK TRAILER 2012 16HCB1213CU078862; 2012 TITAN TRAILER S/N 4TGF22205D1063559; 2011 TOYOTA TUNDRA S/N 5TFHY5F13BX161364

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED PARTNERSHIP.

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Land Charge

**Registration No.:** 13041218580

**Registration Date:** 2013-Apr-12

**Registration Term:** Infinity

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED PARTNERSHIP.

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*Poseidon Concepts Ltd.*

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Security Agreement

**Registration No.:** 12062744082

**Registration Date:** 2012-Jun-27

**Expiry Date:** 2022-Jun-27

**Collateral:** All present and after-acquired personal property of the Debtor.

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Land Charge

**Registration No.:** 12062744285

**Registration Date:** 2012-Jun-27

**Registration Term:** Infinity

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Security Agreement

**Registration No.:** 12062744357

**Registration Date:** 2012-Jun-27

**Expiry Date:** 2022-Jun-27

**Collateral:** All present and after-acquired personal property of the Debtor.

**Secured Party:** The Toronto-Dominion Bank, As Agent

**Registration Type:** Land Charge

**Registration No.:** 12062744457

**Registration Date:** 2012-Jun-27

**Registration Term:** Infinity

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Security Agreement



**Registration No.:** 13041215805

**Registration Date:** 2013-Apr-12

**Expiry Date:** 2016-Apr-12

**Collateral:** 2007 SNAKE RIVER TRAILER S/N 5PTBS202870114170; 2010 CHEVROLET SILVERADO K1500 S/N 3GCRKPE34AG227962; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE37BG267688; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKTE37BG365285; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE3XBG403490; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE32BG399922; 2011 CHEVROLET SILVERADO K1500 S/N 3GCPKSE35BG366865; 2011 FORD F-150 S/N 1FTFW1ET3BKD96885; 2011 CHEVROLET SILVERADO K1500 S/N 1GC1KYCGOBF163432; 2011 TOYOTA TUNDRA S/N 5TFHY5F11BX167714; 2011 TOYOTA TUNDRA S/N 5TFUY5F14BX197594; 2011 TOYOTA TUNDRA S/N 5TFUY5F11BX181675; 2011 TOYOTA TUNDRA S/N 5TFUY5F13BX165543; 2011 FORD F-150 4X4 S/N 1FTFW1EF5BFC41404; 2011 TOYOTA TUNDRA S/N 5TFHY5F1XBX166903; 2011 ABU 10232SG310 TRAILER S/N 4UGFG323XCD020921; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE79CF125199; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKE8CG179369; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE71CF156723; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKTE76CG254120; 2012 CHEVROLET SILVERADO K1500 S/N 1GC1KXCG2CF192474; 2012 CHEVROLET SILVERADO K1500 S/N 1GC1KXCG7CF226022; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE71CF181931; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE73CF186614; 2012 CHEVROLET SILVERADO K1500 S/N 1GCPKSE74CF200469; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE70DG108419; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE70DG120098; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKSE78DG105218; 2012 DODGEG [sic] RAM 2500 S/N 3G6UD5FL1CG245997; 2012 CHEVROLET SILVERADO K1500 S/N 3GCPKTE71DG167260; 2012 DODGE RAM 3500 4WD S/N 3C63D3KL3CG292180; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL3CG250084; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL6CG300462; 2012 DODGE RAM 2500 4WD S/N 3C6UD5FL1CG293645; 2012 DODGE RAM 3500 4WD S/N 3C63DRJL4CG310657; 2012 TOYOTA TUNDRA S/N 5TFUY5F17CX236664; 2012 PJ TRAILERS F8202 S/N 46UFU3020C1142937; 2012 DRAIR TRRRP3500 S/N 2DRUS617912000456; 2012 ROADCLIPPER FMAX210L30X10 S/N 46UFU3020C1142937; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKT372DG118844; 2013 CHEVROLET SILVERADO 3/4 T S/N 1GC1KXCG2DF126301; 2013 CHEVROLET SILVERADO 3/4 T S/N 1GC1KXCG7DF124074; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKTE77DG200651; 2013 CHEVROLET

SILVERADO 1/2 T S/N 3GCPKTE75DG201295; 2013 CHEVROLET SILVERADO 1/2 T S/N 3GCPKTE7XDG176636; 2012 ABU TRAILER S/N 4UGFH2023CD021622; 2012 ABU TRAILER S/N 4UGFM2021CD023221; 2012 ABU TRAILER S/N 4UGFM2023CDCD023222; 2012 HAULMARK TRAILER S/N 16HCB1214CH196282; 2012 HKLMK TRAILER 2012 16HCB1213CU078862; 2012 TITAN TRAILER S/N 4TGF22205D1063559; 2011 TOYOTA TUNDRA S/N 5TFHY5F13BX161364

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED PARTNERSHIP.

**Secured Parties:** Century Services Inc.; Century Services Inc. as General Partner of Century Services LP; and Century Services LP

**Registration Type:** Land Charge

**Registration No.:** 13041218580

**Registration Date:** 2013-Apr-12

**Registration Term:** Infinity

**Particulars:** THE FULL NAME OF DEBTOR NO. 3 IS POSEIDON CONCEPTS LTD. AS GENERAL PARTNER OF POSEIDON CONCEPTS LIMITED PARTNERSHIP.

## **APPENDIX B**

### **Spector & Ehrenworth P.C. Security Opinion**



**SPECTOR &  
EHRENWORTH, P.C.**  
*Attorneys at Law*

30 Columbia Turnpike, Ste 202, Florham Park, New Jersey 07932-2261 973.593.4800 Fax: 973.593.4848  
www.selawfirm.com writer's email: dgoldstein@selawfirm.com

June 7, 2013

**E-MAIL & FEDEX NO. 7999 5168 3025**

Clinton L.T. Roberts  
PricewaterhouseCoopers/Alberta Deals Leader  
111-5th Avenue SW, Suite 3100  
Calgary, AB Canada T2P 5L3

**Re: The Guarantor Security Agreement dated June 2012, by Poseidon Concepts Inc., a Delaware Corporation and Poseidon Concepts Limited Partnership, an Alberta limited partnership, in favor of The Toronto-Dominion Bank, as Administration Agent  
Our File Number: P213.0001.001**

Dear Mr. Roberts:

Upon the request of Mr. Brent Cohen, a Partner with Rothgerber Johnson & Lyons LLP, my firm has acted as legal counsel to PricewaterhouseCoopers, Inc. ("PwC"), the Court-appointed Monitor of Poseidon Concepts Corp. (the "Borrower"), for the limited purpose of determining, under New York law, based on our review of certain documents provided to us, the validity of the security interest of The Toronto-Dominion Bank ("TD Bank") in assets of Poseidon Concepts Inc., a Delaware Corporation ("PCI").

For the purposes of this opinion, we were provided with and have reviewed the documents identified on Schedule 1 hereto (collectively, the "Loan Documents"), which Mr. Cohen advised us constitute all the documents that we need to review for this opinion. In addition, Mr. Cohen informed us that, for purposes of this opinion letter, we may disregard the validity of security interests in real property, and we may disregard financing statements that were filed or recorded in states outside Delaware. We assume that Mr. Cohen's directives reflect your requests and specifications for this opinion, and we limit our opinion accordingly.

We have made such other inquiries and examined such other documents as we have considered appropriate for the purpose of rendering the opinions set forth below. We have assumed the genuineness of all signatures, the authenticity of all items submitted to us as originals, and the conformity with originals of all items submitted to us as copies.

For the purposes of this opinion, we have examined the following:

1. The Loan Documents (as defined above and identified on Schedule 1 hereto); and
2. A search report provide to us by Capitol Services, Inc. and reviewed by us for the purpose of this opinion letter, the results of which are set forth on Schedule 2 hereto (the "Search Report").

We have also considered such questions of law as we have deemed necessary and appropriate as a basis for



SPECTOR &  
EHRENWORTH, P.C.  
*Attorneys at Law*

providing the opinions expressed herein.

According to the Loan Documents as they pertain to the security interest that PCI granted to TD Bank, to secure the Secured Obligations, as that term is defined in the Guarantor Security Agreement purportedly executed by or on behalf of PCI, Poseidon Concepts Limited Partnership and TD Bank (the "Security Agreement"), PCI granted to TD Bank a security interest (the "Security Interest") in all of the right, title and interest in and to any and all property and interests in property of PCI, whether now owned or existing or hereafter created, acquired or arising and wherever located, including all of the following properties and interests in properties, whether now owned or hereafter created, acquired or arising, as those terms are used therein (collectively, the "Collateral"):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Commercial Tort Claims;
- (d) all Deposit Accounts, all cash, and other property deposited therein or otherwise credited thereto from time to time and other monies, and property in the possession or under the control of the Secured Party;
- (e) all Documents;
- (f) all General Intangibles;
- (g) all Goods, including without limitation any and all Inventory, any and all Equipment and any and all Fixtures;
- (h) all Instruments;
- (i) all Investment Property;
- (j) all Letter-of-Credit Rights;
- (k) all Supporting Obligations;
- (l) any and all other personal property and interests in property whether or not subject to the UCC;
- (m) any and all books and records, in whatever form or medium, that at any time evidence or contain information relating to any of the foregoing properties or interests in properties or are otherwise necessary or helpful in the collection thereof or realization thereon;
- (n) all Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and



SPECTOR &  
EHRENWORTH, P.C.  
*Attorneys at Law*

(o) all Proceeds and products of the foregoing, and all insurance pertaining to the foregoing and proceeds thereof.

Based upon our examination of the Loan Documents and the Search Report, but subject to the qualifications, limitations and exceptions specified herein, we are of the opinion that, under New York law:

1. The Security Agreement constitutes a legal, valid and binding obligation of PCI enforceable by TD Bank against PCI in accordance with the Security Agreement's terms.
2. TD Bank has a legal, valid and binding security interest in the Collateral, except as to (i) commercial tort claims, (ii) in a consumer transaction, consumer goods, a security entitlement, a securities account, or a commodity account, and (iii) any personal property or interest therein not otherwise identified by the Security Agreement by type of collateral.
3. Based on a financing statement recorded with the Department of State of the State of Delaware (the "Delaware Financing Statement"), the State in which, according to PwC, PCI was formed as a corporation and, in accordance with 6 Del. C. § 9-501(a)(2), and subject to the foregoing paragraph no. 2 regarding the scope of the Security Interest, and to the extent that the perfection, the effect of perfection or non-perfection, and the priority of a security interest in the Collateral is governed by the law of the State of Delaware, TD Bank has a perfected security interest in the Collateral throughout the United States of America.

Our opinion is subject to the following qualifications, limitations and exceptions:

1. We do not have sufficient information and cannot express an opinion as to:
  - a. The value of any claim;
  - b. The time in which a claim or security interest may be enforced or relief obtained;
  - c. The timely recording of any instruments necessary to perfect a security interest, or the proper and timely indexing of such instrument or security interest;
  - d. The validity of a security interest in any real property or fixtures;
  - e. The validity of a security interest that relies on the filing or recording of a financing statement in a state outside Delaware;
  - f. Whether all or part of the Collateral was or has been in the possession or under the control of a secured party or any person or entity;
  - g. Whether an event, circumstance or condition has occurred or arisen that permits the enforcement or exercise of the Security Interest;
  - h. The priority or ranking of the Security Interest, or whether the Security Interest has priority over any other security interest, lien, claim or right;



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- i. The occurrence or impact, if any, of any illegal, improper or other conduct by any person or entity, including, without limitation, the invalidation or subordination of any security interest;
  - j. The occurrence or timeliness of any notice, presentment, demand, protest or other formality required of any person or entity;
  - k. The failure or non-occurrence of any consideration or condition precedent;
  - l. The satisfaction, performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in the Loan Documents;
  - m. The existence, occurrence or impact of any breach, event of default, release, statement against interest, party admission, forgery, fraud, misrepresentation, error or omission;
  - n. The truth or accuracy of any warranty or representation made by any party;
  - o. The rights and obligations of the individual "Lenders" and "Hedge Lenders," as those terms are defined in the Credit Agreement among Poseidon Concepts Corp., as Borrower, and The Toronto-Dominion Bank, et *al.*, dated as of June 29, 2012 (the "Credit Agreement"), as between each other or any third party;
  - p. Whether a security interest may be avoidable under Sections 547, 548, 549 or 550 of Title 11 of the U.S. Code;
  - q. Any tax matters;
  - r. Statutes of limitation; or
  - s. Enforcement of provisions of the Loan Documents that do not specifically and expressly pertain to a security interest.
2. In rendering our opinion, we relied on the assumptions set forth in this letter and the following assumptions, the accuracy of which we have no knowledge or information and should be independently verified before you rely on our opinion, and we qualify our opinion with respect to any errors or omissions accordingly:
- a. Each of the Loan Documents was duly authorized, validly executed, and delivered in accordance with its terms by or on behalf of each of the parties thereto, and each party had full legal authority and power to enter into the agreements, relationships, obligations and undertakings, and to make the promises, covenants and commitments reflected in the respective Loan Documents;
  - b. Each person who executed each of the Loan Documents at such time had full corporate or other appropriate authority and power to do so and was of sound mind;



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- c. No document was executed under duress, coercion, undue influence, or without informed legal advice and counsel;
- d. Other than the Security Agreement as to PCI, each of the Loan Documents is a legal, valid and binding obligation of each respective party, and is enforceable in accordance with its terms;
- e. We received true, complete and accurate photocopies of the Loan Documents;
- f. We received all documents necessary for us to render the requested opinion;
- g. There is no agreement, document, instrument, writing, oral statement, circumstance or event not provided or disclosed to us by Mr. Cohen or PwC that may alter, contradict, repeal, release, offset, waive, estop, invalidate, stay, subordinate, supersede or void:
  - i. any of the Loan Documents or the covenants, promises, conditions, or agreements contained therein; or
  - ii. the validity, priority, enforceability or continuation of any security interest or recorded instrument; or
  - iii. any fact, promise, covenant, representation or other portion of any document provided to us;
- h. TD Bank has given the agreed upon consideration to PCI and the Borrower, and to every other obligor and guarantor of the Credit Agreement;
- i. There is no agreement, fact or allegation not contained in the Loan Documents that may give rise to a defense or claim;
- j. The representations and warranties contained in the Loan Documents were accurate and truthful when made;
- k. There has been no breach or event of default by TD Bank or any of the "Lenders" or "Hedge Lenders," as those terms are defined in the Credit Agreement, or by any successor-in-interest;
- l. No Collateral, "Property," as that term is defined in the Credit Agreement, right or obligation has been sold, transferred, leased, licensed or assigned to or assumed by a third party, or moved or transported, under conditions that could invalidate a security interest;
- m. PCI owns and has exclusive possession and control of all Collateral and "Property," as that term is defined in the Credit Agreement;
- n. The Credit Agreement became effective pursuant to Article VI thereof;
- o. The Security Agreement was not terminated pursuant to Section 8 thereof, unless it was





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reinstated without any intervening event, condition or change in circumstances;

- p. No right, claim, interest, liability, or obligation described in the Loan Documents has been assigned;
  - q. Each of the parties to the Security Agreement and relevant Loan Documents has been, at all times relevant, and is an active corporation or other recognized legal business entity under the laws of its formation and has not been dissolved;
  - r. PCI and its assets, including the Collateral, are not subject to tax liens, agricultural liens or other interests not reflected in a search of UCC financing statements; and
  - s. The Search Report, including each accompanying document that purports to be a certificate or recorded instrument, constitutes a true, complete and accurate record of all perfected security interests in and against the Collateral.
3. Except as specifically set forth in this letter, we have made no independent verification or investigation of the factual matters and assumptions set forth herein, or in the Loan Documents. Whenever our opinion refers to the existence or absence of facts based on our knowledge or awareness, it is intended to signify that no information has come to our attention that would give us actual knowledge of the existence or absence of such facts. No inference as to our knowledge should be drawn from our representation of PwC.
4. We are attorneys qualified to practice law in the States of New York and New Jersey and we express no opinion as to any laws or any matters governed by any laws other than the laws of New York and the federal laws of the United States of America applicable in New York that are in effect on the date hereof. Without limiting the generality of the foregoing, we express no opinion as to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interest as a result of the application of New York law conflict of laws rules. No opinion is to be implied or inferred beyond the opinions expressly stated herein. The opinions expressed in this letter are rendered as of the date hereof, and we express no opinion as to circumstances or events that may occur subsequent to such date. We disclaim any undertaking to advise or notify you of changes that hereafter may be brought to our attention. We specifically disclaim any obligation to notify you of any anticipated or actual change in the law of the State of New York, United States of America, or in the law of any other jurisdiction, after the date of this opinion.
5. The opinions expressed in this letter are subject to the following qualifications and matters with regard to the enforcement of a security interest, and about which we offer no opinion:
- a. Applicable bankruptcy, insolvency, reorganization, liquidation, arrangement, fraudulent transfer or conveyance, preference, moratorium and other laws of general application affecting or relating to the rights and remedies of creditors generally or the collection of debtors' obligations generally;
  - b. Limitations imposed under applicable law and by judicial practice on the availability and



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- extent of equitable remedies and relief;
- c. The power of a court to grant relief from forfeiture, to stay proceedings before it, or to decline to hear an action or matter before it;
  - d. Limitations imposed by law with regard to the availability of *ex parte* relief and remedies, the right to immediate payment of amounts otherwise payable on demand or upon acceleration, enforcement upon minor or immaterial breaches or default, and other self-help or non-judicial relief;
  - e. TD Bank and any successor-in-interest must exercise its rights and duties under the Security Agreement and related agreements and under applicable law in a good faith and commercially reasonable manner;
  - f. The claims and rights pertaining to the determination, collection and enforcement of taxes and associated liens; and
  - g. Matters involving or relating to public safety, police enforcement and criminal and quasi-criminal proceedings and actions.
6. Except as provided below, and subject to and without waiving, nullifying or diminishing all other qualifications, limitations and exceptions set forth in this letter, and subject to the definitions of such categories of collateral set forth under New York law, the perfection, the effect of perfection or non-perfection, and the priority of a security interest in the Collateral is governed by the law of the State of Delaware.
- a. To the extent that TD Bank has a possessory security interest in all or any part of the Collateral, while such collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of the security interest in that collateral.
  - b. To the extent that the Collateral includes a wellhead or minehead, the local law of the jurisdiction in which such collateral is located governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in as-extracted collateral. Subject to the foregoing sentence, to the extent that the Collateral includes negotiable documents, goods, instruments, money, or tangible chattel paper located in a jurisdiction, the local law of that jurisdiction governs:
    - i. perfection of a security interest in the goods by filing a fixture filing;
    - ii. perfection of a security interest in timber to be cut; and
    - iii. the effect of perfection or non-perfection and the priority of a non-possessory security interest in such collateral.
  - c. To the extent that the Collateral includes a cooperative interest, New York law governs



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perfection, the effect of perfection or non-perfection, and the priority of the security interest in such collateral.

- d. To the extent that the Collateral includes farm products located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of an agricultural lien on the farm products.
- e. To the extent that the Collateral includes goods covered by a certificate of title, the local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.
- f. To the extent that the Collateral includes a deposit account maintained with a bank, the local law of the bank's jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in the deposit account. In addition:
  - i. If an agreement between the bank and PCI governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of perfection, that jurisdiction is the bank's jurisdiction.
  - ii. If paragraph (i) above does not apply and an agreement between the bank and PCI governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.
  - iii. If neither paragraph (i) nor paragraph (ii) applies and an agreement between the bank and PCI governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.
  - iv. If paragraphs (i), (ii) and (iii) do not apply, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving PCI's account is located.
  - v. If paragraphs (i), (ii), (iii) and (iv) do not apply, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.
- g. To the extent that the Collateral includes investment property other than cooperative interests, Delaware law governs:
  - i. Perfection of a security interest in investment property by filing;
  - ii. Automatic perfection of a security interest in investment property created by a broker or securities intermediary; and
  - iii. automatic perfection of a security interest in a commodity contract or commodity



account created by a commodity intermediary.

- h. To the extent that the Collateral includes a certificated security other than cooperative interests, while the security certificate is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in the certificated security represented thereby.
  - i. To the extent that the Collateral includes an uncertificated security other than cooperative interests, the local law of the issuer's jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in the uncertificated security.
  - j. To the extent that the Collateral includes a security entitlement or securities account, the local law of the securities intermediary's jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in the security entitlement or securities account.
  - k. To the extent that the Collateral includes a commodity contract or commodity account, the local law of the commodity intermediary's jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of the security interest in the commodity contract or commodity account.
  - l. If the Collateral includes a letter-of-credit right, the local law of the issuer's jurisdiction or a nominated person's jurisdiction governs perfection, the effect of perfection or non-perfection, and the priority of a security interest in the letter-of-credit right if the issuer's jurisdiction or nominated person's jurisdiction is a state.
- 7. Subject to and without waiving, nullifying or diminishing all other qualifications, limitations and exceptions set forth herein, to the extent that the perfection, the effect of perfection or non-perfection, and the priority of the Security Interest is governed by the law of the State of Delaware, the Security Interest is perfected as to each category of the Collateral only if (collectively, the "Perfection Conditions"):
  - a. To the extent that any part of the Collateral is subject to a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt the requirement of filing a financing statement to perfect a security interest, the requirements of such statute, regulation or treaty are met.
  - b. To the extent that any part of the Collateral is subject to Subchapter II of Chapter 23 of Title 21 of the Delaware Code, relating to the notation of liens and encumbrances on certificates of title for motor vehicles, the requirements of such statute are met, except that, during any period in which such collateral is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this paragraph does not apply to a security interest in that collateral created by that person.
  - c. To the extent that any part of the Collateral is subject to a certificate-of-title statute of



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another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property, the requirements of such statute are met.

- d. To the extent that the Collateral consists of proceeds, the security interest in the original collateral was perfected by the filing of the Delaware Financing Statement, and the proceeds were not acquired with cash proceeds and are identifiable cash proceeds. Otherwise, to the extent that the Collateral consists of a deposit account or a letter-of-credit right, only if TD Bank obtained and retained control thereof.
  - e. To the extent that the Collateral consists of money, TD Bank took and has retained possession thereof.
  - f. To the extent that the Collateral consists of goods in the possession of a bailee that has issued a negotiable document covering the goods, a security interest in the document has been perfected.
  - g. To the extent that the Collateral consists of goods in the possession of a bailee that has issued a nonnegotiable document covering the goods, a document has been issued in the name of TD Bank, the bailee received notification of TD Bank's interest, or a filing was made as to the goods.
8. Notwithstanding the Perfection Conditions, subject to and without waiving, nullifying or diminishing all other qualifications, limitations and exceptions set forth herein:
- a. Perfection of a security interest in collateral also perfects a security interest in a supporting obligation for the collateral.
  - b. Perfection of a security interest in a right to payment or performance also perfects a security interest in a security interest, mortgage, or other lien on personal or real property securing the right.
  - c. Perfection of a security interest in a securities account also perfects a security interest in the security entitlements carried in the securities account.
  - d. Perfection of a security interest in a commodity account also perfects a security interest in the commodity contracts carried in the commodity account.
  - e. The following security interests are perfected when they attach:
    - i. a purchase-money security interest in consumer goods, except as otherwise provided in 6 Del. C. § 9-311(b) with respect to consumer goods that are subject to a statute or treaty described in 6 Del. C. § 9-311(a);
    - ii. an assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part

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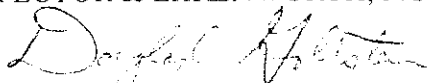
of the assignor's outstanding accounts or payment intangibles;

- iii. a sale of a payment intangible;
- iv. a sale of a promissory note;
- v. a security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;
- vi. a security interest arising under 6 Del. C. §§ 2-401, 2-505, 2-711(3), or 2A-508(5), until the debtor obtains possession of the collateral;
- vii. a security interest of a collecting bank arising under 6 Del. C. § 4-210;
- viii. a security interest of an issuer or nominated person arising under 6 Del. C. § 5-118;
- ix. a security interest arising in the delivery of a financial asset under 6 Del. C. § 9-206(c);
- x. a security interest in investment property created by a broker or securities intermediary;
- xi. a security interest in a commodity contract or a commodity account created by a commodity intermediary;
- xii. an assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; and
- xiii. a security interest created by an assignment of a beneficial interest in a decedent's estate.

9. The opinions expressed in this letter are given solely for the benefit of PwC and Bennett Jones LLP in connection with the Security Agreement and for the limited purpose of the anticipated interim distribution to be made to the Lenders. The opinions expressed in this letter may not be relied upon, in whole or in part, by any other party for any reason whatsoever, or by PwC or Bennett Jones LLP for any other purpose, without our prior written consent. Other than to advance or support the position of the Monitor in the legal proceeding pending in the Court of Queen's Bench of Alberta, Calgary Division, or in any ancillary proceeding, this letter may not be quoted, and no copies may be delivered to any party other than PwC or Bennett Jones LLP, without our prior written consent.

Very truly yours,

SPECTOR & EHRENWORTH, P.C.



Douglas A. Goldstein, Esquire, for the Firm



DAG:lyt  
Enclosures

cc: Brent R. Cohen, Esq. (w/encls.) (E-Mail & First-Class Mail)  
Brian D. Spector, Esq.

**SCHEDULE 1**

<b><u>TAB NO.</u></b>	<b><u>DOCUMENTS</u></b> (Document titles are abbreviated)
(not numbered)	List of documents contained within Closing Book
1	Credit Agreement among Poseidon Concepts Corp., as Borrower, and The Toronto-Dominion Bank, et al., dated as of June 29, 2012
2	PCLP Guarantee
3	PCL Guarantee
4	PCI Guarantee
5	PCC Debenture
6	PCC Debenture Pledge
7	PCLP Debenture
8	PCLP Debenture Pledge
9	PCL Debenture
10	PCL Debenture Pledge
11	Guarantor Security Agreement made by PCI and PCLP in favor of the Agent
12	Assignment of Insurance granted by PCC in favor of the Agent
13	Assignment of Insurance granted by PCLP in favor of the Agent
14	Assignment of Insurance granted by PCL in favor of the Agent
15	Assignment of Insurance granted by PCI in favor of the Agent

**SUPPORTING CERTIFICATES**

16 & 17	General Corporate Certificate for PCC
18	General Corporate Certificate for PCL (on its own behalf and as general partner of PCLP)
19	General Corporate Certificate for PCI



**SCHEDULE 2**

**POSEIDON CONCEPTS INC.**

**UCC SEARCH RESULTS**

**FOR**

**STATE OF DELAWARE**

**CAPITOL  
SERVICES**

Date: 06/03/2013  
 Reference: P213.0001  
 Copies Requested: All Copies Excluding Lapsed Filings  
 Page Limit: 30

Searched Through: 05/17/2013  
 Subject: Poseidon Concepts Inc.  
 Jurisdiction: Secretary of State, DE  
 Index Searched: Certified UCC/Federal Lien

FILE DATE	FILE #	TYPE OF FILING	SECURED PARTY
12/22/2010	04561548	Financing Statement	NATIONAL BANK OF CANADA, AS AGENT CALGARY, AB, CANADA
05/16/2013	31874305	Termination	
06/22/2011	12395641	Financing Statement	NATIONAL BANK OF CANADA, AS AGENT MONTREAL (QUEBEC) CANADA
08/02/2011	12984790	Amendment	
06/29/2011	12512849	Financing Statement	POSEDION CONCEPTS LIMITED PARTNERSHIP CALGARY, AB, CANADA
08/02/2011	12985235	Amendment	
11/03/2011	14248186	Financing Statement	NATIONAL BANK OF CANADA, AS AGENT MONTREAL, QC
04/05/2013	31321968	Termination	
01/17/2012	20191546	Financing Statement	NATIONAL BANK OF CANADA MONTREAL, QC
07/02/2012	22541045	Financing Statement	THE TORONTO-DOMINION BANK, AS ADMINISTRATIVE AGENT TORONTO, ONTARIO, CANADA
02/12/2013	30558230	Financing Statement	WAGNER EQUIPMENT CO. AURORA, CO
04/16/2013	31458166	Amendment	
03/19/2013	31041426	Financing Statement	WAGNER EQUIPMENT CO. AURORA, CO
04/01/2013	31226878	Financing Statement	WAGNER EQUIPMENT CO. AURORA, CO
SEE ATTACHED CERTIFIED OR OTHER SEARCH PERFORMED BY FILING OFFICE.			



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## CERTIFICATE

SEARCHED JUNE 3, 2013, AT 12:12 P.M.  
FOR DEBTOR "POSEIDON CONCEPTS INC."

1 OF 9 FINANCING STATEMENT 04561548  
EXPIRATION DATE: DECEMBER 22, 2015  
DEBTOR: POSEIDON CONCEPTS INC.  
100, 645 - 7TH AVENUE SW ADDED 12-22-10  
CALGARY, AB, CANADA T2P 4G8  
SECURED: NATIONAL BANK OF CANADA, AS AGENT  
2700, 530 - 8TH AVENUE SW ADDED 12-22-10  
CALGARY, AB, CANADA T2P 3S8  
F I L I N G H I S T O R Y  
04561548 FILED 12-22-10 AT 5:42 P.M. FINANCING STATEMENT  
31874305 FILED 05-16-13 AT 11:24 A.M. TERMINATION

2 OF 9 FINANCING STATEMENT 12395641  
EXPIRATION DATE: JUNE 22, 2016  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET ADDED 06-22-11  
WEST DICKENSON ND 58601 REMOVED 08-02-11  
DEBTOR: POSEIDON CONCEPTS CORP.  
SUITE 1100 ADDED 06-22-11  
645-7TH AVENUE S.W.  
CALGARY, AB, CAN T2P 4G8  
DEBTOR: POSEIDON CONCEPTS LIMITED PARTNERSHIP  
SUITE 1100 ADDED 06-22-11  
645-7TH AVENUE S.W.  
CALGARY, AB, CAN T2P 4G8  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET WEST ADDED 08-02-11  
DICKINSON ND 58601  
SECURED: NATIONAL BANK OF CANADA, AS AGENT  
1155 METCALFE STREET ADDED 06-22-11  
5TH FLOOR  
MONTREAL (QUEBEC) CANADA H3B 4S9  
F I L I N G H I S T O R Y  
12395641 FILED 06-22-11 AT 1:54 P.M. FINANCING STATEMENT  
12984790 FILED 08-02-11 AT 4:35 P.M. AMENDMENT




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AUTHENTICATION: 0476827

DATE: 06-03-13

  
Jeffrey W. Bullock, Secretary of State

# Delaware

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*The First State*

3 OF 9 FINANCING STATEMENT 12512849  
EXPIRATION DATE: JUNE 29, 2016  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET  
WEST DICKENSON ND 58601 ADDED 06-29-11  
REMOVED 08-02-11  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET WEST  
DICKINSON ND 58601 ADDED 08-02-11  
SECURED: POSEIDON CONCEPTS LIMITED PARTNERSHIP  
SUITE 1100 ADDED 06-29-11  
645-7TH AVENUE S.W.  
CALGARY, AB, CAN T2P 4G8  
F I L I N G H I S T O R Y  
12512849 FILED 06-29-11 AT 6:07 P.M. FINANCING STATEMENT  
12985235 FILED 08-02-11 AT 4:49 P.M. AMENDMENT


4 OF 9 FINANCING STATEMENT 14248186  
EXPIRATION DATE: NOVEMBER 3, 2016  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET WEST  
DICKINSON ND 58601 ADDED 11-03-11  
DEBTOR: POSEIDON CONCEPTS CORP.  
SUITE 1100, 645-7TH AVENUE S.W. ADDED 11-03-11  
CALGARY, AB T2P 4G8  
DEBTOR: POSEIDON CONCEPTS LIMITED PARTNERSHIP  
SUITE 1100, 645-7TH AVENUE S.W. ADDED 11-03-11  
CALGARY, AB T2P 4G8  
DEBTOR: POSEIDON CONCEPTS LTD.  
SUITE 1100, 645-7TH AVENUE S.W. ADDED 11-03-11  
CALGARY, AB T2P 4G8  
SECURED: NATIONAL BANK OF CANADA, AS AGENT  
1155 METCALFE STREET, 5TH FLOOR ADDED 11-03-11  
MONTREAL, QC H3B 4S9  
F I L I N G H I S T O R Y  
14248186 FILED 11-03-11 AT 1:46 P.M. FINANCING STATEMENT  
31321968 FILED 04-05-13 AT 6:12 P.M. TERMINATION

5 OF 9 FINANCING STATEMENT 20191546  
EXPIRATION DATE: JANUARY 17, 2017



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Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0476827

DATE: 06-03-13

# Delaware

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DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND STREET WEST  
DICKINSON ND 58601  
ADDED 01-17-12

DEBTOR: POSEIDON CONCEPTS CORP.  
SUITE 1100, 645-7TH AVENUE S.W.  
CALGARY, AB T2P 4G8  
ADDED 01-17-12

DEBTOR: POSEIDON CONCEPTS LIMITED PARTNERSHIP  
SUITE 1100, 645-7TH AVENUE S.W.  
CALGARY, AB T2P 4G8  
ADDED 01-17-12

DEBTOR: POSEIDON CONCEPTS LTD.  
SUITE 1100, 645-7TH AVENUE S.W.  
CALGARY, AB T2P4G8  
ADDED 01-17-12

SECURED: NATIONAL BANK OF CANADA  
1155 METCALFE STREET, 5TH FLOOR  
MONTREAL, QC H3B4S9  
ADDED 01-17-12

F I L I N G H I S T O R Y  
20191546 FILED 01-17-12 AT 12:12 P.M. FINANCING STATEMENT

6 OF 9 FINANCING STATEMENT 22541045  
EXPIRATION DATE: JULY 2, 2017

DEBTOR: POSEIDON CONCEPTS INC.  
370-17TH STREET, SUITE 5600  
DENVER CO 80202  
ADDED 07-02-12

SECURED: THE TORONTO-DOMINION BANK, AS ADMINISTRATION AGENT  
77 KING STREET WEST, 18TH FLOOR  
TORONTO, ONTARIO, CA M5K 1A2  
ADDED 07-02-12

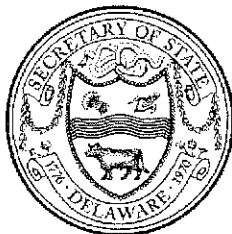
F I L I N G H I S T O R Y  
22541045 FILED 07-02-12 AT 10:16 A.M. FINANCING STATEMENT

7 OF 9 LEASE 30558230  
EXPIRATION DATE: FEBRUARY 12, 2018

DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND ST WEST  
DICKINSON ND 58601  
ADDED 02-12-13


SECURED: WAGNER EQUIPMENT CO.  
18000 SMITH ROAD  
AURORA CO 80011  
ADDED 02-12-13

F I L I N G H I S T O R Y  
30558230 FILED 02-12-13 AT 11:45 A.M. LEASE  
31458166 FILED 04-16-13 AT 3:31 P.M. AMENDMENT



20132087964UCXL

130728175

  
Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0476827

DATE: 06-03-13

# Delaware

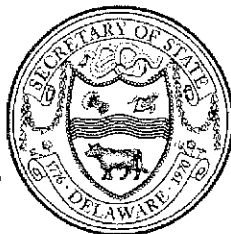
PAGE 4

*The First State*

8 OF 9 LEASE 31041426  
EXPIRATION DATE: MARCH 19, 2018  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND ST WEST  
DICKINSON ND 58601 ADDED 03-19-13  
SECURED: WAGNER EQUIPMENT CO.  
18000 SMITH ROAD  
AURORA CO 80011 ADDED 03-19-13  
F I L I N G H I S T O R Y  
31041426 FILED 03-19-13 AT 11:20 A.M. LEASE


9 OF 9 LEASE 31226878  
EXPIRATION DATE: APRIL 1, 2018  
DEBTOR: POSEIDON CONCEPTS INC.  
10 2ND ST WEST  
DICKINSON ND 58601 ADDED 04-01-13  
SECURED: WAGNER EQUIPMENT CO.  
18000 SMITH ROAD  
AURORA CO 80011 ADDED 04-01-13  
F I L I N G H I S T O R Y  
31226878 FILED 04-01-13 AT 1:11 P.M. LEASE  
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF MAY 17, 2013 AT 11:59 P.M.



20132087964UCXL

130728175

  
Jeffrey W. Bullock, Secretary of State

AUTHENTICATION: 0476827

DATE: 06-03-13

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] <b>Natalie Green 800-344-2382 ext. 228</b>	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  <b>CT Lien Solutions 1232 Q Street Sacramento, CA. 95811</b>	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 05:42 PM 12/22/2010  
INITIAL FILING # 2010 4561548

SRV: 101225620

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>Poseidon Concepts Inc.</b>					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS <b>1100, 645 - 7th Avenue SW</b>			CITY <b>Calgary</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 4G8</b>
1d. SEE INSTRUCTIONS			1e. TYPE OF ORGANIZATION <b>Corporation</b>	1f. JURISDICTION OF ORGANIZATION <b>Delaware</b>	1g. ORGANIZATIONAL ID #, if any <b>4896115</b>
					<input type="checkbox"/> NONE

## 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
					COUNTRY
2d. SEE INSTRUCTIONS			2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
					<input type="checkbox"/> NONE

## 3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>National Bank of Canada, as Agent</b>					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS <b>2700, 530 - 8th Avenue SW</b>			CITY <b>Calgary</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 3S8</b>
					COUNTRY <b>Canada</b>

## 4. This FINANCING STATEMENT covers the following collateral:

All of the Debtor's present and after-acquired personal property.

5. ALTERNATIVE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed [for record] [or recorded] in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	ALL Debtors	Debtor 1	Debtor 2		

## 8. OPTIONAL FILER REFERENCE DATA

National Bank of Canada is acting as agent for a syndicate of lenders

## UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
CSC 2711 Centerville Road Suite 400 Wilmington, DE 19808

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 11:24 AM 05/16/2013  
INITIAL FILING # 2010 4561548  
AMENDMENT # 2013 1874305  
SRV: 130593316

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 20104561548 filed December 22, 2010	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
2. <input checked="" type="checkbox"/> <b>TERMINATION:</b> Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.	
3. <input type="checkbox"/> <b>CONTINUATION:</b> Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.	
4. <input type="checkbox"/> <b>ASSIGNMENT</b> (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.	
5. <b>AMENDMENT (PARTY INFORMATION):</b> This Amendment affects <input type="checkbox"/> Debtor or <input type="checkbox"/> Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7. <input type="checkbox"/> <b>CHANGE</b> name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. <input type="checkbox"/> <b>DELETE</b> name: Give record name to be deleted in item 6a or 6b. <input type="checkbox"/> <b>ADD</b> name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).	
6. <b>CURRENT RECORD INFORMATION:</b>	
6a. ORGANIZATION'S NAME	
OR	6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
7. <b>CHANGED (NEW) OR ADDED INFORMATION:</b>	
7a. ORGANIZATION'S NAME	
OR	7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY	
7d. <u>SEE INSTRUCTIONS</u> Not Applicable	7e. TYPE OF ORGANIZATION ADD'L INFO RE ORGANIZATION DEBTOR
7f. JURISDICTION OF ORGANIZATION	
7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	
8. <b>AMENDMENT (COLLATERAL CHANGE):</b> check only one box. Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.	

9. **NAME OF SECURED PARTY or RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME National Bank of Canada, as Agent	
OR	9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**

File with Delaware Secretary of State; Debtor: Poseidon Concepts Inc.



# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Return acknowledgment to:

Capitol Services, Inc.  
P.O. Box 1831 Austin, TX 78767  
800/345-4647

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 01:54 PM 06/22/2011  
INITIAL FILING # 2011 2395641

SRV: 110750485

1. DEBTOR'S EXACT FULL LEGAL NAME Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

Poseidon Concepts Corp.

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

Suite 1100, 645-7th Avenue S.W.

CITY

Calgary

STATE

AB

POSTAL CODE

T2P 4G8

COUNTRY

CAN

1d. SEE INSTRUCTIONS

98-0688090

ADD'L INFO RE ORGANIZATION

DEBTOR

1e. TYPE OF ORGANIZATION

Corporation

1f. JURISDICTION OF ORGANIZATION

Alberta

1g. ORGANIZATIONAL ID #, if any

☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

Poseidon Concepts Limited Partnership

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

Suite 1100, 645-7th Avenue S.W.

CITY

Calgary

STATE

AB

POSTAL CODE

T2P 4G8

COUNTRY

CAN

2d. SEE INSTRUCTIONS

98-0688089

ADD'L INFO RE ORGANIZATION

DEBTOR

2e. TYPE OF ORGANIZATION

Limited Partnership

2f. JURISDICTION OF ORGANIZATION

Alberta, Canada

2g. ORGANIZATIONAL ID #, if any

☒ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR OR SPT) Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

National Bank of Canada, as Agent

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

1155 Metcalfe Street, 5th Floor

CITY

Montreal

STATE

QC

POSTAL CODE

H3B 4S9

COUNTRY

CAN

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit A.

5. ALTERNATIVE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. THE FINANCING STATEMENT is to be filed (for record) (for recording) in the REAL ESTATE RECORDS. Attach Assignment.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (Additional Fee)	All Debtors	Debtor 1	Debtor 2		
8. OPTIONAL FILER REFERENCE DATA						
73720.00002						

# UCC FINANCING STATEMENT ADDITIONAL PARTY

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

18. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
18a. ORGANIZATION'S NAME		
Poseidon Concepts Corp.		
OR	18b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

20. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

21. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only org name (21a or 21b) - do not abbreviate or combine names				
21a. ORGANIZATION'S NAME				
Poseidon Concepts Inc.				
OR	21b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
21c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
10 2nd Street		West Dickinson	ND	58601
21d. SEE INSTRUCTIONS	21e. TYPE OF ORGANIZATION	21f. JURISDICTION OF ORGANIZATION	21g. ORGANIZATIONAL ID #, if any	
99-0362364	Corporation	Delaware	DE 4896115 <input type="checkbox"/> NONE	

22. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only org name (22a or 22b) - do not abbreviate or combine names				
22a. ORGANIZATION'S NAME				
OR	22b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
22c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
22d. SEE INSTRUCTIONS	22e. TYPE OF ORGANIZATION	22f. JURISDICTION OF ORGANIZATION	22g. ORGANIZATIONAL ID #, if any	
			<input type="checkbox"/> NONE	

23. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only org name (23a or 23b) - do not abbreviate or combine names				
23a. ORGANIZATION'S NAME				
OR	23b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
23c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
23d. SEE INSTRUCTIONS	23e. TYPE OF ORGANIZATION	23f. JURISDICTION OF ORGANIZATION	23g. ORGANIZATIONAL ID #, if any	
			<input type="checkbox"/> NONE	

24. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - Insert only org name (24a or 24b)				
24a. ORGANIZATION'S NAME				
OR	24b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
24c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

25. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - Insert only org name (25a or 25b)				
25a. ORGANIZATION'S NAME				
OR	25b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
25c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

## EXHIBIT A

All of such Debtor's right, title and interest in the following property, whether now owned by such Debtor or hereafter acquired and whether now existing or hereafter coming into existence:

(a) any and all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Instruments, Investment Property, Letter of Credit Rights, Letters of Credit and General Intangibles (each term as defined in the Uniform Commercial Code of the State of New York, hereinafter referred to as the "Uniform Commercial Code") of such Debtor, whether now existing or hereafter existing, including (but not limited to) all account receivables and other moneys due and to become due to such Debtor, all moneys due and to become due to such Debtor under any Contract and Lease Rights (as defined below) or any guarantee (including a letter of credit) and all tax refunds, including, but not limited to, account receivables listed on Schedule 1 attached hereto (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");

(b) any and all Goods, Equipment, Fixtures, Inventory (each term as defined in the Uniform Commercial Code) and other tangible personal property now owned or hereafter acquired by such Debtor;

(c) all contracts, leases and other agreements now or hereafter entered into by such Debtor and all revenue, income, other benefits thereof and rights thereunder, including, without limitation, equipment leases, sales contracts, purchase contracts, management agreements, service contracts, maintenance contracts, personal property leases and any contracts or documents relating to the operations of such Debtor, including, but not limited to, all of such Debtor's rights and interest in, to and under the leases and contracts listed on Schedule 2 attached hereto (collectively, the "Contract and Lease Rights").

(d) all Patents and Patent Licenses to which any Debtor is a party, including, without limitation, those that have been identified on Schedule 3 which is attached hereto, together with: (i) all issuances relating to any applications for letters patent; (ii) all reissues, continuations or extensions of the foregoing; (iii) all goodwill relating to the foregoing and all goodwill of the business connected with the use of, and symbolized by, each Patent and each Patent License; and (iv) all proceeds (as such term is defined in the Uniform Commercial Code) of the foregoing, including, without limitation, any claim by any such Debtor against third parties for past, present or future (A) infringement or dilution of any Patent or Patent licensed under any Patent License and (B) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License. As used herein, "Patents" means (a) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions of such letters patent, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing. As used herein, "Patent Licenses" means all agreements, whether written or oral, providing for the grant by or to any Debtor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

(e) any and all Proceeds and Receivables (each term as defined in the Uniform Commercial Code) including, but not limited to, products, offspring, accessions, rents, profits,

income, benefits, substitutions and replacements of and to any of the property of the Debtors described in the preceding clauses of (a) through (d) above (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by the Debtors in respect of any of the items listed above) and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Debtors or any computer bureau or service company from time to time acting for the Debtors.

**SCHEDULE 1**  
**ACCOUNTS**

Deposit account with the National Bank of Canada, New York Branch located at 65 East 55th Street New York, NY 10022, with account number 802934001 and ABA #026005487

**SCHEDULE 2**  
**CONTRACT AND LEASE RIGHTS**

Lessee	Number of Tanks	Start Date	End Date
Anschultz Exploration Corporation	3	June 1, 2011	June 1, 2012
Chesapeake Operating Inc.	1	March 11, 2011	March 11, 2012
Hess Corporation	8	January 15, 2011	January 15, 2012
Hess Corporation	4	April 14, 2011	May 14, 2012
Kodiak Oil and Gas Corp.	1	March 4, 2011	March 4, 2012
Magna Energy Services	1	March 17, 2011	March 17, 2012
North Plains Energy LLC	1	January 21, 2011	February 21, 2012
Oasis Petroleum Inc.	1	March 15, 2011	March 15, 2012
Samson Resources Company	4	February 28, 2011	February 28, 2012
Petrobakken Energy Ltd.	10	March 1, 2011	April 1, 2012

**SCHEDULE 3**  
**PATENTS**  
**Patent Applications re: Poseidon Concepts**

FILE NO	COUNTRY/REGION	APPLICATION/ PATENT NUMBER (PUBLICATION NO)	TITLE	STATUS/ACTION REQUIRED
PCLP-001MCA	GENERAL	N/A	N/A	NONE
PCLP-002PCA	CANADA	2,692,016	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-003PUS	U.S.A.	12/985,362	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-004PCT	PCT	PCT/CA2010/001985	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-005PEP	EUROPE	N/A	CONTAINER FASTENING ASSEMBLY	PROPOSED
PCLP-006PCN	CHINA	N/A	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-007MCA	N/A	PATENTABILITY STUDY	LINER SYSTEM FOR A HOLDING CONTAINER	NONE
PCLP-008PCA	CANADA	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-009PUS	U.S.A.	13/153,343	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-010MCA	N/A	PATENTABILITY STUDY	CONTAINER COVER	NONE
PCLP-011PCA	CANADA	N/A	CONTAINER COVER	PENDING
PCLP-012PUS	U.S.A.	13/153,323	CONTAINER COVER	PENDING
PCLP-013PCT	PCT	N/A	CONTAINER COVER	PENDING
PCLP-014PCT	PCT	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-015PRU	RUSSIA	N/A	CONTAINER FASTENING ASSEMBLY	PENDING

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
8003166660	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
CAPITOL SERVICES, INC.	
1675 SOUTH STATE STREET, SUITE B	
DOVER DE 19901	

DELAWARE DEPARTMENT OF STATE  
 U.C.C. FILING SECTION  
 FILED 04:35 PM 08/02/2011  
 INITIAL FILING # 2011 2395641  
 AMENDMENT # 2011 2984790  
 SRV: 110882884

1a. INITIAL FINANCING STATEMENT FILE # 2011 2395641		1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>	
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.			
3. <input type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.			
4. <input type="checkbox"/> ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.			
5. AMENDMENT (PARTY INFORMATION): This Amendment affects <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> Secured Party of record. Check only <u>one</u> of these two boxes. Also check <u>one</u> of the following three boxes and provide appropriate information in items 6 and/or 7. <input checked="" type="checkbox"/> CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b. <input type="checkbox"/> ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).			
6. CURRENT RECORD INFORMATION:			
6a. ORGANIZATION'S NAME POSEIDON CONCEPTS INC.			
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7. CHANGED (NEW) OR ADDED INFORMATION:			
7a. ORGANIZATION'S NAME POSEIDON CONCEPTS INC.			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7c. MAILING ADDRESS 10 2ND STREET WEST		CITY DICKINSON	STATE ND POSTAL CODE 58601 COUNTRY US
7e. TYPE OF ORGANIZATION CORPORATION		7f. JURISDICTION OF ORGANIZATION DE	
8. AMENDMENT (COLLATERAL CHANGE): check only <u>one</u> box. Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.			

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT

NATIONAL BANK OF CANADA, AS AGENT

10. OPTIONAL FILER REFERENCE DATA

73720.00002.0000 - DE - STATE



# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 06:07 PM 06/29/2011  
INITIAL FILING # 2011 2512849

SRV: 110778480

A. NAME & PHONE OF CONTACT AT FILER (optional)	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
<p>Return acknowledgment to:</p> <p>★</p> <p>Capitol Services, Inc. P.O. Box 1831 Austin, TX 78767 800/345-4647</p>	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME				
Poseidon Concepts Inc.				
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
10 2nd Street		West Dickinson	ND	58601
				COUNTRY
				USA
2d. REF INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	
99-0362364		Corporation	Delaware	
			1g. ORGANIZATIONAL ID #, if any	
			DE 4896115	
			<input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY
2d. REF INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	
			2g. ORGANIZATIONAL ID #, if any	
			<input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR/S) - insert only <u>one</u> secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME				
Poseidon Concepts Limited Partnership				
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
Suite 1100, 645-7th Avenue S.W.		Calgary	AB	T2P 4G8
				COUNTRY
				CAN

4. This FINANCING STATEMENT covers the following collateral:

Any and all modular fracturing fluid storage containers whether now leased by Debtor from Secured Party or hereafter leased by Debtor from Secured Party.

5. ALTERNATIVE DESIGNATION (if applicable):		LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE)		All Debtors		Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA							
73720,00002,000							



## UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
8003166660	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
CAPITOL SERVICES, INC.	
1675 SOUTH STATE STREET, SUITE B	
DOVER DE 19901	

DELAWARE DEPARTMENT OF STATE  
 U.C.C. FILING SECTION  
 FILED 04:49 PM 08/02/2011  
 INITIAL FILING # 2011 2512849  
 AMENDMENT # 2011 2985235  
 SRV: 110882986

1a. INITIAL FINANCING STATEMENT FILE #		1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.	
2011 2512849		<input type="checkbox"/>	
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.			
3. <input type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.			
4. <input type="checkbox"/> ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.			
5. AMENDMENT (PARTY INFORMATION): This Amendment affects <input checked="" type="checkbox"/> Debtor or <input type="checkbox"/> Secured Party of record. Check only <u>one</u> of these two boxes.			
Also check <u>one</u> of the following three boxes and provide appropriate information in items 6 and/or 7.			
<input checked="" type="checkbox"/> CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.			
<input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b.			
<input type="checkbox"/> ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).			
6. CURRENT RECORD INFORMATION:			
6a. ORGANIZATION'S NAME			
POSEIDON CONCEPTS INC.			
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME
			SUFFIX
7. CHANGED (NEW) OR ADDED INFORMATION:			
7a. ORGANIZATION'S NAME			
POSEIDON CONCEPTS INC.			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME
			SUFFIX
7c. MAILING ADDRESS		CITY	STATE
10 2ND STREET WEST		DICKINSON	ND
		POSTAL CODE	COUNTRY
		58601	US
7e. TYPE OF ORGANIZATION		7f. JURISDICTION OF ORGANIZATION	
CORPORATION		DE	
8. AMENDMENT (COLLATERAL CHANGE): check only <u>one</u> box.			
Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.			

9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT
POSEIDON CONCEPTS LIMITED PARTNERSHIP
10. OPTIONAL FILER REFERENCE DATA
73720.00002.000 - DE - STATE

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 01:46 PM 11/03/2011  
INITIAL FILING # 2011 4248186

SRV: 111163782

A. NAME & PHONE OF CONTACT AT FILER (optional)	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>Poseidon Concepts Corp.</b>					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS <b>Suite 1100, 645-7th Avenue S.W.</b>			CITY <b>Calgary</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 4G8</b>
1d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>Corporation</b>	1f. JURISDICTION OF ORGANIZATION <b>Alberta</b>	1g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME <b>Poseidon Concepts Limited Partnership</b>					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS <b>Suite 1100, 645-7th Avenue S.W.</b>			CITY <b>Calgary</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 4G8</b>
2d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION <b>Limited Partnership</b>	2f. JURISDICTION OF ORGANIZATION <b>Alberta</b>	2g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR/S) insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>National Bank of Canada, as Agent</b>					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS <b>1155 Metcalfe Street, 5th Floor</b>			CITY <b>Montreal</b>	STATE <b>QC</b>	POSTAL CODE <b>H3B 4S9</b>

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit A.

5. ALTERNATIVE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE)	optional	All Debtors	Debtor 1	Debtor 2	
8. OPTIONAL FILER REFERENCE DATA <b>73720.00002.000</b>						

# UCC FINANCING STATEMENT ADDITIONAL PARTY

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

19. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
19a. ORGANIZATION'S NAME		
Poseidon Concepts Corp.		
OR	19b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME SUFFIX

20. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

21. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> name (21a or 21b) - do not abbreviate or combine names				
21a. ORGANIZATION'S NAME				
Poseidon Concepts Inc.				
OR	21b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
21c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
10 2nd Street West		Dickinson	ND	58601
21d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	21e. TYPE OF ORGANIZATION	21f. JURISDICTION OF ORGANIZATION	21g. ORGANIZATIONAL ID #, if any
		Corporation	Delaware	DE 4896115 <input type="checkbox"/> NONE

22. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> name (22a or 22b) - do not abbreviate or combine names				
22a. ORGANIZATION'S NAME				
Poseidon Concepts Ltd.				
OR	22b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
22c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
Suite 1100, 645-7th Avenue S.W.		Calgary	AB	T2P 4G8
22d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	22e. TYPE OF ORGANIZATION	22f. JURISDICTION OF ORGANIZATION	22g. ORGANIZATIONAL ID #, if any
		Corporation	Alberta	<input checked="" type="checkbox"/> NONE

23. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> name (23a or 23b) - do not abbreviate or combine names				
23a. ORGANIZATION'S NAME				
OR	23b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
23c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
23d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	23e. TYPE OF ORGANIZATION	23f. JURISDICTION OF ORGANIZATION	23g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

24. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only <u>one</u> name (24a or 24b)				
24a. ORGANIZATION'S NAME				
OR	24b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
24c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

25. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only <u>one</u> name (25a or 25b)				
25a. ORGANIZATION'S NAME				
OR	25b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
25c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

### EXHIBIT A

All of such Debtor's right, title and interest in the following property, whether now owned by such Debtor or hereafter acquired and whether now existing or hereafter coming into existence:

(a) any and all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Instruments, Investment Property, Letter of Credit Rights, Letters of Credit and General Intangibles (each term as defined in the Uniform Commercial Code of the State of New York, hereinafter referred to as the "Uniform Commercial Code") of such Debtor, whether now existing or hereafter existing, including (but not limited to) all account receivables and other moneys due and to become due to such Debtor, all moneys due and to become due to such Debtor under any Contract and Lease Rights (as defined below) or any guarantee (including a letter of credit) and all tax refunds, including, but not limited to, account receivables listed on Schedule 1 attached hereto (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");

(b) any and all Goods, Equipment, Fixtures, Inventory (each term as defined in the Uniform Commercial Code) and other tangible personal property now owned or hereafter acquired by such Debtor;

(c) all contracts, leases and other agreements now or hereafter entered into by such Debtor and all revenue, income, other benefits thereof and rights thereunder, including, without limitation, equipment leases, sales contracts, purchase contracts, management agreements, service contracts, maintenance contracts, personal property leases and any contracts or documents relating to the operations of such Debtor, including, but not limited to, all of such Debtor's rights and interest in, to and under the leases and contracts listed on Schedule 2 attached hereto (collectively, the "Contract and Lease Rights").

(d) all Patents and Patent Licenses to which any Debtor is a party, including, without limitation, those that have been identified on Schedule 3 which is attached hereto, together with: (i) all issuances relating to any applications for letters patent; (ii) all reissues, continuations or extensions of the foregoing; (iii) all goodwill relating to the foregoing and all goodwill of the business connected with the use of, and symbolized by, each Patent and each Patent License; and (iv) all proceeds (as such term is defined in the Uniform Commercial Code) of the foregoing, including, without limitation, any claim by any such Debtor against third parties for past, present or future (A) infringement or dilution of any Patent or Patent licensed under any Patent License and (B) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License. As used herein, "Patents" means (a) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions of such letters patent, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing. As used herein, "Patent Licenses" means all agreements, whether written or oral, providing for the grant by or to any Debtor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

(e) any and all Proceeds and Receivables (each term as defined in the Uniform Commercial Code) including, but not limited to, products, offspring, accessions, rents, profits,

income, benefits, substitutions and replacements of and to any of the property of the Debtors described in the preceding clauses of (a) through (d) above (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by the Debtors in respect of any of the items listed above) and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Debtors or any computer bureau or service company from time to time acting for the Debtors.

**SCHEDULE 1****ACCOUNTS**

Deposit account with the National Bank of Canada, New York Branch located at 65 East 55th Street New York, NY 10022, with account number 802934001 and ABA #026005487

**SCHEDULE 2****CONTRACT AND LEASE RIGHTS**

<b>Lessee</b>	<b>Number of Tanks</b>	<b>Start Date</b>	<b>End Date</b>
Anschultz Exploration Corporation	3	June 1, 2011	June 1, 2012
Chesapeake Operating Inc.	1	March 11, 2011	March 11, 2012
Hess Corporation	8	January 15, 2011	January 15, 2012
Hess Corporation	4	April 14, 2011	May 14, 2012
Kodiak Oil and Gas Corp.	1	March 4, 2011	March 4, 2012
Magna Energy Services	1	March 17, 2011	March 17, 2012
North Plains Energy LLC	1	January 21, 2011	February 21, 2012
Oasis Petroleum Inc.	1	March 15, 2011	March 15, 2012
Samson Resources Company	4	February 28, 2011	February 28, 2012
Petrobakken Energy Ltd.	10	March 1, 2011	April 1, 2012

**SCHEDULE 3**  
**PATENTS**  
**Patent Applications re: Poseidon Concepts**

FILE NO.	COUNTRY/REGION	APPLICATION/ PATENT NUMBER (PUBLICATION NO.)	TITLE	STATUS/ACTION REQUIRED
PCLP-001MCA	GENERAL	N/A	N/A	NONE
PCLP-002PCA	CANADA	2,692,016	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-003PUS	U.S.A.	12/985,362	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-004PCT	PCT	PCT/CA2010/001985	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-005PEP	EUROPE	N/A	CONTAINER FASTENING ASSEMBLY	PROPOSED
PCLP-006PCN	CHINA	N/A	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-007MCA	N/A	PATENTABILITY STUDY	LINER SYSTEM FOR A HOLDING CONTAINER	NONE
PCLP-008PCA	CANADA	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-009PUS	U.S.A.	13/153,343	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-010MCA	N/A	PATENTABILITY STUDY	CONTAINER COVER	NONE
PCLP-011PCA	CANADA	N/A	CONTAINER COVER	PENDING
PCLP-012PUS	U.S.A.	13/153,323	CONTAINER COVER	PENDING
PCLP-013PCT	PCT	N/A	CONTAINER COVER	PENDING
PCLP-014PCT	PCT	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-015PRU	RUSSIA	N/A	CONTAINER FASTENING ASSEMBLY	PENDING

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
<input type="checkbox"/>	CSC 2711 Centerville Road Suite 400 Wilmington, DE 19808
<input type="checkbox"/>	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 06:12 PM 04/05/2013  
INITIAL FILING # 2011 4248186  
AMENDMENT # 2013 1321968  
SRV: 130406649

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # <b>20114248186 filed November 3, 2011</b>		1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the <input type="checkbox"/> REAL ESTATE RECORDS.	
2. <input checked="" type="checkbox"/> <b>TERMINATION:</b> Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.			
3. <input type="checkbox"/> <b>CONTINUATION:</b> Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.			
4. <input type="checkbox"/> <b>ASSIGNMENT</b> (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.			
5. <b>AMENDMENT (PARTY INFORMATION):</b> This Amendment affects <input type="checkbox"/> Debtor or <input type="checkbox"/> Secured Party of record. Check only <u>one</u> of these two boxes. Also check <u>one</u> of the following three boxes and provide appropriate information in items 6 and/or 7. <input type="checkbox"/> <b>CHANGE</b> name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. <input type="checkbox"/> <b>DELETE</b> name: Give record name to be deleted in item 8a or 8b. <input type="checkbox"/> <b>ADD</b> name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).			
6. <b>CURRENT RECORD INFORMATION:</b>			
6a. ORGANIZATION'S NAME			
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7. <b>CHANGED (NEW) OR ADDED INFORMATION:</b>			
7a. ORGANIZATION'S NAME			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
7d. <b>SEE INSTRUCTIONS</b> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
		7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	
8. <b>AMENDMENT (COLLATERAL CHANGE):</b> check only <u>one</u> box. Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.			

9. <b>NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT</b> (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here <input type="checkbox"/> and enter name of DEBTOR authorizing this Amendment.			
9a. ORGANIZATION'S NAME <b>National Bank of Canada, as Agent</b>			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File with Delaware Secretary of State. Debtors: Poseidon Concepts Corp., Poseidon Concepts Limited Partnership et. al



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 12:12 PM 01/17/2012  
INITIAL FILING # 2012 0191546

SRV: 120052178

A. NAME & PHONE OF CONTACT AT FILER [optional]	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME** Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>POSEIDON CONCEPTS CORP.</b>					
OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>SUITE 1100, 645-7TH AVENUE S.W.</b>		CITY <b>CALGARY</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 4G8</b>	COUNTRY <b>CAN</b>
1d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION <b>CORPORATION</b>	1f. JURISDICTION OF ORGANIZATION <b>ALBERTA</b>	1g. ORGANIZATIONAL ID # if any <input checked="" type="checkbox"/> NONE	

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME** - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME <b>POSEIDON CONCEPTS LIMITED PARTNERSHIP</b>					
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS <b>SUITE 1100, 645-7TH AVENUE S.W.</b>		CITY <b>CALGARY</b>	STATE <b>AB</b>	POSTAL CODE <b>T2P 4G8</b>	COUNTRY <b>CAN</b>
2d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION <b>limited partnership</b>	2f. JURISDICTION OF ORGANIZATION <b>ALBERTA</b>	2g. ORGANIZATIONAL ID # if any <input checked="" type="checkbox"/> NONE	

**3. SECURED PARTY'S NAME** (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>NATIONAL BANK OF CANADA</b>					
OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>1155 METCALFE STREET, 5TH FLOOR</b>		CITY <b>MONTREAL</b>	STATE <b>QC</b>	POSTAL CODE <b>H3B 4S9</b>	COUNTRY <b>CAN</b>

**4. This FINANCING STATEMENT covers the following collateral:**

SEE EXHIBIT A.

5. ALTERNATIVE DESIGNATION (if applicable)	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOC	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-JCC FILING
6. This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)		<input type="checkbox"/> All Debtors		<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2

B. OPTIONAL FILER REFERENCE DATA

**UCC FINANCING STATEMENT ADDITIONAL PARTY**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

**19. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT**

19a. ORGANIZATION'S NAME		
POSEIDON CONCEPTS CORP.		
OR	19b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

**20. MISCELLANEOUS:**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**21. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (21a or 21b) - do not abbreviate or combine names**

21a. ORGANIZATION'S NAME				
POSEIDON CONCEPTS LTD.				
OR	21b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
21c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
SUITE 1100, 645-7TH AVENUE S.W.		CALGARY	AB	T2P 4G8
21d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	21e. TYPE OF ORGANIZATION	21f. JURISDICTION OF ORGANIZATION	21g. ORGANIZATIONAL ID #, if any
		CORPORATION	ALBERTA	<input checked="" type="checkbox"/> NONE

**22. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (22a or 22b) - do not abbreviate or combine names**

22a. ORGANIZATION'S NAME				
POSEIDON CONCEPTS INC.				
OR	22b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
22c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
10 2ND STREET WEST		DICKINSON	ND	58601
22d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	22e. TYPE OF ORGANIZATION	22f. JURISDICTION OF ORGANIZATION	22g. ORGANIZATIONAL ID #, if any
		CORPORATION	DELAWARE	DE 4896115 <input type="checkbox"/> NONE

**23. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (23a or 23b) - do not abbreviate or combine names**

23a. ORGANIZATION'S NAME				
OR	23b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
23c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
23d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	23e. TYPE OF ORGANIZATION	23f. JURISDICTION OF ORGANIZATION	23g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

**24. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only one name (24a or 24b)**

24a. ORGANIZATION'S NAME				
OR	24b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
24c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

**25. ADDITIONAL SECURED PARTY'S NAME (or Name of TOTAL ASSIGNEE) - insert only one name (25a or 25b)**

25a. ORGANIZATION'S NAME				
OR	25b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
25c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

## EXHIBIT A

All of such Debtor's right, title and interest in the following property, whether now owned by such Debtor or hereafter acquired and whether now existing or hereafter coming into existence:

(a) any and all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Instruments, Investment Property, Letter of Credit Rights, Letters of Credit and General Intangibles (each term as defined in the Uniform Commercial Code of the State of New York, hereinafter referred to as the "Uniform Commercial Code") of such Debtor, whether now existing or hereafter existing, including (but not limited to) all account receivables and other moneys due and to become due to such Debtor, all moneys due and to become due to such Debtor under any Contract and Lease Rights (as defined below) or any guarantee (including a letter of credit) and all tax refunds, including, but not limited to, account receivables listed on Schedule 1 attached hereto (such accounts, general intangibles and moneys due and to become due being herein called collectively "Accounts");

(b) any and all Goods, Equipment, Fixtures, Inventory (each term as defined in the Uniform Commercial Code) and other tangible personal property now owned or hereafter acquired by such Debtor;

(c) all contracts, leases and other agreements now or hereafter entered into by such Debtor and all revenue, income, other benefits thereof and rights thereunder, including, without limitation, equipment leases, sales contracts, purchase contracts, management agreements, service contracts, maintenance contracts, personal property leases and any contracts or documents relating to the operations of such Debtor, including, but not limited to, all of such Debtor's rights and interest in, to and under the leases and contracts listed on Schedule 2 attached hereto (collectively, the "Contract and Lease Rights").

(d) all Patents and Patent Licenses to which any Debtor is a party, including, without limitation, those that have been identified on Schedule 3 which is attached hereto, together with: (i) all issuances relating to any applications for letters patent; (ii) all reissues, continuations or extensions of the foregoing; (iii) all goodwill relating to the foregoing and all goodwill of the business connected with the use of, and symbolized by, each Patent and each Patent License; and (iv) all proceeds (as such term is defined in the Uniform Commercial Code) of the foregoing, including, without limitation, any claim by any such Debtor against third parties for past, present or future (A) infringement or dilution of any Patent or Patent licensed under any Patent License and (B) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License. As used herein, "Patents" means (a) all letters patent of the United States, any other country or any political subdivision thereof, and all reissues and extensions of such letters patent, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (c) all rights to obtain any reissues or extensions of the foregoing. As used herein, "Patent Licenses" means all agreements, whether written or oral, providing for the grant by or to any Debtor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

(e) any and all Proceeds and Receivables (each term as defined in the Uniform Commercial Code) including, but not limited to, products, offspring, accessions, rents, profits,

income, benefits, substitutions and replacements of and to any of the property of the Debtors described in the preceding clauses of (a) through (d) above (including, without limitation, any proceeds of insurance thereon and all causes of action, claims and warranties now or hereafter held by the Debtors in respect of any of the items listed above) and, to the extent related to any property described in said clauses or such proceeds, products and accessions, all books, correspondence, credit files, records, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of the Debtors or any computer bureau or service company from time to time acting for the Debtors.

**SCHEDULE 1****ACCOUNTS**

Deposit account with the National Bank of Canada, New York Branch located at 65 East 55th Street, New York, NY 10022, with account number 802934001 and ABA #026005487

**SCHEDULE 2****CONTRACT AND LEASE RIGHT**

Lessee	Number of Tanks	Start Date	End Date
Anchutz	10	June 1, 2011	June 1, 2012
Bonanza Creek	4	May 1, 2011	May 1, 2012
Charizo	2	August 1, 2011	August 1, 2012
Chesapeake	12	May 1, 2011	May 1, 2012
Continental	2	November 1, 2011	November 1, 2012
Enerplus	6	September 1, 2011	September 1, 2012
G3	3	March 1, 2011	March 1, 2012
Great Western O&G	2	October 1, 2011	October 1, 2012
Green Hunter	2	August 1, 2011	August 1, 2012
Hess (Atlantis)	5	May 1, 2011	May 1, 2012
Hess (Poseidons)	8	January 1, 2011	January 1, 2012
Hess (Tx. Treatment Project)	4	November 1, 2011	November 1, 2012
Kodiak	6	June 1, 2011	June 1, 2012
Nadal Gusmann	4	July 1, 2011	July 1, 2012
Newfield	4	November 1, 2011	November 1, 2012
North Plains	2	April 1, 2011	April 1, 2012
Oasis	8	May 1, 2011	May 1, 2012
Oxy	8	June 1, 2011	June 1, 2012
Oxy	3	September 1, 2011	September 1, 2012
Petrohunt	2	August 1, 2011	August 1, 2012
Prima/Cornerstone	2	March 1, 2011	March 1, 2012
QEP	5	April 1, 2011	April 1, 2012
Rosetta	4	August 1, 2011	August 1, 2012
Samson	6	May 1, 2011	May 1, 2012
Synergy Res.	2	October 1, 2011	October 1, 2012
Whiting	5	November 1, 2011	November 1, 2012
Williams	3	May 1, 2011	May 1, 2012
Williams	7	November 1, 2011	November 1, 2012
Devon	16	January 1, 2012	January 1, 2015
Cimarex	5	January 1, 2012	January 1, 2013

**SCHEDULE 3**  
**PATENTS**  
**Patent Applications re: Poscidon Concepts**

FILE NO.	COUNTRY/REGION	APPLICATION/ PATENT NUMBER (PUBLICATION NO.)	TITLE	STATUS/ACTION REQUIRED
PCLP-001MCA	GENERAL	N/A	N/A	NONE
PCLP-002PCA	CANADA	2,692,016	CONTAINER FASTENING ASSEMBLY	GRANTED
PCLP-003PUS	U.S.A.	12/985,362	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-004PCT	PCT	PCT/CA2010/001985	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-005PEP	EUROPE	PCT/CA2010/001985	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-006PCN	CHINA	201080008162.X	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-007MCA	N/A	PATENTABILITY STUDY	LINER SYSTEM FOR A HOLDING CONTAINER	NONE
PCLP-008PCA	CANADA	2,742,180	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-009PUS	U.S.A.	13/153,343	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-010MCA	N/A	PATENTABILITY STUDY	CONTAINER COVER	NONE
PCLP-011PCA	CANADA	2,742,185	CONTAINER COVER	PENDING
PCLP-012PUS	U.S.A.	13/153,323	CONTAINER COVER	PENDING
PCLP-013PCT	PCT	PCT/CA2011/000638	CONTAINER COVER	PENDING
PCLP-014PCT	PCT	PCT/CA2011/000639	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-015PRU	RUSSIA	2011134684	CONTAINER FASTENING ASSEMBLY	PENDING
PCLP-016PCN	CHINA	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-017PEP	EUROPE	N/A	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING
PCLP-018PRU	RUSSIA	2011133957	LINER SYSTEM FOR A HOLDING CONTAINER	PENDING

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Michael Karpen, Esq. (212) 704-6149	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  Michael Karpen Troutman Sanders LLP The Chrysler Building 405 Lexington Avenue New York, NY 10174	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 10:16 AM 07/02/2012  
INITIAL FILING # 2012 2541045

SRV: 120796917

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Poseidon Concepts Inc.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 370-17th Street, Suite 5600			CITY Denver	STATE CO	POSTAL CODE 80202
1d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corp	1f. JURISDICTION OF ORGANIZATION DE	1g. ORGANIZATIONAL ID #, if any 4896115
					<input type="checkbox"/> NONE

## 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE
2d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
					<input type="checkbox"/> NONE

## 3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME The Toronto-Dominion Bank, as Administration Agent					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 77 King Street West, 18th Floor			CITY Toronto, Ontario	STATE	POSTAL CODE M5K 1A2
					COUNTRY CA

## 4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

5. ALTERNATIVE DESIGNATION (if applicable)	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAIOLR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	<input type="checkbox"/> ALL Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2		

## 8. OPTIONAL FILER REFERENCE DATA

To be filed in Delaware.



# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
3037393031	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
WAGNER EQUIPMENT CO 18000 SMITH RD  AURORA CO 80011	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 11:45 AM 02/12/2013  
INITIAL FILING # 2013 0558230  
  
SRV: 130160143

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME POSEIDON CONCEPTS INC.				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 10 2ND ST WEST		CITY DICKINSON	STATE ND	POSTAL CODE 58601
		1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION DE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only <u>one</u> secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME WAGNER EQUIPMENT CO.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 18000 SMITH ROAD		CITY AURORA	STATE CO	POSTAL CODE 80011
				COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

CATERPILLAR, 320DL THE AND SERIAL NUMBER 0PHX01698 AND ADDITIONS, REPLACEMENTS, ATTACHMENTS, SUBSTITUTIONS AND ACCESSIONS THERETO NOW OWNED OR HEREAFTER ACQUIRED AND PROCEEDS THEREOF. THIS IS AN INFORMATION FILING ONLY. THE FOREGOING ITEM IS OWNED BY WAGNER EQUIPMENT CO. AND RENTED TO: POSEIDON CONCEPTS INC.

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] (optional)	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA				



**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
3037393031	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
<div style="border: 1px solid black; padding: 5px;"> WAGNER EQUIPMENT CO   18000 SMITH RD    AURORA CO 80011 </div>	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 03:31 PM 04/16/2013  
INITIAL FILING # 2013 0558230  
AMENDMENT # 2013 1458166  
SRV: 130443387

1a. INITIAL FINANCING STATEMENT FILE # 2013 0558230		1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>	
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.			
3. <input type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.			
4. <input type="checkbox"/> ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.			
5. AMENDMENT (PARTY INFORMATION): This Amendment affects <input type="checkbox"/> Debtor <u>or</u> <input type="checkbox"/> Secured Party of record. Check only <u>one</u> of these two boxes. Also check <u>one</u> of the following three boxes <u>and</u> provide appropriate information in items 6 and/or 7. <input type="checkbox"/> CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b. <input type="checkbox"/> ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).			
6. CURRENT RECORD INFORMATION:			
6a. ORGANIZATION'S NAME			
OR	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7. CHANGED (NEW) OR ADDED INFORMATION:			
7a. ORGANIZATION'S NAME			
OR	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
7c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
7e. TYPE OF ORGANIZATION		7f. JURISDICTION OF ORGANIZATION	
8. AMENDMENT (COLLATERAL CHANGE): check only <u>one</u> box. Describe collateral <input type="checkbox"/> deleted or <input checked="" type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned. CATERPILLAR 299D SERIAL # 0HCL00462, GENIE LIFT S45RT SERIAL # S451317586, GENIE LIFT S45RT SERIAL # S451317586, AND GENIE LIFT S45RT SERIAL # S451317592 AND ADDITIONS, REPLACEMENTS, ATTACHMENTS, SUBSTITUTIONS AND ACCESSIONS THERETO NOW OWNED OR HEREAFTER ACQUIRED AND PROCEEDS THEREOF. THIS IS AN INFORMATION FILING ONLY. THE FOREGOING ITEM IS OWNED BY WAGNER EQUIPMENT CO. AND RENTED TO: POSEIDON CONCEPTS INC			
9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT WAGNER EQUIPMENT CO.			
10. OPTIONAL FILER REFERENCE DATA			

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
3037393031	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
WAGNER EQUIPMENT CO 18000 SMITH RD  AURORA CO 80011	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 11:20 AM 03/19/2013  
INITIAL FILING # 2013 1041426  
  
SRV: 130329815

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (1a or 1b) - do not abbreviate or combine names					
1a. ORGANIZATION'S NAME POSEIDON CONCEPTS INC.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 10 2ND ST WEST		CITY DICKINSON	STATE ND	POSTAL CODE 58601	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION		1f. JURISDICTION OF ORGANIZATION DE			
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only <u>one</u> debtor name (2a or 2b) - do not abbreviate or combine names					
2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION			
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only <u>one</u> secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME WAGNER EQUIPMENT CO.					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 18000 SMITH ROAD		CITY AURORA	STATE CO	POSTAL CODE 80011	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

CATERPILLAR, TL1255C AND SERIAL NUMBER 0DHW00469 AND ADDITIONS, REPLACEMENTS, ATTACHMENTS, SUBSTITUTIONS AND ACCESSIONS THERETO NOW OWNED OR HEREAFTER ACQUIRED AND PROCEEDS THEREOF. THIS IS AN INFORMATION FILING ONLY. THE FOREGOING ITEM IS OWNED BY WAGNER EQUIPMENT CO. AND RENTED TO: POSEIDON CONCEPTS INC.

6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA				

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
3037393031	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
WAGNER EQUIPMENT CO 18000 SMITH RD  AURORA CO 80011	

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 01:11 PM 04/01/2013  
INITIAL FILING # 2013 1226878  
  
SRV: 130380766

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names					
1a. ORGANIZATION'S NAME POSEIDON CONCEPTS INC.					
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 10 2ND ST WEST		CITY DICKINSON	STATE ND	POSTAL CODE 58601	COUNTRY US
1e. TYPE OF ORGANIZATION CORPORATION		1f. JURISDICTION OF ORGANIZATION DE			

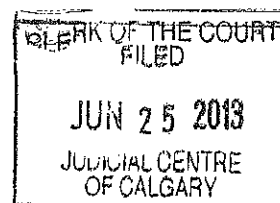
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names					
2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION			

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME WAGNER EQUIPMENT CO.					
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 18000 SMITH ROAD		CITY AURORA	STATE CO	POSTAL CODE 80011	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

CATERPILLAR, 320EL RR AND SERIAL NUMBER 0TFX00178 AND ADDITIONS, REPLACEMENTS, ATTACHMENTS, SUBSTITUTIONS AND ACCESSIONS THERETO NOW OWNED OR HEREAFTER ACQUIRED AND PROCEEDS THEREOF. THIS IS AN INFORMATION FILING ONLY. THE FOREGOING ITEM IS OWNED BY WAGNER EQUIPMENT CO. AND RENTED TO: POSEIDON CONCEPTS INC.

6. This FINANCING STATEMENT is to be filed [for record] [or recorded] in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]	All Debtors	Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA				



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: **July 3, 2013**

Time: 11:00 a.m.

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

Before Whom: Madame Justice C. A. Kent on the Commercial List

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

- 2 -

**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").

- 3 -

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.

- 4 -

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.

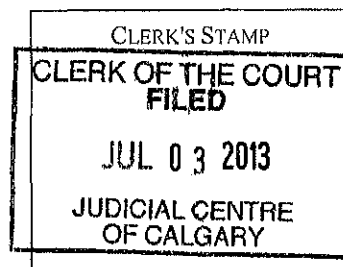
**How the application is proposed to be heard or considered:**

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.



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

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
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  
Facsimile No.: (403) 265-7219  
Client File No.: 11866.66

I hereby certify this to be a true copy of  
the original.  
Dated this 30<sup>th</sup> day of July 2013  
for Clerk of the Court

DATE ON WHICH ORDER WAS  
PRONOUNCED: July 3, 2013

LOCATION WHERE ORDER WAS  
PRONOUNCED: Calgary

NAME OF JUSTICE  
WHO MADE THIS ORDER: Madame Justice C.A. Kent

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



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Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (the "Applicants" or "Poseidon") and upon hearing counsel for Rockwater Energy Solutions, Inc., MWS Tanks, LLC and Rockwater Energy Solutions Canada, Inc.; AND UPON having read the Application of the Monitor dated June 25, 2013, the 8th 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 \$27,403,000, provided that the Monitor withholds the amounts set out in paragraph 7.2 of its Eighth Report to satisfy the potential claims listed in such paragraph 7.2 (the "Priority Claims"), which amounts may be reduced as such claims are paid.
5. The Monitor has made appropriate provision for the 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.

*"C. A. KENT"*

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