

Clerk's stamp:

Court File Number 1301-04364

Court COURT OF QUEEN'S BENCH OF ALBERTA

Judicial Centre CALGARY

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

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

Document FIFTEENTH REPORT TO THE COURT SUBMITTED BY  
PRICEWATERHOUSECOOPERS INC. IN ITS  
CAPACITY AS MONITOR  
DATED September 12, 2013

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Information of Party Filing this  
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Attention: Kenneth T. Lenz



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

**September 12, 2013**

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

**September 12, 2013**

**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 "Canadian 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 Subsequently, a recognition order was granted by the U.S. Bankruptcy Court (the "U.S. Court") under Chapter 15 of the U.S. Bankruptcy Code recognizing Canada as the foreign main proceeding.
- 1.3 Pursuant to the Initial Order, among other things, all creditors were stayed from commencing or continuing any proceedings against Poseidon until May 9, 2013.
- 1.4 Subsequent orders were granted by the Court extending the stay of proceedings to September 12, 2013.
- 1.5 The Monitor has filed twelve reports to date and issued two unfiled confidential reports (the Sixth and Eleventh Reports). 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 will make regular updates to the website to ensure creditors and interested parties are kept current and to add prescribed materials as required.
- 1.6 This is the Monitor's Fifteenth Report to the Court. The purpose of this report is to advise the Court on the finalization of an agreement between Rockwater Energy Solutions Inc. ("Rockwater") and Poseidon on the purchase price adjustment.
- 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.

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

**September 12, 2013**

**2. AGREEMENT ON THE POST-CLOSING PURCHASE PRICE  
ADJUSTMENT**

- 2.1 As noted in Section 4 of the Monitor's Thirteenth Report, the Monitor advised the Court that it understood that Rockwater and Poseidon had resolved their dispute on the purchase price adjustment, in principle, subject to certain outstanding matters being resolved.
- 2.2 The Monitor further advised that if these outstanding matters were satisfactorily resolved, the Adjusted Purchase Price would decrease by \$2,060,189 to \$45,109,096.
- 2.3 The Monitor confirms that the parties have now come to a final resolution which will see a number of minor conditions added and a decrease in the purchase price of \$2,000,000 (revised from \$2,060,189), resulting in a finalized Adjusted Purchase Price of \$45,169,285.
- 2.4 Attached as Appendix A is a copy of the agreement entered into between the parties.

This report is respectfully submitted this 12<sup>th</sup> day of September, 2013.

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



Sean E. Fleming, CIRP  
Vice President

## **APPENDIX A**

### **Purchase Price Adjustment Agreement**



September 11, 2013

MWS Tanks, LLC

Via E-mail: kblodgett@rockwaterenergy.com

Via E-mail: lwalters@rockwaterenergy.com

CC: Borden Ladner Gervais LLP  
Via E-mail: jkruger@blg.com and pmccarthy@blg.com  
Stikeman Elliott LLP  
Via E-mail: cjohnston@stikeman.com  
Vinson & Elkins LLP  
Via E-mail: mstroock@velaw.com

**Re: Final Statement of Adjustments**

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the APA.

Pursuant to Section 4.2(b) of the Asset Purchase Agreement dated May 24, 2013 (the "**APA**") between Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (collectively, the "**Vendor**"), and Rockwater Energy Solutions, Inc., MWS Tanks, LLC and Rockwater Energy Solutions Canada, Inc. (collectively, the "**Purchaser**"), the Vendor and the Purchaser have negotiated in good faith to resolve objections to the Draft Statement of Adjustments provided by the Purchaser. The Vendor and the Purchaser agree that, subject to the terms and conditions below, the total adjustment amount payable by the Vendor to the Purchaser in respect of all adjustments pursuant to the APA is C\$2,000,000.00 (the "**Final Adjustment Amount**").

In addition to the Final Adjustment Amount, as of the week ended August 23, 2013, the Vendor has received payments on Accounts Receivable from Canadian and US customers totalling C\$214,695.30 and US\$1,233,067.59, respectively, which amounts are for the account of the Purchaser pursuant to the APA. These amounts (and any additional Accounts Receivable amounts received) will be paid by the Vendor to the Purchaser along with the total adjustment amount set out above as soon as practicable, and Vendor will use its best efforts to obtain the Court approval and to pay Purchaser the amounts set forth in this letter agreement no later than September 16, 2013.

The Purchaser also agrees that, as part of the negotiation in resolving the Final Adjustment Amount, it shall:

1. take delivery of tank numbers T001A, P008 and P015; and
2. execute a mutual release among the Parties and their respective directors, officers and advisors in respect of all matters arising in connection with adjustments under the APA; the form of which is attached hereto as Schedule "A".

The Vendor also agrees that, as part of the negotiation in resolving the Final Adjustment Amount, it shall do all such further acts and other things that the Purchaser may reasonably request from the Vendor within the 90 days following the date Purchaser receives the Final RCK comments - PSN Settlement\_of\_Adjustments 2013 09 11

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Adjustment Amount in support of Purchaser's pursuits to collect (i) unbilled Accounts Receivable, and (ii) teardown costs from former customers of the Vendor.

The Parties acknowledge and agree that this letter agreement is subject to the approval of the Court and, upon receiving such approval, this Final Statement of Adjustments is final and binding on the Parties and that, pursuant to section 4.2(b) of the APA, no Party shall be obligated to make any further adjustments pursuant to the APA.

Please indicate your agreement with the Final Statement of Adjustments as set out above by signing this letter agreement in the space provided below and returning an executed copy of this letter to the other Party.

**The Vendor Parties:**

**POSEIDON CONCEPTS CORP.**

  
Name: Leigh Cassidy  
Title: Consultant

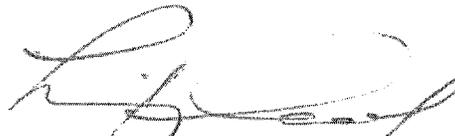
**POSEIDON CONCEPTS LTD.**

  
Name: Leigh Cassidy  
Title: Consultant

**POSEIDON CONCEPTS LIMITED PARTNERSHIP, by its general partner, POSEIDON CONCEPTS LTD.**

  
Name: Leigh Cassidy  
Title: Consultant

**POSEIDON CONCEPTS INC.**

  
Name: Leigh Cassidy  
Title: Consultant

**The Purchaser Parties:**

**ROCKWATER ENERGY SOLUTIONS, INC.**

**MWS TANKS, LLC**

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:



**ROCKWATER ENERGY SOLUTIONS  
CANADA, INC.**

---

Name:  
Title:

A handwritten signature in cursive script, appearing to be the letter "A", is located in the bottom right corner of the page.

**MUTUAL RELEASE**

IN CONSIDERATION of the mutual covenants set out in the Letter Agreement Re: Final Statement of Adjustments ("**Letter Agreement**") dated September 11, 2013, between Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (collectively, the "**Vendor**") and Rockwater Energy Solutions, Inc., MWS Tanks, LLC and Rockwater Energy Solutions Canada, Inc. (collectively, the "**Purchaser**", and together with the Vendor, the "**Parties**", and each, a "**Party**"), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties do hereby mutually remise, release and forever discharge each other and each other's successors, assigns, shareholders, subsidiaries, affiliates, directors, officers, employees, agents, advisors, contractors and insurers, of and from any and all manners of action, causes of action, suits, debts, sums of money, dues, expenses, general damages, special damages, consequential damages, costs, interest, matters, claims and demands of any and every kind or nature whatsoever, at law or in equity, or under any statute, which the Parties had, now have, or can hereafter have against each other by reasons of or existing out of any causes whatsoever existing up to and inclusive of the date of this Mutual Release or which are not now known or anticipated but which may arise in the future, arising out of, in connection with, or relating to, the adjustments under Article 4 of the Asset Purchase Agreement dated May 24, 2013 between the Vendor and the Purchaser.

The Parties do for themselves, and their respective successors and assigns, agree that each Party will not take or make any further claims or proceedings of any nature or kind whatsoever in any jurisdiction whatsoever for or in respect of any matter that is the subject of this Mutual Release against any party whatsoever who may have a claim for indemnity or contribution against the other Party, or any of their subsidiaries, affiliates, shareholders, partners, limited partners, predecessors, or successors and assigns, or any of their officers, directors, servants, employees, or agents, advisors, contractors and insurers, in relation to any matter that is the subject of this Mutual Release.

Notwithstanding anything in this Mutual Release to the contrary, the Parties understand and agree that neither Party is waiving any rights it might have to pursue legal action or other remedies it might deem appropriate to enforce the provisions of the Letter Agreement.

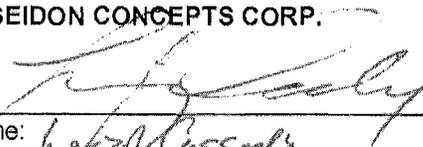
The Parties understand and agree that the exchange of consideration pursuant to this Mutual Release is for the purpose of resolving disputed liabilities. The exchange of consideration is not an admission of liability by any Party.

The Parties acknowledge having read this Mutual Release, and having had an opportunity to seek independent legal advice.

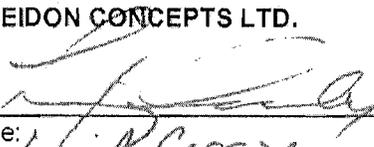
The Parties to this Mutual Release acknowledge and agree that this Mutual Release may be executed and is valid in separate counterparts and electronically or via facsimile.

EXECUTED IN WITNESS WHEREOF THIS 12<sup>th</sup> DAY OF SEPTEMBER, 2013, BY THE VENDOR.

POSEIDON CONCEPTS CORP.

  
Name: Heidi Cassidy  
Title: Consultant

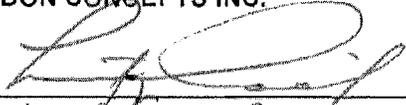
POSEIDON CONCEPTS LTD.

  
Name: Heidi Cassidy  
Title: Consultant

POSEIDON CONCEPTS LIMITED  
PARTNERSHIP, by its general partner,  
POSEIDON CONCEPTS LTD.

  
Name: *Edw. Cassidy*  
Title: *Consultant*

POSEIDON CONCEPTS INC.

  
Name: *Edw. Cassidy*  
Title: *Consultant*

EXECUTED IN WITNESS WHEREOF THIS \_\_\_\_ DAY OF SEPTEMBER, 2013, BY THE PURCHASER.

ROCKWATER ENERGY SOLUTIONS, INC.

MWS TANKS, LLC

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

ROCKWATER ENERGY SOLUTIONS CANADA,  
INC.

\_\_\_\_\_  
Name:  
Title:





September 11, 2013

MWS Tanks, LLC

Via E-mail: [kblodgett@rockwaterenergy.com](mailto:kblodgett@rockwaterenergy.com)

Via E-mail: [lwalters@rockwaterenergy.com](mailto:lwalters@rockwaterenergy.com)

CC: Borden Ladner Gervais LLP

Via E-mail: [jkruger@blg.com](mailto:jkruger@blg.com) and [pmccarthy@blg.com](mailto:pmccarthy@blg.com)

Stikeman Elliott LLP

Via E-mail: [cjohnston@stikeman.com](mailto:cjohnston@stikeman.com)

Vinson & Elkins LLP

Via E-mail: [mstroock@velaw.com](mailto:mstroock@velaw.com)

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Adjustment Amount in support of Purchaser's pursuits to collect (i) unbilled Accounts Receivable, and (ii) teardown costs from former customers of the Vendor.

The Parties acknowledge and agree that this letter agreement is subject to the approval of the Court and, upon receiving such approval, this Final Statement of Adjustments is final and binding on the Parties and that, pursuant to section 4.2(b) of the APA, no Party shall be obligated to make any further adjustments pursuant to the APA.

Please indicate your agreement with the Final Statement of Adjustments as set out above by signing this letter agreement in the space provided below and returning an executed copy of this letter to the other Party.

**The Vendor Parties:**

**POSEIDON CONCEPTS CORP.**

**POSEIDON CONCEPTS LTD.**

Name:  
Title:

Name:  
Title:

**POSEIDON CONCEPTS LIMITED PARTNERSHIP, by its general partner, POSEIDON CONCEPTS LTD.**

**POSEIDON CONCEPTS INC.**

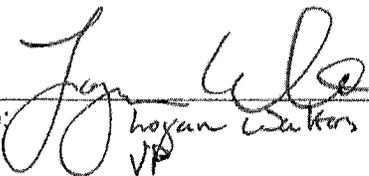
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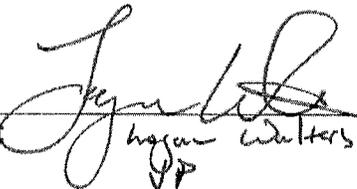
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Title:

**The Purchaser Parties:**

**ROCKWATER ENERGY SOLUTIONS, INC.**

**MWS TANKS, LLC**

Name:   
Title: *Bryan Walters*  
*VP*

Name:   
Title: *Bryan Walters*  
*VP*



ROCKWATER ENERGY SOLUTIONS  
CANADA, INC.

---

Name: *Kevin Blodgett*  
Title: *Secretary*

**MUTUAL RELEASE**

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The Parties do for themselves, and their respective successors and assigns, agree that each Party will not take or make any further claims or proceedings of any nature or kind whatsoever in any jurisdiction whatsoever for or in respect of any matter that is the subject of this Mutual Release against any party whatsoever who may have a claim for indemnity or contribution against the other Party, or any of their subsidiaries, affiliates, shareholders, partners, limited partners, predecessors, or successors and assigns, or any of their officers, directors, servants, employees, or agents, advisors, contractors and insurers, in relation to any matter that is the subject of this Mutual Release.

Notwithstanding anything in this Mutual Release to the contrary, the Parties understand and agree that neither Party is waiving any rights it might have to pursue legal action or other remedies it might deem appropriate to enforce the provisions of the Letter Agreement.

The Parties understand and agree that the exchange of consideration pursuant to this Mutual Release is for the purpose of resolving disputed liabilities. The exchange of consideration is not an admission of liability by any Party.

The Parties acknowledge having read this Mutual Release, and having had an opportunity to seek independent legal advice.

The Parties to this Mutual Release acknowledge and agree that this Mutual Release may be executed and is valid in separate counterparts and electronically or via facsimile.

**EXECUTED IN WITNESS WHEREOF THIS \_\_\_\_\_ DAY OF SEPTEMBER, 2013, BY THE VENDOR.**

**POSEIDON CONCEPTS CORP.**

**POSEIDON CONCEPTS LTD.**

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

POSEIDON CONCEPTS LIMITED  
PARTNERSHIP, by its general partner,  
POSEIDON CONCEPTS LTD.

POSEIDON CONCEPTS INC.

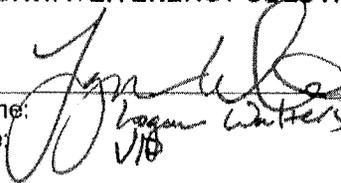
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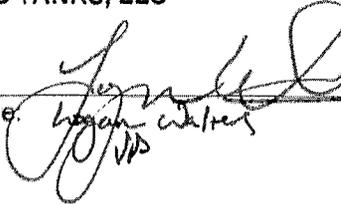
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXECUTED IN WITNESS WHEREOF THIS 12<sup>th</sup> DAY OF SEPTEMBER, 2013, BY THE PURCHASER.

ROCKWATER ENERGY SOLUTIONS, INC.

MWS TANKS, LLC

  
Name: Logan Winters  
Title: V/P

  
Name: Logan Winters  
Title: V/P

ROCKWATER ENERGY SOLUTIONS CANADA,  
INC.

  
Name: Kevin Blodgett  
Title: Secretary