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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 SIXTEENTH REPORT TO THE COURT SUBMITTED BY
PRICEWATERHOUSECOOPERS INC. IN ITS
CAPACITY AS MONITOR
DATED September 26, 2013

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

September 26, 2013

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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 "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 27, 2013.
- 1.5 The Monitor has issued fifteen reports to date, two of which are unfiled confidential reports (the Sixth and Eleventh Reports). Copies of the filed reports are available from the Monitor's website, www.pwc.com/can-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 Sixteenth Report to the Court and should be read in conjunction with its Thirteenth and Fourteenth Reports.
- 1.7 The purpose of this report is to advise the Court on the Monitor's views on:
 - 1.7.1 the requested extension of the Stay of Proceedings until October 11, 2013; and
 - 1.7.2 the requested expansion of the powers of the Monitor.

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- 1.8 Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

2. EXTENSION OF THE STAY OF PROCEEDINGS TO OCTOBER 11, 2013

- 2.1 At the September 12, 2013 hearing, the application to extend the stay of proceedings to January 31, 2014 and to expand the Monitor's powers was adjourned to September 27, 2013, pending the parties finalizing the mediation process agreement ("MPA") relating to issues concerning Poseidon's disclosure of information prior to the CCAA proceedings.
- 2.2 The Monitor is advised that the parties to the mediation have not yet finalized the terms of the MPA and require two additional weeks in order to finalize the terms of the MPA.
- 2.3 As a result of the foregoing, the Monitor considers it appropriate to extend the stay of proceedings until October 11, 2013, to allow the parties to the mediation additional time to finalize the MPA.

3. EXPANSION OF THE MONITOR'S POWERS

- 3.1 As set out in the Monitor's Thirteenth Report, an expansion of the Monitor's powers was being sought as a result of upcoming mediation and the impending resignation of the Company's remaining two directors and the termination of services provided by Mr. Cassidy, the Company's consultant.
- 3.2 The Monitor now understands that the Company's two remaining directors intend to resign once the Monitor's powers have been expanded.
- 3.3 As such, and in light of the MPA, the Monitor still considers it appropriate that its powers be expanded, as set out in the Expansion of the Monitor's Powers Order.

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This report is respectfully submitted this 26th day of September, 2013.

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



Clinton L. T. Roberts,
Senior Vice President



John McKenna,
Senior Vice President