

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	TWENTIETH REPORT TO THE COURT SUBMITTED BY PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS MONITOR DATED October 30, 2014
Address for Service and Contact Information of Party Filing this Document:	Bennett Jones LLP 4500 Bankers Hall East 855 - 2nd Street SW Calgary, AB T2P 4K7 Phone: 403-298-3317 Fax: 403-265-7219 lenzk@bennettjones.com Attention: Kenneth T. Lenz



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

October 30, 2014

TABLE OF CONTENTS

1. INTRODUCTION	2
2. STATUS OF THE MEDIATION PROCESS	3
3. STATUS OF THE U.S. LIEN CLAIMS	4
4. STATUS OF THE CCAA CLAIMS PROCESS AND REQUEST FOR A REVISED CLAIMS PROCESS	5
5. CLAIM OF RUGGED TANKS & FABRICATING.....	7
6. EXTENSION OF THE STAY OF PROCEEDINGS TO FEBRUARY 27, 2015	9
7. REVISED CASH FLOW FORECAST.....	10
8. CONCLUSION	11

APPENDICES

- A. Revised Claims Process Order**
- B. Revised Claims Package**
- C. Rugged Realizations Analysis**
- D. October 24, 2014 Revised Cash Flow Forecast**

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

October 30, 2014

1. INTRODUCTION

- 1.1 On April 9, 2013, on the application of Poseidon Concepts Corp., Poseidon Concepts Ltd. , Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (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. Subsequent orders were granted by the Court extending the stay of proceedings to October 31, 2014.
- 1.4 The Monitor has issued nineteen 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/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.
- 1.5 This is the Monitor's Twentieth Report to the Court.
- 1.6 The purpose of this report is to advise the Court of the following:
 - 1.6.1 The status of the Mediation Process;
 - 1.6.2 The status of the U.S. Claims Process and ongoing settlement discussions between the Lending Syndicate and the U.S. lien claimants;

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

October 30, 2014

- 1.6.3 The status of the CCAA Claims Process and the Monitor's request for a revised claims process (as defined herein);
- 1.6.4 The claim of Rugged Tanks & Fabrication; and
- 1.6.5 The Monitor's request for an extension of the Stay of Proceedings to February 27, 2015.
- 1.7 Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

2. STATUS OF THE MEDIATION PROCESS

- 2.1 On October 11, 2013, this Court granted an Order (the "**Mediation Order**") approving a mediation process to address any claims, rights, obligations, or disputes resulting from, relating to, or with respect to the preparation, review, audit and restatement of Poseidon's financial statements and any other related matters (the "**Mediation**").
- 2.2 The Mediation was conducted by the Honourable George W. Adams, Q.C. and held in Calgary, Alberta on April 23, 24 and 25, 2014. Many of the details concerning the mediation are agreed to be confidential and without prejudice and are not commented upon here.
- 2.3 As noted in the Monitor's Eighteenth Report, at the close of the Mediation, negotiations between certain of the parties continued without the involvement of the Mediator.
- 2.4 Negotiations continued subsequent to the filing of the Eighteenth Report and continue as of the date of this report and the Monitor is still hopeful that a settlement will be reached amongst the parties.
- 2.5 The Monitor notes that there has been various statements of claims filed by certain parties, including a Statement of Claim filed by the Monitor on behalf of Poseidon.
- 2.6 On November 4, 2014 there is an application in the Court of Queen's Bench of Alberta for the first case management hearing in respect of procedures respecting the conduct of the class action claims and the claim of Poseidon through the Monitor.

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

October 30, 2014

- 2.7 The Monitor has received a substantial without prejudice commitment from one of the parties and although it continues to negotiate, expects that with this commitment, it will be able to put forth a Plan of Compromise (the "**Plan**") but believes it is in the best interests of all parties that a period of further negotiation continue to ensure any proposed plan is as valuable and as comprehensive as possible. It appears that advancing a Plan pursuant to the CCAA is the most effective means to accomplish these objects. For certainty, the Monitor expressly does not waive the without prejudice and confidential nature of its settlement communications.
- 2.8 The Monitor notes that the primary secured creditor of Poseidon, being the Lending Syndicate, is owed approximately \$42,000,000 and is in favour of an extension to the stay of proceedings. To date, the only stakeholders who have indicated opposition are counsel to the shareholders pursuing class actions.
- 2.9 Accordingly, the Monitor is of the view that an extension to the Stay of Proceedings is appropriate in order to finalize a settlement and potentially move towards submitting a Plan to the Company's creditors.

3. STATUS OF THE U.S. LIEN CLAIMS

- 3.1 In the Monitor's Eighteenth Report, the Monitor updated the Court on the results of the U.S. Claims Process.
- 3.2 In addition, the Monitor advised of 10 U.S. claimants who filed possessory lien claims totaling approximately US\$1.95 million that would likely rank in priority to the secured claim of the Lending Syndicate, subject to a determination as to their validity in accordance with applicable state lien laws.
- 3.3 The Lending Syndicate's legal counsel has contacted the U.S. lien claimants, most of whom are represented by legal counsel, in order to seek a consensual resolution of their claim.
- 3.4 Several weeks ago, the Monitor was advised by the Lending Syndicate's counsel that settlement proposals have been negotiated, and are in the process of being finalized with a majority of the U.S. lien claims.

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

October 30, 2014

- 3.5 With respect to the remaining U.S. lien claimants (the “**Remaining Lien Claimants**”) the Lending Syndicate’s counsel continues to have discussions with that group and anticipate agreements with each of them in the next several weeks. The Monitor notes that if a consensual resolution is not reached shortly between the Lending Syndicate and the Remaining Lien Claimants, the Monitor will file objections to the disputed claims in the U.S. Court.
- 3.6 The Monitor understands that once all settlements have been formalized and documented, the Monitor will need to seek approval of the U.S. Court and the Monitor anticipates filing a report in support of the same.

4. STATUS OF THE CCAA CLAIMS PROCESS AND REQUEST FOR A REVISED CLAIMS PROCESS

- 4.1 In the Eighteenth Report, the Monitor advised that it anticipated a positive outcome from the Mediation Process which could result in the receipt of certain settlement proceeds and ultimately result in a Plan.
- 4.2 In anticipation of this settlement, on May 27, 2014 the Monitor sought and obtained an Order (the “**Claims Procedure Order**”) establishing a process (the “**Claims Procedure**”) for determining the claims of the Company’s Canadian creditors and other non-U.S./international creditors.
- 4.3 Certain parties involved in the Mediation raised issues with respect to the Claims Procedure subsequent to the Claims Procedure Order being granted. As a result, the implementation of the Claims Process was postponed.
- 4.4 The Monitor now wishes to recommence with the claims process and is seeking an Order (the “**Revised Claims Procedure Order**”) to establish a process (the “**Revised Claims Procedure**”) for determining the claims of the Company’s Canadian creditors and other non-U.S./international creditors.
- 4.5 The Monitor notes that a claims process has already been completed in the U.S. through the U.S Court (as noted in the Monitor’s Thirteenth Report) for U.S. creditors and a claims bar date was set for August 22, 2013. Accordingly, the Monitor is not seeking to duplicate the process by including U.S. creditors in this Revised Claims Process, electing

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

October 30, 2014

to rely on the U.S. claims already filed with the U.S. Court. **Therefore, U.S. creditors do not need to file a proof of claim.**

- 4.6 In the draft Revised Claims Process Order attached as Appendix “A”, the Revised Claims Process contemplates the following steps:
- 4.6.1 A call for Claims with a claims bar date of 5:00 P.M. Mountain Time on December 17, 2014 (the “**Revised Claims Bar Date**”);
 - 4.6.2 The dispatch by the Monitor of a claims package to all known Canadian and non-U.S./international creditors, and those parties included on the service list in these proceedings on or before November 7, 2014. Attached as Appendix “B” is the proposed claims package;
 - 4.6.3 Posting of the notice and claims package on the Monitor’s website;
 - 4.6.4 The publication by the Monitor of a public notice of the Claims Process in the Calgary Herald and Edmonton Journal, for a period of 2 days prior to November 14, 2014;
 - 4.6.5 Any person who has not submitted a Proof of Claim to the Monitor by the Revised Claims Bar Date or such later date as this Court may order, will be forever barred from making a claim;
 - 4.6.6 A review by the Monitor of each proof of claim received by the Revised Claims Bar Date for purposes of accepting, revising, or disallowing the amount claimed in each proof of claim by and providing notice of such acceptance, revision or disallowance to the relevant claimant by no later than January 14, 2015;
 - 4.6.7 Claimants will be provided with an opportunity to dispute any revision or disallowance of their claim by the Monitor by providing the Monitor with notice of such dispute within 10 business days of receipt of any notice by the Monitor of a revision or disallowance;
 - 4.6.8 After consulting with the Lending Syndicate and such persons as the Monitor may consider appropriate, the Monitor will file and serve an application by no later than February 11, 2014 for a determination of all unresolved claims.

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

October 30, 2014

4.6.9 The Monitor is seeking authority to exempt from the claim process parties who, in its judgment, will be contributories, on the basis that all claims by and against contributories will be released as part of a Plan of Compromise and Arrangement.

4.7 Set out below is a summary of the proposed timeline for the Revised Claims Process.

Mailing of Creditor Packages	November 7, 2014
Newspaper Publication	November 12/13, 2014
Claims Bar Date	December 17, 2014
Notice of Acceptance, Revision or Disallowance	January 14, 2015
Creditor dispute of Revision or Disallowance	January 28, 2015
File and serve Court application to resolve any disputes	February 11, 2015

5. CLAIM OF RUGGED TANKS & FABRICATING

- 5.1 Rugged Tanks & Fabricating (“**Rugged**”) is a company that designs, fabricates and manufactures oil tank storage equipment.
- 5.2 Rugged was engaged by Poseidon to manufacture a total of 18 tanks for Poseidon (the “**Rugged Tanks**”). The Rugged Tanks were built but never delivered to Poseidon and remained in the possession of Rugged prior to and during the CCAA proceedings.
- 5.3 Further, we understand Poseidon did not pay for the Rugged Tanks, either by way of a deposit, installments or in full.
- 5.4 On September 3, 2013, Rugged obtained an order from the Court declaring that it was a creditor of Poseidon, that it held a valid possessory lien in the amount of \$2.011 million, that it was authorized to sell the tanks in its possession, and that the sales proceeds would be held in trust pending further order of the court.
- 5.5 In late September 2013, Rugged commenced selling the Rugged Tanks.
- 5.6 Since September 2013, Rugged has kept the Monitor apprised of its sales efforts, the costs Rugged incurred with respect to the sale (discussed below), the number of tanks sold to date, and the net sales proceeds ultimately obtained.

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

October 30, 2014

- 5.7 We understand Rugged incurred costs to modify the tank panels prior to selling them. These modification cost were the result of Rugged having to remove/alter certain Poseidon intellectual property (“IP”) and patents pertaining to the interlocking mechanisms located on the tanks. We note that pursuant to a Sale Approval and Vesting Order dated June 6, 2013, Rockwater Energy Solutions Canada Inc. acquired, as part of the purchase of Poseidon’s assets, the rights to Poseidon’s IP and patents. Accordingly, in order for Rugged to sell the tank panels, it was necessary for Rugged to incur these modification costs.
- 5.8 Set out below is a summary of the most current sales information provided to us by Rugged and our comments thereon:
- 5.8.1 Rugged has modified and sold 92 tank panels for total net sales proceeds of approximately \$500,000;
- 5.8.2 Rugged advises that it is having difficulty selling the remaining tanks (which comprise approximately 62 panels);
- 5.8.3 Based on a high level analysis prepared by the Monitor, we estimate that if the remaining 62 panels are sold, additional net recoveries could total approximately \$330,000. Accordingly, total estimated net recoveries would amount to \$830,000 (comprised of the panels sold to date and the estimated recoveries for the remaining panels). Attached as Appendix “C” is a copy of our high level analysis.
- 5.8.4 As noted above, Rugged’s claim totals approximately \$2.0 million.
- 5.9 We understand Rugged’s legal counsel and the Lending Syndicate’s legal counsel have recently been in discussions regarding the release of the Rugged Tank sales proceeds (currently held in trust by Rugged’s counsel) and that a draft consent order is in the process of being prepared for consideration by the Lending Syndicate and the Monitor in respect of the same. We anticipate a copy of this consent order to be provided to the Court at the November 4, 2014 hearing.

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

October 30, 2014

6. EXTENSION OF THE STAY OF PROCEEDINGS TO FEBRUARY 27, 2015

- 6.1 The Monitor continues to be of the view that a settlement of claims will result in proceeds being paid into the estate and as such a Plan to the Company's creditors will be required.
- 6.2 Assuming a settlement is achieved, additional time will be require to complete the following:
 - 6.2.1 The settlement of the U.S. lien claims filed in the U.S. claims process;
 - 6.2.2 The filing of outstanding U.S. State sales tax returns in order to assist with the potential recovery of U.S. States sales tax refunds, if any;
 - 6.2.3 The completion of the CCAA Claims Process, with the appropriate allowances for court applications in the event there are notices of dispute filed;
 - 6.2.4 Attend to the other claims filed in the U.S. claims process, including review of the validity of the unsecured claims and notifying U.S. creditors of the same;
 - 6.2.5 The preparation and submission of a Plan to the Company's creditors;
 - 6.2.6 An application for Court approval to hold a meeting of creditors to consider the Plan;
 - 6.2.7 A creditors' meeting to vote on the Plan;
 - 6.2.8 An application for Court approval of the Plan at a Sanction Hearing;
 - 6.2.9 Implementation of the Plan; and,
 - 6.2.10 The discharge of the Monitor.
- 6.3 Notwithstanding that a settlement has not been finalized at this time and that it is expected that the process described above will take several months to complete, the Monitor wishes to extend the stay of proceedings until February 27, 2015. By this time it is expected that more accurate information will be available as to a possible settlement, in

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

October 30, 2014

addition to further information regarding Poseidon's creditors. At or before that time, it is possible that a Plan should be complete or near-completed at which time the Monitor may seek a further extension in order to submit a Plan to the Company's creditors and take the necessary steps to seek the approval of the creditors and the Court regarding the implement of a Plan.

7. REVISED CASH FLOW FORECAST

- 7.1 As a result of the proposed extension of the Stay of Proceedings to February 27, 2015, a revised cash flow forecast has been prepared by the Monitor (as a result of the Order expanding the Monitor's powers) which covers the period from October 24, 2014 to March 7, 2015 (the "**October 24, 2014 RCFF**"), attached as Appendix "**D**" to this report.

The October 24, 2014 RCFF can be summarized as follows:

	<u>\$ 000's</u>
Other collections	<u>0</u>
Total Receipts	<u>0</u>
Potential priority claim payment	(2,500)
Estimated general and administrative disbursement	(25)
Estimated restructuring costs	(870)
Total Disbursements	(3,395)
Net Cash Flow for Period	(3,395)
Opening Net Cash Balance	<u>3,494</u>
Closing Net Cash Balance	<u>99</u>

- 7.2 The October 24, 2015 RCFF contains a high-level estimate of the professional fees to be incurred by the Monitor and its counsel and the Lending Syndicate's counsel in respect of the costs of the Mediation Process incurred and outstanding to date, the proposed Claims Procedure as well as preparation of a Plan.
- 7.3 Based on the foregoing, the Monitor considers that the Company's liquidity appears sufficient for the forecast period.

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

October 30, 2014

- 7.4 The Monitor's conclusions of the October 24, 2014, RCFF pursuant to section 23 (1)(b) of the CCAA are as follows:
- 7.4.1 The October 24, 2014 RCFF attached as Appendix “D” to this report has been prepared for the purpose described in the Notes, using the Probable and Hypothetical Assumptions set out in Notes 1 to 4 to the October 24, 2014 RCFF.
- 7.4.2 Nothing has come to our attention that causes us to believe that, in all material respects:
- 7.4.2.1 The Hypothetical Assumptions are not consistent with the purpose of the October 24, 2014 RCFF;
- 7.4.2.2 As at the date of this report, the Probable Assumptions are not suitably supported or do not provide a reasonable basis for the October 24, 2014 RCFF, given the Hypothetical Assumptions; or
- 7.4.2.3 The October 24, 2014 RCFF does not reflect the Probable and Hypothetical Assumptions.
- 7.5 Since the October 24, 2014 RCFF is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the October 24, 2014 RCFF will be achieved. The Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by it in preparing this report.
- 7.6 The October 24, 2014 RCFF has been prepared solely for the purpose described in the Notes to the October 24, 2014 RCFF, and readers are cautioned that it may not be appropriate for other purposes.

8. CONCLUSION

- 8.1 In view of the foregoing, the Monitor is of the opinion that an extension to the stay of proceedings is appropriate, and that it and the stakeholders involved have acted and continue to act in good faith and with due diligence.

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

October 30, 2014

8.2 The Monitor requests the Court approve:

8.2.1 a Revised Claims Process for Canadian and non-U.S./international creditors of Poseidon; and

8.2.2 an extension of the Stay of Proceedings to February 27, 2015.

This report is respectfully submitted this 30th day of October, 2014.

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

A handwritten signature in black ink, appearing to read "CLINTON ROBERTS".

Clinton L. T. Roberts, CIRP
Senior Vice President

A handwritten signature in black ink, appearing to read "Sean Fleming".

Sean Fleming, CIRP
Senior Vice President

APPENDIX A

Revised Claims Process Order

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

CLAIMS PROCESS ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP

Barristers and Solicitors
4500, 855 – 2nd Street SW
Calgary, Alberta T2P 4K7

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

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

Tuesday, November 4, 2014

**LOCATION WHERE ORDER WAS
PRONOUNCED:**

Calgary

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

**Mr. Justice A. D. Macleod on the Commercial
Duty List**

UPON the application of the Monitor, PricewaterhouseCoopers Inc. ("PWC") who acts on its own behalf and with enhanced powers to act for the Applicants, Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. ("Poseidon") and the consent of The Toronto-Dominion Bank, as agent for a syndicate comprised of The Toronto-Dominion Bank, National Bank of Canada, The Bank of Nova Scotia and HSBC Bank Canada (the "Lending Syndicate"), hearing counsel for the Applicants, the Monitor and the Lending Syndicate; AND UPON having read the Twentieth Monitor's Report, and the pleadings and proceedings filed in this action;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Time for service of the application for this order is hereby abridged and service is deemed good and sufficient.
2. For the purpose of this Order, "claim" includes, without limitation, any right or claim of any Person that may be asserted or made in whole or in part against the Applicants or any of them, against any of the Applicants' present or former directors and officers, resulting from, relating to or in respect of dealings with the Applicants or any of them prior to April 9, 2013 (the "Filing Date"), whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any person (including any of the Applicants' directors and officers subject to paragraph 3(k)) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose

in action, whether existing at present or which may be commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) would be a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, had the respective Applicant been bankrupt on the Filing Date, and including, without limiting the generality of the foregoing, any equity claim within the meaning of section 2(1) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA").

3. The following claims process is hereby ordered and approved:

- a) on or before November 14, 2014, an advertisement shall be published on two different days in each of the *Calgary Herald* and the *Edmonton Journal*, seeking claims;
- b) on or before November 7, 2014, a claims package and Proof of Claim, substantially in the form appended to the Twentieth Monitor's Report as Appendix "A", along with a copy of this Order (the "Claims Process Order"), will be sent by regular mail to each known Canadian creditor of the Applicants and by courier, facsimile or email to each known non-U.S./international creditor of the Applicant who, in the opinion of the Monitor, may have a claim, provided that the Monitor is not required to send a claims package, Proof of Claim or a copy of this Claims Process Order to Class Members (as defined below) and service of these materials on Class Action counsel shall be good and sufficient service for these parties, unless that person delivered an opt-out letter in accordance with the Representation Order;
- c) any person who may have a claim shall prepare a Proof of Claim substantially in the form appended to the Twentieth Monitor's Report as part of Appendix "A", and serve it on the Monitor either in person at PricewaterhouseCoopers Inc., 3100 Suncor Energy Centre 111 - 5 Ave SW Calgary, AB T2P 5L3, Attention:

Clinton Roberts, on or before 5:00 p.m. Calgary time, December 17, 2014 (the "Claims Bar Date") or by email or fax as described in the claims package;

- d) any claim not proven in accordance with this procedure by the Claims Bar Date or otherwise allowed by the claims process shall, be forever barred, released and extinguished;
- e) the Monitor shall have until January 14, 2015 to review the proofs of claim and the Monitor may allow or disallow all or any portion of a Claim, and communicate any disallowance to a Claim to the Claimant, and such communication will be referred to as a "Notice of Revision or Disallowance". The Notice of Revision or Disallowance shall be final and binding and conclusive unless the provisions of paragraph 2(f) of this Order are fulfilled;
- f) any Claimant will have ten (10) business days from the day of receipt of a Notice of Revision or Disallowance to file and serve on the Monitor's counsel, Bennett Jones LLP, 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, AB, T2P 4K7, (Email: lenzk@bennettjones.com), Attention: Ken Lenz, a Notice of Dispute of the revision or disallowance;
- g) if necessary, the Monitor shall file and serve an application on or before February 11, 2015 to determine any unresolved disputed claims. Any such application may be adjourned by consent to a convenient time;
- h) where a claim has been allowed by the Monitor in accordance with this Order, such claim shall constitute such claimant's proven claim for the purposes of these proceedings, provided that the allowance of any claim or other determination of same in accordance with this Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any person for any purpose other than these CCAA proceedings;
- i) for certainty and in furtherance of the Representation Order pronounced in these proceedings on May 30, 2013, the Class Action Plaintiffs (as defined in the Representation Order) are authorized to file, on or before the Claims Bar Date,

one or more representative proofs of claim (the "Representative Claims") on behalf of the Class Members (as defined in the Representation Order) and, for greater certainty, may do so notwithstanding that leave to make secondary market liability claims has not been granted, that the Class Actions have not yet been certified, and that a particular claim may not be expressed in the Class Actions, provided that nothing herein shall prejudice the position of any person in connection with any proceedings pursuant to class proceedings or securities legislation;

- j) for certainty, nothing in this Order is intended to require filing of a Proof of Claim by United States Creditors, or extend the Claims Bar Date that has already passed in that jurisdiction; And
 - k) notwithstanding anything else contained herein, the Monitor may by notice in writing exempt any party from filing a claim pursuant to this Claims Process Order, if it is satisfied that such party is or is likely to be a contributory to a Plan of Compromise and Arrangement.
- 4. The Monitor, or the Lending Syndicate may appear for further clarification or amendment of this Claims Process Order, including seeking a process for the summary adjudication of any claim or claims.
 - 5. Nothing in this Order shall prejudice the rights and remedies of any of the Applicants' directors or officers or other persons under any existing insurance policy or prevent or bar any person from seeking recourse against or payment from the Applicants' insurance or any director's and/or officer's liability insurance policy or policies that exist to protect or indemnify the directors and/or officers or other persons, whether such recourse or payment is sought directly by the person asserting a claim from the insurer or derivatively through the director or officer or an Applicant; provided, however, that nothing in this order shall create any rights in favour of such person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

6. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

APPENDIX B

Revised Claims Package



November 7, 2014

To: Canadian and Non-U.S./International Creditors of Poseidon Concepts Corp., Poseidon Concepts Ltd., Poseidon Concepts Limited Partnership and Poseidon Concepts Inc. (collectively “Poseidon”):

Pursuant to a Claims Procedure Order granted by the Court of Queen’s Bench of Alberta on November 4, 2014, PricewaterhouseCoopers Inc., in its capacity as Monitor, hereby gives you notice of a claims process for Canadian and non-U.S. creditors of Poseidon.

The highlights of the claims process are as follows:

- The claims process is limited to Canadian and non-U.S./international creditors as a previous claims process was completed for U.S. creditors in August 2013. **U.S. creditors do not need to file a claim;**
- Class Members who have not delivered an opt-out Letter pursuant to the Representation Order shall have the benefit of the representative claim(s) filed by the Class Action Plaintiffs and do not need to deliver a separate, independent proof of claim in respect of the claims forming the subject matter of the Representation Order;
- The Claims Bar Date is set at 5:00 P.M. (MST), December 17, 2014 (the “**Claims Bar Date**”). Proofs of claim must be received by PwC by the Claims Bar Date;
- After reviewing the claims received by the Claims Bar Date, the Monitor will issue a notice of acceptance, revision or disallowance of the relevant claims received, by no later than January 14, 2015;
- Claimants who wish to dispute the notice of revision or disallowance of their claim by the Monitor must do so within 10 business days of receipt of the notice of revision or disallowance;
- The Monitor will file and serve an application by no later than February 11, 2015 for a determination of all unresolved, disputed claims.

Please find enclosed a copy of the Proof of Claim form. Please note that this form must be returned to the Monitor as outlined in the Form. In addition, please find enclosed an Affidavit of Truth which must be sworn in front of a Commissioner for Oaths (if sworn in Alberta) or a Notary Public (if sworn outside Alberta). The sworn Affidavit of Truth must be returned, with the Proof of Claim form to the Monitor on or before the Claims Bar Date.

A copy of the Claim Procedure Order and claims package are posted on the Monitor’s website www.pwc.com/car-poseidon

Creditors should note that while the Monitor continues to pursue a Plan of Compromise, there is no guarantee it will be successful, and if it is, that there will be funds available for distribution to all classes of creditors. If you have any question or concerns, please feel free to contact PwC.

PricewaterhouseCoopers Inc.

*PricewaterhouseCoopers Inc.
111 5 Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825, www.pwc.com/ca*

Affidavit of _____ sworn _____, 2014

Court File No: 1301-04364

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985 c. C-35, AS AMENDED
AND IN THE MATTER OF POSEIDON CONCEPTS CORP., POSEIDON CONCEPTS LTD., POSEIDON CONCEPTS
LIMITED PARTNERSHIP AND POSEIDON CONCEPTS INC. (collectively "**Poseidon**")

AFFIDAVIT OF TRUTH OF PROOF OF CLAIM

I, _____, of _____, the Claimant
in the attached Proof of Claim, MAKE OATH AND SAY:

1. That Poseidon is justly and truly indebted to the Claimant in the sum of \$ _____,
as stated in the said Proof of Claim.
2. That I verily believe the facts and details alleged in the said Proof of Claim to be true.

SWORN BEFORE ME at _____)
_____, in the Province of _____)
_____) _____
this ____ day of _____, 2014)

A Commissioner for Oaths in and for
the Province of _____ or Notary Public

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985 c. C-35, AS AMENDED
AND IN THE MATTER OF POSEIDON CONCEPTS CORP., POSEIDON CONCEPTS LTD., POSEIDON CONCEPTS
LIMITED PARTNERSHIP AND POSEIDON CONCEPTS INC. (collectively "**Poseidon**")

PROOF OF CLAIM
(for Payable Claims as at April 9, 2013)

1. PARTICULARS OF CLAIMANT

1.1. Full Legal Name of Claimant:

1.2. Full Mailing Address of Claimant:

1.3. Contact Information:

1.3.1. Telephone: _____

1.3.2. Fax: _____

1.3.3. Contact Person: _____

1.3.4. Email: _____

2. PROOF OF CLAIM

I, _____, do hereby certify that:

2.1. I am the _____ of the Claimant;

2.2. I have knowledge of all the circumstances connected with the claim referred to below;

2.3. Total Claim: \$ _____denominated in [] CDN or [] USD or [] other _____;

2.4. The claim is being made against: _____;

2.5. The dollar amount claimed above is for materials and / or services rendered and/or damages in respect of events occurring prior to April 9, 2013.

3. NATURE OF CLAIM

(Check and complete appropriate category)

[] A. UNSECURED CLAIM OF \$ _____. That in respect of this debt, no assets of any of the Company are pledged as security.

[] B. SECURED CLAIM OF \$ _____. That in respect of this debt, assets of the Company valued at \$ _____ are pledged to me as security, particulars of which are as follows.

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

[] C. UNLIQUIDATED/CONTINGENT CLAIM OF \$ _____.

[] D. EQUITY CLAIM OF \$ _____.

4. PARTICULARS OF CLAIM

4.1. Other than as already set out herein, the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the claims and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claims, name of any guarantor which has guaranteed the claims, and amount of invoices, particulars of all credits, discounts etc. claimed, description of security.)

5. FILING OF CLAIM

This Proof of Claim **must be received by the Monitor no later than 5:00 P.M. (Mountain Time) December 17, 2014 (the "Claims Bar Date")**, by email, registered mail, personal delivery or fax transmission at the following address:

5.1. Email

PricewaterhouseCoopers Inc.
Attention: Sean Fleming
Email: sean.e.fleming@ca.pwc.com

5.2. Registered Mail or Personal Delivery

PricewaterhouseCoopers Inc.
111 – 5 Avenue S.W., Suite 3100
Calgary, Alberta
T2P 5L3
Attention: Clinton Roberts

5.3. Fax

Attention: Sean Fleming
Fax No.: 780.441.6776

U.S. CREDITORS DO NOT NEED TO FILE A PROOF OF CLAIM AS A U.S. CLAIMS PROCESS WAS PREVIOUSLY CONDUCTED IN AUGUST 2013.

CLASS MEMBERS (AS DEFINED IN THE REPRESENTATION ORDER DATED MAY 30, 2013, AND THE CLAIMS PROCEDURE ORDER DATED NOVEMBER 4, 2014) WHO HAVE NOT DELIVERED AN OPT-OUT LETTER IN ACCORDANCE WITH THE TERMS OF THE CLAIMS PROCEDURE ORDER MAY RELY ON THE REPRESENTATIVE CLAIMS TO BE FILED BY THE CLASS ACTION PLAINTIFFS AND NEED NOT FILE A SEPARATE PROOF OF CLAIM IN RESPECT OF THE CLAIMS FORMING THE SUBJECT MATTER OF THE REPRESENTATION.

Failure to file your Proof of Claim by the Claims Bar Date will result in your claim being forever barred and extinguished.

Dated at _____ this _____ day of _____, 2014

(Claimant)

Per: _____ (Name)

(Signature)

APPENDIX C

Rugged Realization Analysis

Rugged Tanks & Fabrication
Lien Realization Analysis

Rugged Inv #	panel #s	# of panels	Inv. Date	Sales proceeds on panels only, before GST & modification costs	Rugged Modification Costs	Net Sales Proceeds	Average net sales proceeds per panel
2409	s1 - 20	20	9/19/2013	\$ 240,000	\$ 141,600	\$ 98,400	\$ 4,920
2415	b1 - 15	15	10/10/2013	\$ 187,000	\$ 104,500	\$ 82,500	\$ 5,500
2424	s30 - 37	7	10/15/2013	\$ 87,200	\$ 48,700	\$ 38,500	\$ 5,500
2439	s39-57	20	10/21/2013	\$ 250,600	\$ 140,600	\$ 110,000	\$ 5,500
2519	sv1-10	10	1/10/2014	\$ 120,000	\$ 68,000	\$ 52,000	\$ 5,200
2600	sv11-20	10	2/13/2014	\$ 120,000	\$ 68,000	\$ 52,000	\$ 5,200
2416	s21-30	10	10/11/2013	\$ 125,300	\$ 68,000	\$ 57,300	\$ 5,730
Total sales to date		92		\$ 1,130,100	\$ 639,400	\$ 490,700	\$ 5,334
Estimated proceeds on remaining unsold panels		62		\$ 761,589	\$ 430,900	\$ 330,689	\$ 5,334
Total net sales proceeds, if all panels sold		154		\$ 1,891,689		\$ 821,389	\$ 5,334
Rugged debt, before Rugged's legal costs						2,011,000	
Shortfall				\$ (119,311)		\$ (1,189,611)	

* Estimated realizations on the remaining 62 unsold panels are calculated using the average gross and average net sale prices obtained per panel from the 92 panels sold.

APPENDIX D

October 24, 2014 Revised Cash Flow Forecast

('000's) CDN	Forecast										Total
	Week 1 1-Nov-14	Week 2-3 15-Nov-14	Week 4-5 29-Nov-14	Week 6-7 13-Dec-14	Week 8-9 27-Dec-14	Week 10-11 10-Jan-15	Week 12-13 24-Jan-15	Week 14-15 7-Feb-15	Week 16-17 21-Feb-15	Week 18-19 7-Mar-15	
WEEK ENDING											
WEEKLY NET CHANGE IN CASH											
Total AR Collections and Other	-	-	-	-	-	-	-	-	-	-	-
Asset Sale Proceeds Transferred from Monitor	-	-	-	-	-	-	-	-	-	-	-
Draw on Interim Financing Facility	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	-	-	-	-	-	-
Disbursements											
Potential Priority Claim Payments (liens and admin fee charge)		-	-	-	-	-	2,500	-	-	-	2,500
Total G&A Disbursements	5	-	5	-	5	-	5	-	5	-	25
TOTAL DISBURSEMENTS	5	-	5	-	5	-	2,505	-	5	-	2,525
NET CHANGE IN CASH FROM OPERATIONS	(5)	-	(5)	-	(5)	-	(2,505)	-	(5)	-	(2,525)
Total Restructuring Costs	-	190	-	210	-	110	-	185	-	175	870
NET CHANGE IN CASH	(5)	(190)	(5)	(210)	(5)	(110)	(2,505)	(185)	(5)	(175)	(3,395)
CUMULATIVE NET CHANGE IN CASH											
Net change in cash	(5)	(190)	(5)	(210)	(5)	(110)	(2,505)	(185)	(5)	(175)	(3,395)
Opening Cash Position	3,494	3,489	3,299	3,294	3,084	3,079	2,969	464	279	274	3,494
TOTAL ENDING CASH	3,489	3,299	3,294	3,084	3,079	2,969	464	279	274	99	99

NOTES

The Monitor, on behalf of Poseidon Concepts, has prepared this Cash Flow Projection based on the probable and hypothetical assumptions noted below. Consequently actual cash flow will likely vary from this projection with such variance being material.

1. The potential priority claim payments represent a provision for the full amount of the U.S. lien claims filed as well as a secured claim of the IRS in respect of 2012 withholding taxes, both converted to \$CDN. The amount payable to the U.S. lien claimants could be lower subject to the results of the Lending Syndicate's settlement discussions with these lien claimants.
2. G&A disbursements include certain costs for data capture and preservation of records as well as costs of former employees retained by the Monitor on a contract basis to assist with the administration of the CCAA proceedings. Restructuring costs include the professional fees of the Monitor and the Monitor's legal counsel (Canada and U.S.), counsel for the Lending Syndicate (including outstanding professional fees to date incurred in respect of the Mediation process).
3. As noted in the Monitor's report, the Monitor believes there is agreement among some of the participants of the Mediation to conclude a transaction that could result in the receipt of settlement proceeds and a Plan of Compromise. However, as a settlement has not been finalized at this time, and the preliminary results of the Mediation remains confidential, the Monitor has not reflected the anticipated settlement proceeds in these cash flow projections.