

FORM 27
[RULES 6.3 AND 10.52(1)]

CLERK'S STAMP

COURT FILE NUMBER 25-2681862
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE *BANKRUPTCY*
AND INSOLVENCY ACT, RSC 1985, C. B-3,
AS AMENDED
AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
NEWSCO INTERNATIONAL ENERGY
SERVICES INC.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Dylan Gibbs
Telephone No.: 403-298-4485 / 3449
Fax No.: 403-265-7219
Client File No.: 88912.3

NOTICE TO RESPONDENTS:

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: November 19, 2020
Time: 10:00 a.m.
Where: Calgary Courts Centre via Webex videoconference
Before Whom: The Honourable Madam Justice C. Dario
on the Commercial List

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

Remedy claimed or sought:

1. Newsco International Energy Services Inc. ("**Newsco**") seeks an Order substantially in the form attached hereto as **Schedule "A"**:
 - (a) abridging time for service of this Application and supporting materials, and deeming service thereof to be good and sufficient;
 - (b) extending the time within which Newsco must file a proposal to its creditors for an additional 34 days to December 23, 2020;
 - (c) authorizing Newsco to make certain payments critical to maintaining its operations while it develops a proposal;
 - (d) granting an Administrative Charge to secure Newsco's obligations to the professionals assisting with these proceedings; and
 - (e) providing such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

2. On October 20, 2020, Newsco filed a Notice of Intention to make a proposal ("**NOI**") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"). The NOI appointed BDO Canada Limited as Proposal Trustee (the "**Proposal Trustee**").

Extension of Time to File a Proposal

3. Newsco is acting in good faith and with due diligence in the preparation and presentation of a Proposal to its creditors. Since filing the NOI, Newsco has worked with the Proposal Trustee diligently and in good faith with a view to presenting a proposal to its creditors. Newsco has fully cooperated with the Proposal Trustee and has diligently complied with the Proposal Trustee's requests.
4. The requested extension of time is necessary for Newsco to be able to generate a proposal to its creditors that is viable and practical from an economic standpoint.

5. No creditor will be materially prejudiced if the extension being applied for is granted.

Administrative Charge

6. Newsco requires the services of its counsel, the Proposal Trustee and the Proposal Trustee's counsel (the "**Administrative Professionals**") in order to continue operating and prepare a viable proposal. An administrative charge (the "**Administrative Charge**"), which secures the fees and disbursements of those Administrative Professionals, is necessary to ensure that the Administrative Professionals continue to assist Newsco in these proceedings.
7. The Administrative Charge is reasonable and appropriate in the circumstances and critical to the success of Newsco's insolvency proceedings.

Authorized Payments

8. The only operations of Newsco that currently generate positive cash flow are located in India (the "**Indian Operations**"). Maintaining the Indian Operations is integral to Newsco's ability to prepare and present a viable proposal to its creditors.
9. The automatic stay of proceedings against Newsco pursuant to the BIA will be difficult to enforce against creditors in India. In order to maintain the Indian Operations, Newsco must therefore make payments to certain critical suppliers located in India (the "**Critical Suppliers**").
10. Newsco is also indebted to its employees for unpaid wages and, unless these employees are paid, will likely lose employees necessary to maintain the Indian Operations.
11. Unless Newsco can make payments to its Critical Suppliers and unpaid employees, Newsco's ability to present a viable proposal will be jeopardized.

General

12. The Proposal Trustee supports the relief sought herein.

13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

14. The Affidavit of William Melville, sworn November 9, 2020;
15. The First Report of the Proposal Trustee, to be filed; and
16. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

17. Part 6, Division 1 of the Alberta *Rules of Court*.

Applicable Acts and Regulations:

18. The *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3 as amended.

Any irregularity complained of or objection relied on:

19. None.

How the application is proposed to be heard or considered:

20. Before the Honourable Madam Justice C. Dario on the Commercial List via Webex videoconference.

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

CLERK'S STAMP

COURT FILE NUMBER

25-2681862

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *BANKRUPTCY
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ORDER

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BENNETT JONES LLP
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Calgary, Alberta T2P 4K7

Attention: Chris Simard / Dylan Gibbs
Telephone No.: 403-298-4485 / 3449
Fax No.: 403-265-7219
Client File No.: 88912.3

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

November 19, 2020

LOCATION OF HEARING OR TRIAL:

Calgary Courts Centre

**NAME OF MASTER/JUDGE
WHO MADE THIS ORDER:**

The Honourable Madam Justice C. Dario

UPON the application of Newsco International Energy Services Inc. ("**Newsco**"); **AND UPON** reading the Affidavit of William L. Melville, sworn November 9, 2020; **AND UPON** reading the First Report of the Proposal Trustee, BDO Canada Limited (the "**Proposal Trustee**"); **AND UPON** hearing counsel for Newsco, counsel for the Proposal Trustee, and counsel for other interested parties;

IT IS ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

Extension of Time to File a Proposal

2. The time within which Newsco must file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, is hereby extended to December 23, 2020.

Authorized Payments

3. To the extent permitted by law, Newsco shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable to Newsco's employees and contractors, in each case incurred in the ordinary course of business and consistent with Newsco's existing compensation policies and arrangements; and
- (b) payment for goods or services actually supplied to the Applicants prior to the date of this Order by those parties listed in the attached **Schedule "A"** (the "**Critical Suppliers**"), with the consent of the Proposal Trustee.

Administration Charge

4. As security for the professional fees and disbursements incurred both before and after the granting of this Order, the Proposal Trustee, the Proposal Trustee's legal counsel and counsel to

Newsco (the "**Chargees**") shall be entitled to the benefits of and are hereby granted a first-ranking charge (the "**Administration Charge**") on all of Newsco's present and after-acquired assets, property, and undertakings (the "**Property**"), which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at their normal rates and charges, and Newsco is hereby authorized to pay such fees and disbursements, incurred both before and after the making of this Order.

5. The filing, registration or perfection of, the Administration Charge shall not be required, and the Administrative Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administrative Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

6. The Administrative Charge shall constitute a charge on the Property shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

7. Except as otherwise expressly provided for herein, or as may be approved by this Court, Newsco shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge, unless the Applicant also obtains the prior written consent of the Proposal Trustee and the Chargees or a further order of this Court.

8. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or

- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds Newsco, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Administration Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by Newsco of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administrative Charge; and
 - (iii) the payments made by Newsco pursuant to this Order, and the granting of the Administrative Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

J.C.Q.B.A.

SCHEDULE "A" – CRITICAL SUPPLIERS

Supplier	Amount Owing
Aadya E-Travel	\$9,964.58
ABS International Holdings Limited	\$128,288.50
Ajoy Koch & Co.	\$57,621.69
Alpha Services	\$200.24
Anil K Badhwar	\$8,052.67
Ashik Patowary	\$3,370.78
Ashini Kumar Chetia	\$8,052.67
ASSAM PETROLEUM LIMITED	\$1,512.84
Bedanta Chetia	\$3,957.10
Central Processing Cell – TDS	\$27,268.14
DD Services	\$9,127.82
Dolphin Enterprises	\$9,964.58
Eco & Agro Movers Pvt. Ltd.	\$200.24
Employees Provident Fund Organisation	\$3,759.23
Finanic Services	\$3,957.10
Garg Sales Corporation	\$8,810.90
Gaurav Sahni HUF	\$6,028.02
Gautam Sahni HUF	\$7,292.41
K. V. Enterprises	\$3,370.78
K.S. ENTERPRISES	\$57,621.69
Labour Welfare Fund Office	\$19.16
M/S Muzzamil Islam Ali	\$7,292.41
MRA Oil Feild Services	\$6,028.02
North East Logistics	\$8,810.90
Oil Feild Warehouse & Services Ltd.	\$68,704.57
Oil Well Tools Services and Supplies Pvt. Ltd.	\$2,782.22
Omkar Clearing Forwarding Pvt. Ltd.	\$44,742.19
Proactive Facilities Pvt. Ltd.	\$27,605.90
Prodip Sarma	\$64,115.68
Safe & Trust Logistics	\$22,778.38
Sanjay Art Printers	\$30,742.79
Scorpion Mechanical Components Pvt. Ltd.	\$1,512.84
Standard Instrumentation System	\$1,502.32
V Sankar Aiyar & Co.	\$8,285.84
Vaishnavi Engineering	\$2,363.78