

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 PROPOSAL

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
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 88912.3

NEWSCO INTERNATIONAL ENERGY SERVICES INC. ("Newsco") hereby submits the following Proposal under Part III, Division I of the Act.

On October 20, 2020, Newsco filed a Notice of Intention to Make a Proposal under Part III, Division I of the Act.

On February 10, 2020, the Court approved the sale of substantially all of Newsco's Property, other than the Newsco Indian Assets. On February 22, 2021, Newsco completed that asset sale, and received the Sale Proceeds of US\$902,935, subject to adjustments (approximately CA\$1,110,610.05). From the Sale Proceeds, Newsco has made and expects to make Authorized Payments in the approximate amount of CA\$790,000 if the Proposal is approved, leaving approximately CA\$320,000 as the Distribution Fund, to be paid out to creditors.

Pursuant to this Proposal, Newsco wishes to distribute the entirety of the Distribution Fund to the Affected Creditors, to maximize their recovery and provide a superior recovery to that which they would achieve if Newsco became bankrupt.

Among other things, the recovery to Affected Creditors will be maximized under this Proposal because if the Proposal is approved, the Unaffected Secured Creditors, whose Unaffected Secured Claims total approximately \$1,800,000, have agreed not to participate in the distribution of the Distribution Fund.

If this Proposal is not approved and Newsco becomes bankrupt, the Unaffected Secured Creditors would be entitled to prove their Unaffected Secured Claims in Newsco's bankruptcy, likely reducing the amounts available to be recovered by the Affected Creditors to zero.

ARTICLE I Definitions and Interpretation

1.1 In this Proposal, capitalized terms have the following meanings:

- (a) "**Act**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended from time to time;
- (b) "**Administration Charge**" means the charge created in the Order granted by the Court in the NOI Proceedings on November 19, 2020;
- (c) "**Administrative Fees and Expenses**" means the fees and expenses of the Proposal Trustee, as well as the legal fees and disbursements of Newsco and of the Proposal Trustee, on or incidental to this Proposal and the proceedings arising out of this Proposal, including all fees and expenses secured by the Administration Charge;
- (d) "**Affected Claims**" means the D&O Claims, the D&O Indemnity Claims, the Judith Melville Secured Claim, the Preferred Claims, the Restructuring Period Claims, the Terminated Employee Preferred Claims and the Unsecured Claims. For certainty, the Unaffected Claims are not Affected Claims;
- (e) "**Affected Creditors**" means Creditors holding Affected Claims, solely in respect of those Affected Claims;
- (f) "**Authorized Payees**" means the Critical Suppliers and the Employees and the Chargees, being the parties to whom Newsco was authorized to make pre- and post-Filing Date payments by the Court's November 19, 2020 Order granted in the NOI Proceedings;
- (g) "**Authorized Payments**" means the amounts owed to the Authorized Payees that were paid by Newsco from the Sale Proceeds prior to and after the filing of this Proposal;
- (h) "**Chargees**" means those parties entitled to the benefit of the Administration Charge, being the Proposal Trustee, the Proposal Trustee's legal counsel and Newsco's legal counsel;

- (i) **"Claim"** means any right or claim of any Person that may be asserted or made in whole or in part against Newsco, 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 without limitation, 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, without limitation, 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, without limitation, any right or ability of any Person 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 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 and events occurring prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a debt provable in bankruptcy within the meaning of the BIA had Newsco become bankrupt on the Filing Date;
- (j) **"Court"** means the Court of Queen's Bench of Alberta;
- (k) **"Court Approval Order"** means the order of the Court approving this Proposal pursuant to sections 58 and 59 of the Act, such order being unaffected by any appeal (including, without limitation, not being subject to any unexpired appeal period), or application to vary or set aside such order, which such order shall include, among other things, a provision directing any Person holding Property of Newsco in reliance on or in connection with a Claim, to return such Property to Newsco as soon as reasonably practicable in accordance with the Court Approval Order, and stipulating that such returned Property shall be free and clear of all Claims;
- (l) **"Court"** means the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency;
- (m) **"CRA"** means the Canada Revenue Agency;
- (n) **"Creditor"** means any Person having a Claim and may, if the context requires, mean a Trustee, receiver, receiver-manager, or other Person acting on behalf of or in the name of such Person;
- (o) **"Creditors' Meeting"** means the meeting of Creditors held pursuant to sections 51 and 54 of the Act to consider and vote on the Proposal;

- (p) **"Critical Suppliers"** means those suppliers defined as such in the Order granted by the Court in the NOI Proceedings on November 19, 2020, who are listed on **Schedule "A"** hereto;
- (q) **"Crown"** means Her Majesty in right of Canada or a Province thereof;
- (r) **"Crown Claims"** means Claims of Her Majesty in Right of Canada or any Province of Canada of the kind contemplated in s. 60(1.1) of the Act;
- (s) **"D&O Claim"** means:
 - (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers; or
 - (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers, in that capacity, 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, and any interest accrued thereon or costs payable in respect thereof, 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 to advance a claim for contribution or indemnity from any such Directors or Officers or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or 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 and events occurring prior to the Filing Date, or (B) relates to a time period prior to the Filing Date

provided, however, that "D&O Claim" shall not include any D&O Claim that cannot be compromised under the BIA;

- (t) **"D&O Indemnity Claim"** means any existing or future right of any Director or Officer against Newsco which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by Newsco;

- (u) "**Director**" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of Newsco;
- (v) "**Disputed Claim**" means any Claim, which has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Proposal Trustee, or any other Person entitled to do so, and has not been resolved by agreement or by order of the Court;
- (w) "**Distribution**" means any payment to Affected Creditors pursuant to Article 3.3 of this Proposal;
- (x) "**Distribution Fund**" means the funds held by Newsco that represent the Sale Proceeds, less only the Authorized Payments, which shall be paid by Newsco to the Proposal Trustee in accordance with Article 3.2 of this Proposal;
- (y) "**Effective Date**" means the date on which all conditions contained in Article 4 hereof have been satisfied or, as applicable, waived by Newsco;
- (z) "**Event of Default**" means the failure to pay the amount of the Distribution Fund to be paid in accordance with the terms of this Proposal and/or statutory defaults under the BIA;
- (aa) "**Filing Date**" means October 20, 2020, the date on which Newsco filed its Notice of Intention pursuant to Part III, Division I of the Act;
- (bb) "**Governmental Authority**" means:
 - (i) any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; and
 - (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them;
- (cc) "**Implementation Date**" means the date on which the conditions set out in Article 4.1 of this Proposal have been satisfied and the Proposal Trustee has delivered a certificate evidencing full performance of this Proposal for the purposes of section 65.3 of the Act, provided that no Event of Default has occurred under this Proposal that has not been cured or waived;
- (dd) "**ITA**" means the *Income Tax Act* (Canada);

- (ee) "**Judith Melville Secured Claim**" means the Secured Claim related to the secured loan made by Judith Melville to Newsco in the amount of \$X on or about X, 2019, plus all accrued interest and expenses;
- (ff) "**Levy**" means the levy imposed by the Superintendent of Bankruptcy under the Act;
- (gg) "**Newsco Indian Assets**" mean those assets located in India and owned and used by Newsco to operate its business in India;
- (hh) "**NOI Proceedings**" means the proceedings commenced by Newsco in the Court pursuant to Part III, Division I of the Act, in Action No. 25-2681862;
- (ii) "**Officer**" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of Newsco;
- (jj) "**Person**" means any individual, partnership, limited partnership, joint venture, trust, body corporate, unincorporated organization, committee, board, government or agency or instrumentality thereof, and any other entity howsoever designated or constituted, and includes the Crown;
- (kk) "**Post-Filing Claim**" means the claim of any Person against Newsco that arose from the provision of authorized goods and services provided or otherwise incurred in the normal course of business during the Proposal Period, and for certainty shall not include Restructuring Period Claims;
- (ll) "**Preferred Claim**" means that portion of any Claim that is afforded priority under section 136 of the Act;
- (mm) "**Preferred Creditor**" means a Creditor holding a Preferred Claim, solely in respect of that Preferred Claim;
- (nn) "**Property**" means all of the assets, undertakings and property of Newsco wherever situate;
- (oo) "**Proposal**" means this Proposal, as amended or altered from time to time;
- (pp) "**Proposal Period**" means the period of time between the Filing Date and the Implementation Date;
- (qq) "**Proposal Trustee**" means BDO Canada Limited, a licensed Trustee in bankruptcy who has consented to act as, and is hereby designated as, the proposal trustee acting with respect to the NOI Proceedings and under this Proposal;
- (rr) "**Proven**" as used in relation to any Claim means such Claim as finally accepted or determined in accordance with the provisions of the Act and this Proposal;

- (ss) "**Proxy**" means a completed and executed form of proxy in the form prescribed by the Act, by means of which a Creditor appoints a proxyholder to attend and act on the Creditor's behalf at the Creditors' Meeting;
- (tt) "**Released Parties**" means those Persons released under this Proposal including, without limitation, under Articles 7.1 and 7.2 hereof;
- (uu) "**Restructuring Period Claim**" means any Claim of any Person against Newsco in connection with any indebtedness, liability or obligation of any kind whatsoever resulting from the restructuring, disclaimer, resiliation, termination or breach by Newsco on or after the Filing Date of any contract, lease, or other agreement, including employment agreements, whether written or oral and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Order;
- (vv) "**Sale Proceeds**" means the proceeds of sale received by Newsco from the sale of its assets approved by the Court on February 10, 2021 in the NOI Proceedings;
- (ww) "**Secured Claim**" means a Claim in respect of which a Creditor holds Security that is validly attached as of the date of this Proposal, provided however such Claims shall be Secured Claims only to the extent of the realizable value of the assets secured by the Security, as such realizable value is determined (i) by the Proposal Trustee, or (ii) by the Court;
- (xx) "**Secured Creditor**" means a Creditor holding a Secured Claim, solely in respect of its Secured Claim;
- (yy) "**Security**" means a mortgage, hypothec, pledge, charge, lien, privilege, encumbrance or security interest on or against the property of Newsco or any part thereof as security for a debt due or accruing due to a Creditor by Newsco, whether by way of direct indebtedness or by way of guarantee, indemnity, surety or otherwise;
- (zz) "**Terminated Newsco Employees**" means those employees listed on **Schedule "B"** to this Proposal, whose employment with Newsco shall be terminated effective on the Implementation Date;
- (aaa) "**Terminated Employee Preferred Claims**" means the Preferred Claims of the Terminated Newsco Employees and their statutory severance Claims by the Terminated Newsco Employees pursuant to the *Employment Standards Code* (Alberta);
- (bbb) "**Unaffected Claims**" means Administrative Fees and Expenses, the claims of Critical Suppliers, Crown Claims, Post-Filing Claims and Unaffected Secured Claims;
- (ccc) "**Unaffected Secured Claims**" means all Secured Claims other than the Judith Melville Secured Claim;

- (ddd) "Unaffected Secured Creditor" means a Creditor holding an Unaffected Secured Claim, solely in respect of its Unaffected Secured Claim;
- (eee) "Unsecured Claim" means a Claim in respect of which a Creditor does not hold Security and is not afforded priority under section 136(1) of the Act, and includes, without limitation, that portion of any Secured Claim that exceeds the realizable value of the assets secured by the Security;
- (fff) "Unsecured Creditor" means those Creditors holding Unsecured Claims, solely in respect of their Unsecured Claims;
- (ggg) "Voting Letter" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Affected Creditor prior to the Creditors' Meeting.

1.2 In this Proposal, unless expressly indicated to the contrary:

- (a) terms not otherwise defined shall have the meaning ascribed to them in the Act;
- (b) all references to dollars, money, cash, currency or "\$" shall be in Canadian dollars unless otherwise indicated;
- (c) words importing the singular number only shall include the plural number and vice versa;
- (d) headings are for ease of reference only and shall not affect the meaning or the interpretation of this Proposal; and
- (e) time shall be of the essence.

ARTICLE II

Purposes and Effect of the Proposal

2.1 The purposes of this Proposal are:

- (a) to allow Newsco to distribute the Distribution Fund to its Affected Creditors, in full and final satisfaction of the Affected Claims;
- (b) to allow Newsco the opportunity to continue to operate in the ordinary course of business after performance of its obligations under this Proposal;
- (c) to maximize the recovery of Newsco's Affected Creditors compared to what they would receive in a bankruptcy of Newsco; and
- (d) to avoid the liquidation or bankruptcy of Newsco and the loss of value to all Creditors;

all on the terms and conditions of the Proposal set out herein.

2.2 This Proposal restructures the affairs of Newsco and amends the terms of any and all agreements between Newsco and Creditors existing as at the date of this Proposal to the extent

affected by the Proposal, and provides the essential terms on which all Affected Claims will be fully and finally resolved and settled. During the Proposal Period, the provisions of section 69.1 of the Act shall be in effect. Without limiting the generality of the foregoing, each Affected Creditor will be stayed from commencing or continuing any proceeding or remedy against: (i) Newsco or its Property based upon a Claim existing on or before the Filing Date, including, without limitation, any proceeding or remedy to recover payment of that Claim, to realize against any security interest granted in respect of that Claim, to recover or enforce a judgement against Newsco in respect of that Claim, or to initiate any proceedings against Newsco in respect of that Claim, or to initiate any proceedings against it under any applicable bankruptcy, insolvency or other laws in respect of that Claim, other than an application or proceeding in connection with this Proposal; or (ii) any of the Released Parties.

2.3 This Proposal applies to and is binding on all Affected Creditors, whether or not any such Affected Creditor provides a Claim against Newsco under this Proposal.

ARTICLE III **Treatment and Compromise of Affected Claims**

3.1 There will be one (1) class of Creditors, namely Unsecured Creditors, for purposes of voting on the Proposal.

3.2 The Distribution Fund shall be paid by Newsco to the Proposal Trustee within three (3) business days of the conditions precedent set out in Articles 4.1(a) and 4.1(b) of this Proposal being met.

3.3 The Proposal Trustee shall make distributions out of the Distribution Fund within sixty (60) business days of the Effective Date or such later date as is reasonably practicable, in full and final satisfaction of all Proven Claims:

- (a) firstly, in an amount sufficient to pay in full on the Implementation Date, all outstanding Administrative Fees and Expenses, and/or to hold back sufficient amounts to pay all future anticipated Administrative Fees and Expenses to the completion of the administration of the NOI Proceedings;
- (b) secondly, Her Majesty in Right of Canada and Her Majesty in Right of Alberta will be paid in full by Newsco, within 6 months after Court approval of this Proposal, all Crown Claims;
- (c) thirdly, to Judith Melville in an amount sufficient to pay in full the Judith Melville Secured Claim;
- (d) fourthly, to the Terminated Newsco Employees and the Preferred Creditors, in an amount sufficient to pay in full the Proven Terminated Employee Preferred Claims and the Proven Preferred Claims; and
- (e) fifthly, the balance of the Distribution Fund shall be paid *pro rata* to the Unsecured Creditors, based on the amounts of their respective Proven Unsecured Claims.

3.4 The following parties, to the extent of and in their capacity as holders of the following claims (all of which will be repaid in full under this Proposal or unaffected by this Proposal) shall not be entitled to vote on this Proposal:

- (a) the parties to whom the Administrative Fees and Expenses are owed, to the extent of their claims for Administrative Fees and Expenses;
- (b) Judith Melville, to the extent of the Judith Melville Secured Claim;
- (c) the Terminated Newsco Employees, to the extent of the Proven Terminated Employee Preferred Claims;
- (d) the Preferred Creditors, if any, to the extent of the Proven Preferred Claims; and
- (e) the Unaffected Creditors, to the extent of the Unaffected Claims.

3.5 If the parties to whom the Administrative Fees and Expenses are owed, Judith Melville, the Terminated Newsco Employees, the Preferred Creditors or the Unaffected Creditors also hold any Unsecured Claims, they will be entitled to prove those Unsecured Claims, vote with respect to those Unsecured Claims and receive distributions from the Distribution Fund with respect to those Unsecured Claims, notwithstanding Article 3.4.

3.6 The Levy shall be deducted by the Proposal Trustee from all Distributions to Creditors with Proven Affected Claims by the Proposal Trustee and remitted in accordance with the requirements of the Act.

3.7 The Proposal Trustee shall be entitled to deduct and withhold from any consideration payable to or otherwise contemplated by this Proposal such amounts as the Proposal Trustee is required to deduct and withhold with respect to the making of such payment under the ITA or any provision of state, local or foreign tax law and to take any action necessary to ensure that such deductions and withholdings are timely made. To the extent that the amounts are so withheld by the Proposal Trustee and paid to the appropriate Governmental Authority, such withheld amounts shall be treated for all purposes of this Proposal as having been paid to the Person who otherwise would have received the payment in respect of which such deduction and withholding was made by the Proposal Trustee.

3.8 Affected Creditors will accept the payments provided for in this Article 3 in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Property or Newsco. Upon the making of the payments provided for in this Article 3, any and all such Claims and all such liens, certificates or pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to Newsco. Any Person holding Property of Newsco in reliance on or in connection with a Claim, shall be obligated to return such Property to Newsco as soon as reasonably practicable in accordance with the Court Approval Order.

3.9 In the case of any Disputed Claim that has not been finally determined on the date of any distribution to Affected Creditors pursuant to this Proposal, the Proposal Trustee will reserve sufficient cash from the Distribution Fund to distribute to the Affected Creditor its distribution in

respect of such Disputed Claim in the event that such Disputed Claim becomes a Proven Claim. If the Disputed Claim becomes a Proven Claim in whole or in part in accordance with the BIA after the applicable distribution date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the BIA after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will become available for distribution from the Distribution Fund. The Proposal Trustee shall have the discretion, if it deems it appropriate, to delay all distributions of the Distribution Fund, until all Disputed Claims become Proven Claims or become disallowed.

ARTICLE IV
Conditions Precedent to the Implementation of the Proposal

- 4.1 The following are conditions precedent to the implementation of the Proposal:
- (a) the required majority of Unsecured Creditors voting to approve this Proposal;
 - (b) the Court Approval Order being granted, in a form satisfactory to Newsco, acting reasonably; and
 - (c) the transfer of the Distribution Fund from Newsco to the Proposal Trustee in accordance with Article 3.2 of this Proposal.

ARTICLE V
Meeting of Unsecured Creditors

5.1 Newsco shall hold the Creditors' Meeting for the Unsecured Creditors to consider and vote upon the Proposal, as amended, at such a date and time as may be called by the Proposal Trustee.

5.2 The Creditors' Meeting shall be confirmed in the notice of meeting to be mailed pursuant to the Act. All proofs of claims shall be delivered in accordance with the provisions of this Proposal, the Act and any order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Each Unsecured Creditor shall be entitled to vote to the extent of the amount which is equal to the Creditor's Proven Claim.

5.4 In order that the Proposal be binding on the Affected Creditors of Newsco in accordance with the Act, it must first be accepted by the Unsecured Creditors by a majority in number of each class of Unsecured Creditors who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter and representing two-thirds in value of the Proven Unsecured Claims who actually vote upon the Proposal (in person or by Proxy) at the Creditors' Meeting or by a Voting Letter.

5.5 At the Creditors' Meeting, the Unsecured Creditors may appoint one or more, but not more than five, inspectors under this Proposal, who will have no personal liability to Newsco or to the Unsecured Creditors, and whose power shall be limited to:

- (a) the power to advise the Proposal Trustee in respect of such matters as may be referred to the inspectors by the Proposal Trustee;
- (b) the power to advise the Proposal Trustee concerning any dispute that may arise to the validity or quantum of claims of Unsecured Creditors under this Proposal, where the Proposal Trustee requests such assistance;
- (c) the power to approve on behalf of the Unsecured Creditors of Newsco any decision of the Proposal Trustee relating to any matter not contained in this Proposal which the Proposal Trustee may refer to them from time to time, including any extension of time of payment required under this Proposal; and
- (d) the power to waive any default in the performance of this Proposal. The Proposal Trustee shall notify the Inspectors of any default of which the Proposal Trustee becomes aware and the Proposal Trustee shall hold a meeting of Inspectors following such notice for the purpose of obtaining the instructions of the Inspectors with respect to such a default and the steps to be taken.

5.6 Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, revoke or vary the decision, direction or act of the Inspectors and make such other order as it thinks just.

ARTICLE VI **The Proposal Trustee**

6.1 The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of Newsco whether existing as at the date of this Proposal or incurred subsequent thereto.

6.2 Upon making the distributions contemplated in Article III, the Proposal shall be fully performed and the Proposal Trustee shall be entitled to apply for its discharge as Proposal Trustee hereunder. For greater certainty, the Proposal Trustee will not be responsible or liable for any obligations of Newsco and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

ARTICLE VII **Miscellaneous**

7.1 The Distribution of the Distribution Fund by the Proposal Trustee as set forth herein, shall operate as payment in full and final satisfaction of all Affected Claims (including, for certainty, all D&O Claims), and each Affected Creditor will thereafter be deemed to have forever released Newsco and its current and former directors, officers, employees and agents of any and all debts, liabilities, suits, claims and causes of action that it has, had, or may have for any matter, cause or anything existing as of the date of the Proposal.

7.2 On the Effective Date, all Affected Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. For greater certainty, each such Affected

Creditor will be deemed to have waived any default by Newsco in any provision, express or implied, in any agreement existing between the Affected Creditor and Newsco that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

7.3 Sections 95 to 101 of the Act and any other laws relating to preferences, fraudulent conveyances or transfers at undervalue shall not apply to this Proposal or to any payment or distributions made in connection with the Proposal whether made before or after the Filing Date, including to any transactions contemplated by or implemented pursuant to, the Proposal, or to which the Proposal is conditional or dependent upon.

7.4 Newsco covenants and agrees that during the course of the Proposal, it will remit to the CRA all amounts associated with payroll deductions (income tax deductions, Canada Pension Plan contributions and Employment Insurance premiums) if applicable and will file income tax returns and pay income taxes as required by the ITA.

7.5 This Proposal may be amended by Newsco prior to or at the Creditors' Meeting.

Dated at the City of Calgary, in the Province of Alberta this 19TH day of April, 2021.

NEWSCO INTERNATIONAL ENERGY
SERVICES INC

Per: 

William Melville
President and CEO

SCHEDULE "A"

Critical Suppliers

Aadya E-Travel
ABS International Holdings Limited
Ajoy Koch & Co.
Alpha Services
Anil K Badhwar
Ashik Patowary
Ashini Kumar Chetia
ASSAM PETROLEUM LIMITED
Bedanta Chetia
Central Processing Cell – TDS
DD Services
Dolphin Enterprises
Eco & Agro Movers Pvt. Ltd.
Employees Provident Fund Organisation
Finanic Services
Garg Sales Corporation
Gaurav Sahni HUF
Gautam Sahni HUF
K. V. Enterprises
K.S. ENTERPRISES
Labour Welfare Fund Office
M/S Muzzamil Islam Ali
MRA Oil Feild Services
North East Logistics
Oil Feild Warehouse & Services Ltd.
Oil Well Tools Services and Supplies Pvt. Ltd.
Omkar Clearing Forwarding Pvt. Ltd.
Proactive Facilities Pvt. Ltd.
Prodip Sarma
Safe & Trust Logistics
Sanjay Art Printers
Scorpion Mechanical Components Pvt. Ltd.
Standard Instrumentation System
V Sankar Aiyar & Co.
Vaishnavi Engineering

SCHEDULE "B"

Terminated Newsco Employees

1. Curtis Lee
2. Jean-Yves Lalande
3. Cindy McCubbin
4. Patti-Jo Russell