

No. B131400
Estate No. 11-1806986
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF
EASTCOAL INC.

ORDER MADE AFTER APPLICATION

**APPROVAL AND VESTING ORDER
[EFI TRANSACTIONS]**

BEFORE) THE HONOURABLE)
))
) Mr JUSTICE PERALMBA) 16 / Jan / 2014

ON THE APPLICATION of EastCoal Inc. coming on for hearing at Vancouver, British Columbia, on this day and on hearing Jordan Schultz, counsel for EastCoal Inc., and no one else appearing although duly served;

THIS COURT ORDERS AND DECLARES THAT:

1. The sale transactions (the "**Transactions**") contemplated by:
 - (a) the Sale and Purchase Agreement between EFI Holding GmbH ("**EFI**") and EastCoal Inc. ("**EastCoal**") in respect of EastCoal's 0.1% interest in East Coal Company LLC ("**ECC**"), a copy of which is attached as Exhibit "A" to the Affidavit #2 of Abraham Jonker (the "**Affidavit**");
 - (b) the Sale and Purchase Agreement between EFI and Gramsico Holdings Ltd. ("**Gramsico**") in respect of Gramsico's 99.9% interest in ECC, a copy of which is attached as Exhibit "B" to the Affidavit;
 - (c) the Sale and Purchase Agreement between EFI and EastCoal in respect of EastCoal's 0.1% interest in Ukraine Energy Ltd. ("**UEL**"), a copy of which is attached as Exhibit "C" to the Affidavit;

- (d) the Sale and Purchase Agreement between EFI and Gramsico in respect of Gramsico's 99.9% interest in UEL, a copy of which is attached as Exhibit "D" to the Affidavit; and
- (e) the Claim Assignment Agreement between EFI and EastCoal, a copy of which is attached as Exhibit "E" to the Affidavit

(collectively, the "**Sale Agreements**"),

are hereby approved, and the Sale Agreements are commercially reasonable. The execution of the Sale Agreements by EastCoal and Gramsico, respectively, are hereby authorized and approved, and EastCoal and Gramsico are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance to EFI of the assets described in the Sale Agreements (the "**Purchased Assets**").

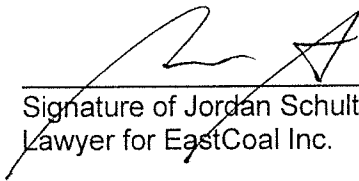
2. Upon delivery by EastCoal to EFI of a certificate confirming completion of the Transactions (the "**Closing Certificate**"), all of EastCoal's right, title and interest in and to the Purchased Assets described in the Sale Agreements shall vest absolutely in EFI in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system, and, for greater certainty, this Court orders that all encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
3. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Completion Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

4. EastCoal is to file with the Court a copy of the Closing Certificate forthwith after delivery thereof.
5. EastCoal, Gramsico and EFI shall be at liberty to extend the closing date to such later date as those parties may agree without the necessity of a further Order of this Court.
6. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of EastCoal now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of EastCoal,


the vesting of the Purchased Assets in EFI pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of EastCoal and shall not be void or voidable by creditors of EastCoal, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist EastCoal and its 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 EastCoal as may be necessary or desirable to give effect to this Order or to assist EastCoal and its agents in carrying out the terms of this Order.

8. EastCoal or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Jordan Schultz
Lawyer for EastCoal Inc.


BY THE COURT



REGISTRAR



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