

**COURT FILE NUMBER**

24-2473449

**COURT**

COURT OF QUEEN'S BENCH OF ALBERTA  
IN BANKRUPTCY AND INSOLVENCY

**JUDICIAL CENTRE**

EDMONTON

**DOCUMENT**



REPLACEMENT APPENDIX "B" TO THE  
FIRST REPORT OF THE TRUSTEE  
IN THE MATTER OF S. 50.4(9) OF THE BANKRUPTCY  
AND INSOLVENCY ACT,

AND IN THE MATTER OF

THE NOTICE INTENTION TO MAKE A PROPOSAL OF B.W.  
RIG SUPPLY INC.

DATED FEBRUARY 25, 2019

**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT**

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Trustee:

Deloitte Restructuring Inc.  
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Attention: Darren M. Crocker

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Appendix "B"

District of Alberta  
 Division No.: 01 - Edmonton  
 Court No.: 24-2473449  
 Estate No.: 24-2473449

IN THE COURT OF QUEEN'S BENCH OF ALBERTA  
 IN BANKRUPTCY AND INSOLVENCY  
 IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
 B.W. RIG SUPPLY INC.  
 STATEMENT OF PROJECTED CASH-FLOW  
 FOR THE PERIOD OF FEBRUARY 11, 2019, TO MAY 17, 2019

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	Totals
(CASH)	Week Ending 15-Feb-19	22-Feb-19	29-Feb-19	6-Mar-19	13-Mar-19	20-Mar-19	27-Mar-19	3-Apr-19	10-Apr-19	17-Apr-19	24-Apr-19	1-May-19	8-May-19	15-May-19	
<b>Receipts</b>															
Collectors from accounts receivable pre NOI	-	25,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	152,000
Collectors from accounts receivable Post NOI	-	5,000	10,000	5,000	10,000	5,000	5,000	5,000	10,000	5,000	10,000	5,000	10,000	5,000	95,000
Recovery of guaranteed funds	-	89,000	-	-	-	-	-	-	-	-	-	-	-	-	89,000
<b>Total Receipts</b>	-	119,000	20,000	15,000	20,000	16,000	20,000	15,000	20,000	15,000	20,000	20,000	20,000	20,000	309,000
<b>Operating Disbursements</b>															
Wages (gross payroll)	-	30,000	-	20,000	-	30,000	-	30,000	-	30,000	-	30,000	-	30,000	210,000
Rent	-	-	14,539	-	-	-	-	14,539	-	-	-	14,539	-	-	43,617
Utilities	-	-	9,000	-	-	-	-	9,000	-	-	-	9,000	-	-	27,000
Insurance	-	-	2,000	-	-	-	-	2,000	-	-	-	2,000	-	-	6,000
Office supplies	-	-	260	-	-	-	-	260	-	-	-	260	-	-	520
Cost of sales	-	4,500	9,000	4,500	9,000	4,500	9,000	4,500	9,000	4,500	9,000	4,500	9,000	4,500	85,500
Legal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,500
Travel fees	-	7,000	-	-	-	-	-	-	-	-	-	-	-	-	7,000
Contingency - 10%	-	700	9,450	-	-	-	-	-	-	-	-	-	-	-	10,150
<b>Total Operating Disbursements</b>	-	47,700	54,389	34,383	37,500	44,500	44,500	50,000	50,000	44,500	50,000	50,000	50,000	50,000	431,439
<b>Financing Disbursements</b>															
Vehicle lease	-	-	4,205	-	-	-	-	4,205	-	-	-	4,205	-	-	12,615
<b>Total Financing Disbursements</b>	-	-	4,205	-	-	-	-	4,205	-	-	-	4,205	-	-	12,615
<b>Total Disbursements</b>	-	47,700	58,594	34,383	37,500	44,500	44,500	54,205	50,000	44,500	54,205	54,205	50,000	50,000	444,054
<b>Net Cash Flow</b>	<b>(7,700)</b>	<b>71,300</b>	<b>(38,594)</b>	<b>(22,500)</b>	<b>790</b>	<b>(28,500)</b>	<b>10,100</b>	<b>(39,205)</b>	<b>10,000</b>	<b>(29,500)</b>	<b>10,100</b>	<b>(34,205)</b>	<b>790</b>	<b>(17,250)</b>	<b>(133,054)</b>
Beginning cash	19,000	11,300	62,350	43,792	20,832	21,582	(1,368)	8,732	(45,726)	(65,086)	(54,286)	(98,854)	(98,104)	(98,104)	19,000
Net cashflow	(7,700)	51,050	(10,888)	(22,550)	750	(22,950)	10,100	(36,480)	10,100	(24,450)	10,100	(43,250)	750	(17,500)	(133,054)
Ending cash	11,300	62,350	43,792	20,992	21,582	(1,368)	8,732	(46,730)	(36,630)	(54,986)	(54,986)	(98,854)	(98,104)	(98,104)	11,300

This Statement of Projected Cash-Flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on Cash-Flow Statement.

Dated this 15th day of February, 2019

DELOITTE RESTRUCTURING INC.  
 In its capacity as Trustee in re: The Notice of Intention to make a Proposal of  
 B.W. RIG SUPPLY INC.  
 and not in its personal capacity

*[Signature]*  
 Darren N. Crocker, CPA, CGA, CFP, LT  
 Senior Vice-President

B.W. RIG SUPPLY INC.  
*[Signature]*  
 Pat Ross  
 Director

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-2473449  
Estate No. 24-2473449

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
B.W. Rig Supply Inc.  
of the City of Nisku, in the Province of Alberta

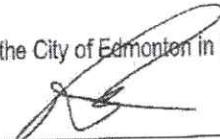
The Management of B.W. Rig Supply Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 15th day of February 2019, consisting of weekly projections for the period of February 11, 2019 to May 17, 2019.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

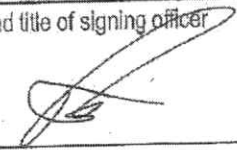
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Edmonton in the Province of Alberta, this 15th day of February 2019.

  
\_\_\_\_\_  
B.W. Rig Supply Inc.  
Debtor

Pat Ross, Director  
\_\_\_\_\_  
Name and title of signing officer

  
\_\_\_\_\_  
Name and title of signing officer

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-2473449  
Estate No. 24-2473449

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of  
B.W. Rig Supply Inc.  
of the City of Nisku, in the Province of Alberta

Purpose:

Cash-flow statement is being prepared solely to comply with subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

1. Estimated revenues are based on historical results and actual results may be materially different.
2. Aged Accounts Receivable and comments on collections and timing:
  - a) Accounts Receivable is usually collected between 30 to 45 days.
  - b) There are a number of Accounts Receivable that have a corresponding Accounts Payable, and a set-off may be applicable.
5. Back up for other sources of funds:
  - a) Funding during the short term will be through sale of real property.
  - b) All of the Nisku B.W. Rig Supply Inc. operations were moved into the main building on December 31, 2018. The allocation of costs and overhead need to adjusted.
  - c) Previously the B.W. Rig Supply Inc. Nisku operations were run out of the 407 22nd Avenue, Nisku, Alberta.
  - d) There are two other locations Red Deer and Lloydminster leases (short term).

Assumptions:

Probable assumptions:

1. Aged Accounts Receivable remain collectable by the Company between 30 to 45 days.

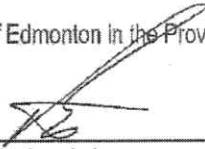
Hypothetical assumptions:

1. The Company is able to maintain relationships with its customers, stabilize its revenue stream, and maintain profit margins.
2. The Company's parent company provides working capital for any cash shortfall incurred in continuing the Company's operations.
3. The Company's creditors do not take steps to terminate the stay of proceedings.

Important assumptions to the projections:

1. Payroll is paid by Hyduke Energy Services ATB account.
2. Rent is paid from Hyduke Energy Services ATB account.
3. Most expenses are paid through common accounts (internet, cell phones, insurance etc).
4. Purchases are made using the Hyduke Energy Services ATB credit card as the Company does not have any terms with suppliers.

Dated at the City of Edmonton in the Province of Alberta, this 15th day of February 2019.

A handwritten signature in black ink, appearing to be 'B.W.', is written over a horizontal line.

B.W. Rig Supply Inc.

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-2473449  
Estate No. 24-2473449

-- FORM 29 --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 60(6)(b) and 60.4(2)(b) of the Act)

In the matter of the proposal of  
B.W. Rig Supply Inc.  
of the City of Nisku, in the Province of Alberta

The attached statement of projected cash flow of B.W. Rig Supply Inc., as of the 15th day of February 2019, consisting of weekly projections for the period of February 11, 2019 to May 17, 2019, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

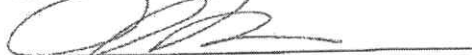
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection 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, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Edmonton in the Province of Alberta, this 15th day of February 2019.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



1500 Manulife Place, 10180 - 101 Street  
Edmonton AB T5J 4K1  
Phone: (780) 401-3913 Fax: (780) 421-3782

District of: Alberta  
Division No. 01 - Edmonton  
Court No. 24-2473449  
Estate No. 24-2473449

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of  
B.W. Rig Supply Inc.  
of the City of Nisku, in the Province of Alberta

Purpose:

Cash-flow statement is being prepared solely to comply with subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

1. Estimated revenues are based on historical results and actual results may be materially different.
2. Aged Accounts Receivable and comments on collections and timing:
  - a) Accounts Receivable is usually collected between 30 to 45 days.
  - b) There are a number of Accounts Receivable that have a corresponding Accounts Payable, and a set-off may be applicable.
5. Back up for other sources of funds:
  - a) Funding during the short term will be through sale of real property.
  - b) All of the Nisku B.W. Rig Supply Inc. operations were moved into the main building on December 31, 2018. The allocation of costs and overhead need to adjusted.
  - c) Previously the B.W. Rig Supply Inc. Nisku operations were run out of the 407 22nd Avenue, Nisku, Alberta.
  - d) There are two other locations Red Deer and Lloydminster leases (short term).

Assumptions:

Probable assumptions:

1. Aged Accounts Receivable remain collectable by the Company between 30 to 45 days.

Hypothetical assumptions:

1. The Company is able to maintain relationships with its customers, stabilize its revenue stream, and maintain profit margins.
2. The Company's parent company provides working capital for any cash shortfall incurred in continuing the Company's operations.
3. The Company's creditors do not take steps to terminate the stay of proceedings.

Important assumptions to the projections:

1. Payroll is paid by Hyduke Energy Services ATB account.
2. Rent is paid from Hyduke Energy Services ATB account.
3. Most expenses are paid through common accounts (internet, cell phones, insurance etc).
4. Purchases are made using the Hyduke Energy Services ATB credit card as the Company does not have any terms with suppliers.

Dated at the City of Edmonton in the Province of Alberta, this 15th day of February 2019.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee



1500 Manulife Place, 10180 - 101 Street

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