



Ernst & Young Inc.
Ernst & Young Tower
1000, 440 2nd Avenue SW
Calgary, AB T2P 5E9

Tel: +1 403 290 4100
Fax: +1 403 290 4265
ey.com

INTERIM REPORT OF THE RECEIVER AND MANAGER

(Subsection 246(2) of the *Bankruptcy & Insolvency Act*)

In the Matter of the Court Appointed Receivership of the Property of
Kyoto Fuels Corporation (the "Company")

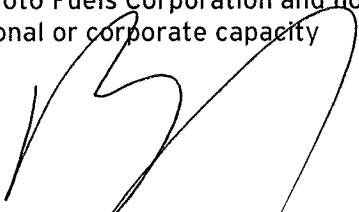
1. On Thursday, May 29, 2014, Ernst & Young Inc. (the "Receiver") was appointed by an Order (the "Order") of the Court of Queen's Bench of Alberta (the "Court") as Receiver and Manager of the Company. The Receiver was appointed in respect of the property (the "Property") of the Company.
2. To the extent permitted under the Order, the Receiver took possession and control of the Property on May 29, 2014.
3. The Receiver's interim statement of receipts and disbursements is attached to this notice as Appendix "A".
4. The Property consisted primarily of a non-operational biodiesel production facility and land located in Lethbridge, Alberta. The Property was marketed for sale and a sale was closed on June 2, 2015.
5. The Receiver intends to apply to the Court for a final distribution and discharge order upon the completion of certain administrative tasks.
6. The Receiver contact is:

Ernst & Young Inc.
Ernst & Young Tower
1000 , 440 - 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Alex Corbett CA, CIRP
Telephone: (403) 206-5001
Facsimile: (403) 206-5075
Email: Alex.B.Corbett@ca.ey.com
Website: www.ey.com/ca/kyotofuels

Dated at Calgary, Alberta this 1st day of September, 2015.

ERNST & YOUNG INC.
Court-Appointed Receiver and Manager
of Kyoto Fuels Corporation and not in its
personal or corporate capacity



Robert J Taylor, FCA, CIRP, CFE
Senior Vice-President

Appendix "A"

Kyoto Fuels Corporation - In Receivership
 Draft Interim Statement of Receipts and Disbursements
 For the Period May 29, 2014 - August 31, 2015
 \$ CAD, unaudited

Receipts

Sale of biodiesel plant	3,200,000
Receiver's Certificates	850,000
Forefeited deposit on unconsumated sale	550,000
Proceeds from chemical sales	153,581
Biofuel production credits	28,944
Interest and other receipts	19,366
Initial transfer of company account	13,579
Insurance refund	12,215
Total receipts	<u>4,827,685</u>

Disbursements

Interim distributions to AFSC and CP	900,000
Repayment of Receiver's Certificates	886,888
Payout of T&E Ventures	420,720
Receiver's fees and costs	382,492
IIS costs	236,939
Sale commission	168,000
Receiver's counsel's fees and costs	187,297
Operating and other costs	139,698
Utilities	139,605
GFL disposal costs	73,655
Insurance	64,058
Consulting costs	59,103
Net GST paid	44,256
Total disbursements	<u>3,702,713</u>

Cash on hand	<u><u>1,124,972</u></u>
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