

FORM 87
NOTICE AND STATEMENT OF THE RECEIVER
(Subsections 245(1) and 246(1) of the Act)

In the Matter of the Receivership of Innovative Steam Technologies Inc. and IST Boiler Components Inc.

The receiver gives notice and declares that:

1. On May 1st, 2018, Deloitte Restructuring Inc. (“**Deloitte**”) was appointed by Order of the Ontario Superior Court of Justice (the “**Appointment Order**”) as the Receiver and Manager (the “**Receiver**”) of all of the assets, undertakings and properties of Innovation Steam Technologies Inc. and IST Boiler Components Inc. (together, the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, an insolvent company, that is described below:

Description	Book Value (*) as at March 31, 2018
Cash and cash equivalents	\$0
Trade and other receivables	\$1,759,104
Unbilled revenue	\$7,495,223
Inventories	\$3,551,730
Income taxes recoverable	\$30,213
Prepaid expenses	\$319,386
Property, plant, and equipment	\$2,144,203
Investment	\$95,934
Income taxes recoverable	\$1,251,676
Intangible assets	\$5,640,000
Goodwill	<u>\$3,900,000</u>
Total	\$26,187,469

(*) – Based on information compiled by the Debtors. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained herein. All references to currency are in Canadian dollars unless otherwise noted.

2. As noted above, Deloitte became a Receiver by virtue of being appointed by the Appointment Order dated May 1, 2018 of the Ontario Superior Court of Justice (Commercial List) pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act* and Section 101 of the *Courts of Justice Act*.
3. The undersigned commenced the exercise of its power in respect of that appointment on May 1, 2018.
4. The following information relates to the receivership:

- (a) Address of insolvent company:

549 Conestoga Blvd.
Cambridge, Ontario, N1R 7P4

1 Natura Way, Suite 100
Cambridge, Ontario

100 - 6425 River Road
Delta, British Columbia, V4K 4E2

(b) Principal line of business: Manufacturer of heat recovery steam generators

(c) Location(s) of business: Cambridge, Ontario
Delta, British Columbia

(d) Amounts owed by the Company to each creditor who appear to hold a security interest on the property described above include:

Secured Party

HSBC Bank Canada	\$17,020,801
Fulcrum Capital Partners (Collector) V, LP	<u>10,200,000</u>
Total	\$27,220,801

(e) Attached is a list of creditors to be notified of the receivership which includes the parties identified as secured creditors, potential Government creditors and other unsecured creditors.

(f) The intended plan of action of the Receiver is to realize the assets of the Debtors through a sale of the business or a liquidation.

(g) Contact person for Receiver:

Warren Leung, CPA, CA, CIRP
Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9
Telephone: 416-874-4461
Fax: 416-601-6690

Dated at Toronto, ON, this 8th day of May, 2018

DELOITTE RESTRUCTURING INC.

Court-appointed Receiver and Manager of
Innovative Steam Technologies Inc., and
IST Boiler Components Inc.
and not in its personal capacity

Per:



Rob Biehler
Senior Vice President

Notice and Statement of the Receiver
Listing of Creditors of
Innovative Steam Technologies Inc. and IST Boiler Components Inc.

(unaudited)
(All amounts in CAD)

Secured Creditors

HSBC BANK CANADA	\$17,020,801.32
Fulcrum Capital Partners (Collector) V, LP	<u>10,200,000.00</u>
Total Secured Debt	<u>\$27,220,801.32</u>

Unsecured Creditors

3B GENERAL TRADING & CONTRACTING CO. W.L.L.	\$ 28,000.00
1 Natura Way Limited Partnership c/o Wilson Blanchard Management Inc.	Unknown
A-1 MESSENGER SERVICES LTD.	25.96
ABJ ENGINEERING & CONTRACTING CO. KSCC	1,500,230.08
ABRASIVE SUPPLY & SERVICE INC	3,631.88
ACKLANDS-GRAINGER INC.	1,894.28
AECON INDUSTRIAL CONSTRUCTION, A DIVISION OF ACGI	139,065.93
AEROMECCANICA STRANICH S.P.A.	15,073.50
AGUTECH MACHINE & TOOL LT	20,962.63
AIR LIQUIDE CANADA INC	22,706.73
AIR LIQUIDE CANADA INC.	1,332.38
AJAX TOCCO MAGNETHERMIC CANADA LIMITED	13,334.00
ALL-LIFT LTD.	9,768.00
ALMEER INDUSTRIES	13,449.25
ALTIMA GROUP	682.50
APPLIED CONTROLS INC.	3,705.58
ARTECH WINDOW CLEANING LTD.	1,017.00
AVENSYS SOLUTIONS INC,	31,899.90
AZZ WSI LLC	40,520.00
BAH ENTERPRISES INC.	29,380.00
BAR-TECH ENTERPRISES	739.97
BC SAFETY AUTHORITY	1,171.80
BECKER BROS. TRUCKING	1,186.50
BEDROCK EXPRESS TOWING SERVICE	3,186.60
BHD TUBULAR LTD	8,546.37
BOHLER UDDEHOLM THERMO-TECH	7,537.10
BSM WIRELESS INC.	76.28
BULLWARC INC.	468.95
CAMBRIDGE AND NORTH DUMFRIES HYDRO	16,439.47
CAMBRIDGE MATERIALS TESTING LIMITED	3,944.27
CAMBRIDGE RIGGING CENTRAL LIMITED	1,146.95
CAMERON INSTRUMENTS INC.	231.65
CANADA REVENUE AGENCY	Unknown
CANADIAN FREIGHTWAYS	280.32
CANADIAN SPRINGS	68.08
CANADIAN SPRINGS - A DIV. OF AQUATERRA CORPORATION	33.84
CANON CANADA INC	547.21
CANSEL SURVEY EQUIPMENT INC.	289.47
CHEETAH TRANSPORT LTD.	119.43
CHRIS GARDINER	481.00
CINTAS CANADA LIMITED C/O C3005	39.58
CINTAS CANADA LTD.	4,785.94
COMCO PIPE & SUPPLY CO	685.91
CONESTOGA CONTRACTING GROUP	4,342.76
CONTRO VALVE INC.	4,179.31
CRANE SUPPLY LTD.	204.51
CRATEX INDUSTRIAL PACKING LTD.	808.50
CRS CRANE SYSTEMS INC	330.75
CULLIGAN	231.65
DEJONG COMBUSTION B.V	323,462.16
DEJONG COMBUSTION B.V.	31,984.28
DEJONG COMBUSTION B.V.	6,894.90
DURABLE SUPPLY	184.29
ECL ENGINEERED COATINGS LTD	43,293.92
EDGE DESIGN & ENGINEERING ASSOCIATES INC	2,305.20
ELECTROMATE INC.	1,005.70
Employees	Unknown
ENDRESS & HAUSER CANADA LTD.	17,628.00
Energy+ Inc.	Unknown

EURO-MILAN INC.	316.78
EVOQUA WATER TECHNOLOGIES LTD	161.59
EXCELLENCE IN MANUFACTURING CONSORTIUM	1,350.35
EXOCOR	8,298.09
EXOCOR	1,093.68
FAIRWAY TRANSPORTATION SERVICES LTD.	9,500.00
FASTENAL CANADA	4,480.94
FEDERAL EXPRESS CANADA	3,777.61
FEDERAL EXPRESS CANADA LTD.	698.70
FIBRECAST INC.	4,075.57
FIRMAN FIRE AND SAFETY	1,005.70
FLEXO PRODUCTS LIMITED	1,377.66
FLOCOR INC	180.79
FLOWERS.CA INC.	276.62
FLOWSERVE US INC. - EDWARDS FLOWSERVE RALEIGH	20,762.00
FOSSIL POWER SYSTEMS	593.93
FOSSIL POWER SYSTEMS	111,480.30
FRANKLIN SELF STORAGE	288.15
FRASER LOCK & SAFE CO.	824.78
G. TRASOLINI BUSINESS PRODUCTS	407.68
GEMCAST MANUFACTURING	4,560.74
GENWAVE TECHNOLOGIES INC.	117.47
GRAND & TOY	141.77
GRAYLOC PRODUCTS CANADA LTD	17,388.00
GTI GLOBAL YYZ INC	2,895.00
GUILLEVIN INTERNATIONAL C	5,710.75
HAWKES ELECTRO-ARC LTD.	1,305.72
HERCULES SLR INC.	1,711.47
HOT ZONE TRAINING CONSULTANTS INC.	1,762.80
HSBC MASTERCARD	46,401.42
Husby Forest Products Ltd.	Unknown
HY-LOK DISTRIBUTION INC	56,797.55
HYPERHELL	31,752.00
IDT SYSTEMS INC.	2,327.69
IMAGEWEAR - A DIVISION OF MARK'S	682.37
IMPERIAL COFFEE AND SERVICES INC.	874.11
INFOR GLOBAL SOLUTIONS (MARKHAM) INC. C/OT10303C	78,601.99
INTEGRATED DIGITAL SOLUTIONS	2,015.25
J.B. MACHINING INC,	8,873.89
JAS 3 LTD	902.47
JAYNE INDUSTRIES INC.	19,723.34
JT BUSINESS DEVELOPMENT CORPORATION LTD	7,938.69
KINGS WOOD PRODUCTS	549.18
KITCHENER STEEL	10,581.55
KUT-RITE TOOLS DIVISION OF 501339 ONT.LTD.	9,165.42
LANDSTAR CANADA, INC.	4,517.57
LB TESSMER CONSULTING	14,690.00
LEVEL 3	23.73
LIBURDI AUTOMATION	4,323.24
LINDEMANN ELECTRIC SERVICES INC.	2,218.19
LINK + CORPORATION	25.00
LINK+ CORPORATION	29,635.31
LIVINGSTON INTERNATIONAL INC	3,843.11
LUCID DIGITAL MEDIA INC.	1,808.00
M.A. STEEL FOUNDRY LTD	29,632.70
MAASS FLANGE & FITTING CANADA INC.	6,477.16
MAG TOOL INC	1,469.03
MANITOULIN TRANSPORT	868.60
MANITOULIN TRANSPORT	451.46
MAT-COR ENGINEERING LTD.	1,146.95
McCORDICK GLOVE INC.	4,101.80
McMASTER-CARR SUPPLY CO.,	6,700.67
METGLAS INC.	11,934.05
METRO BOILER TUBE CO.	10,945.00
MICHIGAN SEAMLESS TUBE LLC	17,100.11
MINISTER OF FINANCE	150.00
MJ METAL PRODUCTS LTD.	6,265.88
MNP LLP	2,373.00
NAUTALEX BUSINESS SERVICES INC.	711.90
NICKEL SYSTEMS INC	9,350.00
NOVEXCO	434.76
NOVIPRO	4,514.36
OCCUPATIONAL SAFETY GROUP	1,045.25
Ontario Ministry of Finance	Unknown

PAUL REITZEL INDUSTRIAL	4,713.75
PIPELINE PIGGING SPECIALTIES LTD.	408.87
PM BUILDING MAINTENANCE JANITORIAL SERVICES	2,709.40
PROCESS COMBUSTION SYSTEM INC	252,902.49
PROCESS COMBUSTION SYSTEMS INC.	30,130.89
PROCESS MECHANICAL INSTALLATIONS	32,976.23
QUICKMILL INC.	1,104.65
RABBIT PICK UP & DELIVE	552.23
RAITH ENGINEERING AND MANUFACTURING	119,953.60
RANK GENERAL TRADING & CONTRACTING	38,436.48
RED-D-ARC LIMITED	2,688.00
RED-D-ARC WELDRENTALS	896.26
REDI-STRIP METAL CLEANING CANADA LTD.	1,956.94
REGIONAL HOSE & EQUIP.LTD	2,673.86
RELIABLE TUBE INC.	2,010.96
RJB MANAGEMENT SERVICES	16,806.49
ROME TRANSPORTATION	15,937.50
ROTO-STATIC CAMBRIDGE DIV. OF 1114014 ONTARIO INC.	576.70
R-S MATCO, INC.	19,321.04
SALIT STEEL	779.70
SANDVIK STEEL COMPANY	448,626.55
SEA CARGO AIR CARGO LOGISTICS INC	26,245.54
SEA CARGO AIR CARGO LOGISTICS INC	43,891.61
SENTEX COMMUNICATION CORP	1.00
SERAFINA ENERGY LTD.	14,216.46
SEVERN GLOCON INDIA PVT LTD.	366,894.92
SHADES OF GREEN	395.50
SHARP RITE TOOLING & MFG INC	253.58
SHRED IT INTERNATIONAL ULC	422.43
SIMU TECH GROUP - TORONTO OFFICE ROI ENGINEERING INC.	12,294.40
SKYLINE COMMERCIAL REAL ESTATE HOLDINGS INC.	Unknown
SPECIALTY STRIP & OSCILLATING INC,	21,636.90
STARSHIP LOGISTICS INC.	2,245.00
STONEBRIDGE SOURCING SOLUTIONS	3,257.47
SUPER SAVE DISPOSAL INC.	161.97
SUPER SAVE ENTERPRISES LTD.	265.56
SUPERIOR ALLOY TECHNOLOGY	16,927.40
SWAGELOK SOUTHWESTERN ONTARIO	202.63
TATE-JONES, INC.	2,116.30
TEAM INDUSTRIAL SERVICES TISI CANADA INC	940.44
TECHNICAL SAFETY BC	1,178.38
TECHNICAL STANDARDS AND SAFETY AUTHORITY	804.26
TELUS (MOBILITY CLIENT #19028138)	203.17
The Corporation of the City of Cambridge	Unknown
THE GREAT-WEST LIFE ASSURANCE COMPANY	177.52
THE LAKE COMPANIES, INC.	1,535.96
THE NATIONAL BOARD OF BOILER & PRESSURE VESSEL INSPECTORS, INC	72.50
TIGER PLUMBING INC	2,223.84
TRI-METAL FABRICATORS LTD.	7,543.20
TRIPLEFAST MIDDLE EAST LIMITED	22,216.58
TRIUMPH TOOL LTD.	379.14
TULSA FIN TUBE LLC	38,815.26
TW PROFESSIONAL SERVICES	450.00
TYCO INTEGRATED FIRE & SECURITY CANADA, INC.	6,689.19
UNIFIED ALLOYS	4,827.82
UNIFIRST CANADA LTD.	622.97
UNION GAS LIMITED	6,286.23
UPS-SUPPLY CHAIN SOLUTIONS	1,063.57
UPS-SUPPLY CHAIN SOLUTIONS	199.44
VALMONT INDUSTRIES INC.	32,543.78
VEOLIA ENVIRONMENTAL SERVICES LTD	13,528.48
WASTE MANAGEMENT	530.38
WAYCO MULTI-LIFT	1,287.22
WESTOOL PRECISION PRODUCTS	16,282.73
WIKA INSTRUMENTS LTD.	39,587.91
Total Unsecured Debt	<u>\$ 4,733,611.84</u>