

COURT FILE NUMBERS 25-2386427
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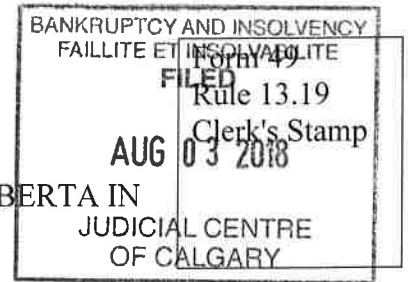
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE DIVISION I
PROPOSAL PROCEEDINGS OF ASPEN AIR
CORPORATION and ASPEN AIR U.S. CORP.

DOCUMENT **AFFIDAVIT OF ONKAR DHALIWAL**

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File No. 258090

AFFIDAVIT OF ONKAR DHALIWAL

Sworn August 3, 2018

I, Onkar Dhaliwal, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the President and CEO of Aspen Air Corporation (“**Aspen Air**”) and Aspen Air U.S. Corp. (“**Aspen Air US**”, and together with Aspen Air, the “**Aspen Companies**”) and, as such, I have a personal knowledge of the facts and matters sworn to in this

Affidavit save where stated to be based on information and belief and, where so stated, I believe such information to be true.

2. This Affidavit is made in support of an Order extending the period of time within which the Aspen Companies are required to file a proposal to their creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), up to and including October 4, 2018.

Extension of Stay Period

3. The period within which the Aspen Companies have to file their proposals expires on August 20, 2018.
4. Since the granting of the order in the within action by Justice Campbell on June 26, 2018 (the “**June 26 Order**”), the Aspen Companies have continued to diligently pursue activities aimed at the presentation of a proposal. Such activities include:
 - (a) continuing to operate the Aspen Companies’ businesses;
 - (b) responding to inquiries from various creditors regarding the status of the proposal proceedings;
 - (c) pursuing additional business for the Aspen Companies;
 - (d) working with U.S. counsel and the proposal trustee, Deloitte Restructuring Inc. (the “**Proposal Trustee**”), in its capacity as Foreign Representative (as defined in the June 26 Order) to file a petition under Chapter 15 of the *United States Bankruptcy Code* for recognition of the within proceedings (the “**Recognition Order**”) as foreign main proceedings (the “**Recognition Proceedings**”);

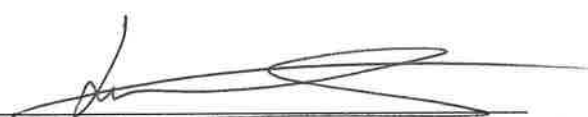
- (e) appearing in the United States Bankruptcy Court for the District of Montana to testify in the Recognition Proceedings, pursuant to which the Recognition Order that was granted on August 1, 2018;
 - (f) engaging with C.F. Capital Corporation regarding a possible investment or other transaction with the Aspen Companies;
 - (g) engaging with other potential bidders regarding a possible investment or transaction with the Aspen Companies;
 - (h) in consultation with the Proposal Trustee, determining that it would be in the best interest of the Aspen Companies to initiate and run the Sale and Investor Solicitation Process approved by the Court pursuant to the June 26 Order (the “SISP”);
 - (i) following the purchase by C.F. Capital Corporation of the loans and security of Alberta Treasury Branches, consulting with and reporting to C.F. Capital Corporation in its capacity as a secured lender of the Aspen Companies regarding the SISP and the within proceedings; and
 - (j) negotiating the engagement of the Financial Adviser (as defined in the SISP) provided for in the SISP.
5. Following the granting of the June 26 Order, the Aspen Companies initially engaged in discussions with C.F. Capital Corporation regarding a proposed transaction. While these discussions were ongoing, additional parties expressed interest in entering into other potential transactions with the Aspen Companies on terms potentially superior to those offered by C.F. Capital Corporation.

- 6. The Aspen Companies determined, in consultation with the Proposal Trustee, that completing the SISP would be in the best interests of the Aspen Companies and would provide the companies with the greatest chance to make viable proposals and maximize returns for all stakeholders.
- 7. The decision to proceed with the SISP was delayed as the result of, among other things, the discussions between the Aspen Companies and C.F. Capital Corporation on the one hand and the other potential purchasers on the other hand.
- 8. The Aspen Companies have been acting in good faith with due diligence toward making a viable proposal to their creditors.
- 9. Extending the period of time within which the Aspen Companies are required to file a proposal to their creditors until October 4, 2018, will permit the Aspen Companies to complete the SISP and make viable proposals to their creditors.
- 10. There is no creditor materially prejudiced by the granting of an extension until October 4, 2018.

Conclusion

- 11. I make this affidavit in support of an application to extend the period of time within which the Aspen Companies are required to file a proposal to their creditors.

SWORN ^{to} (~~OR AFFIRMED~~) BEFORE ME at)
 City of Calgary, Alberta, this ^{to} 3rd)
 day of August, 2018)
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 (Commissioner for Oaths in and for the Province of Alberta)


 (Signature)

PRINT NAME AND EXPIRY/LAWYER
 LOVEPREET SAINI
 Barrister & Solicitor
 A Commissioner for Oaths in and for Alberta

ONKAR DHALLWAL
 (Print Name)