

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) THURSDAY, THE 23RD  
JUSTICE *NEWBOLD* )  
 ) DAY OF APRIL, 2015  
 )

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED  
STATES BANKRUPTCY COURT WITH RESPECT TO XINERGY LTD.

APPLICATION OF XINERGY LTD.  
UNDER SECTION 46 OF THE  
*COMPANIES' CREDITORS ARRANGEMENT ACT*

**INITIAL RECOGNITION ORDER  
(FOREIGN MAIN PROCEEDING)**



THIS APPLICATION, made by Xinergy Ltd. in its capacity as the foreign representative (the "**Foreign Representative**" or the "**Debtor**") of itself, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Michael R. Castle sworn April 15, 2015 (the "**Castle Affidavit**"), the preliminary report of Deloitte Restructuring Inc., in its capacity as proposed information officer (the "**Proposed Information Officer**") dated April 21, 2015, each filed, and upon being provided with copies of the documents required by s.46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for an informal group of holders of the Debtor's 9.25% senior secured notes due 2019 and lenders under the Debtor's postpetition senior secured new money term loan credit facility (collectively, the "**DIP Lenders**"), counsel for Jon Nix, and no one else appearing although duly served as appears from the affidavits of service of Monique Sassi, sworn on April 15, 2015 and April 21, 2015, the affidavits of service of Margaret Wong, sworn on April 16, 2015, April 20, 2015 and April 21, 2015, and the affidavit of service of Natalie E. Levine, sworn on April 20, 2015:

#### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

#### **FOREIGN REPRESENTATIVE**

2. THIS COURT ORDERS AND DECLARES that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA in respect of the proceedings under chapter 11 of title 11 of the United States Code pending before the United States Bankruptcy Court for the Western District of Virginia (the "**Foreign Proceeding**").

#### **CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING**

3. THIS COURT DECLARES that the centre of its main interests for the Debtor is the United States, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

#### **STAY OF PROCEEDINGS**

4. THIS COURT ORDERS that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against the Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;

- (b) further proceedings in any action, suit or proceeding against the Debtor are restrained; and
- (c) the commencement of any action, suit or proceeding against the Debtor is prohibited.

**NO SALE OF PROPERTY**

5. THIS COURT ORDERS that, except with leave of this Court, the Debtor is prohibited from selling or otherwise disposing of:

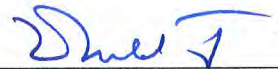
- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

**GENERAL**

6. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Debtor and its counsel and agents in carrying out the terms of this Order.

7. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of 12:01 a.m. on the date of this Order.

8. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtor and its counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.



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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

APR 24 2015



Court File No. CV-15-10936-00CL  
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AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT WITH RESPECT TO XINERGY LTD.  
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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
  
PROCEEDING COMMENCED AT TORONTO

**INITIAL RECOGNITION ORDER**  
**(FOREIGN MAIN PROCEEDING)**

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