

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

XEBEC HOLDING USA INC., *et al.*,

Debtors in a foreign proceeding.¹

Chapter 15

Case No. 22- 10934 (KBO)

Jointly Administered

**NOTICE OF ASSUMPTION AND ASSIGNMENT
AND CURE AMOUNTS WITH RESPECT TO EXECUTORY
CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS**

PLEASE TAKE NOTICE that on September 30, 2022 (the “**Petition Date**”), FormerXBC Inc. (f/k/a Xebec Adsorption Inc.), in its capacity as the authorized foreign representative (the “**Foreign Representative**”) for the above-captioned debtors (collectively, the “**Debtors**”), filed voluntary petitions for relief under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”) for each of the Debtors, in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”). Prior to the Petition Date, the Debtors initiated a proceeding under Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, which is pending before the Superior Court of Québec, in the Province of Québec, District of Montréal (the “**Canadian Court**”).

PLEASE TAKE FURTHER NOTICE that, on March 15, 2023, the Foreign Representative filed the *Motion for Order (I) Recognizing and Enforcing CCAA Vesting Order; (II) Approving the Sale of Certain of Debtor Xebec Systems USA LLC’s Assets Free and Clear of Liens, Claims, and Encumbrances; (III) Approving Assumption and Assignment of Certain Contracts; and (IV) Granting Related Relief* (the “**U.S. Sale Motion**”).² Pursuant to the U.S. Sale Motion, the Foreign Representative seeks entry of an order, among other things: (a) approving the sale (the “**Sale**”) by Debtor Xebec Systems USA LLC (“**Seller**”) of substantially all of its assets to EnergyLink US Inc. (“**Buyer**”) free and clear of liens, claims, and encumbrances, as agreed by the parties in that certain Asset Purchase Agreement dated as of March 14, 2023 (the “**Purchase Agreement**”); and (b) authorizing Seller to assume and assign certain of its executory contracts and unexpired leases to Buyer in connection with the Sale.

¹ The Debtors in the chapter 15 proceedings and the last four digits of their federal tax identification numbers are: FormerXBC Inc. (f/k/a Xebec Adsorption Inc.) (0228), 11941666 Canada Inc. (f/k/a Xebec RNG Holdings Inc.) (N/A), Applied Compression Systems Ltd. (N/A), 1224933 Ontario Inc. (f/k/a Compressed Air International Inc.) (N/A), Xebec Holding USA Inc. (8495), Enerphase Industrial Solutions Inc. (1979), CDA Systems, LLC (6293), Xebec Adsorption USA, Inc. (0821), The Titus Company (9757), Nortekbelair Corporation (1897), XBC Flow Services – Wisconsin Inc. (7493), California Compression, LLC (4752), and Xebec Systems USA LLC (4156). The location of the Debtors’ corporate headquarters and the Debtors’ foreign representative is: 730 Industriel Boulevard, Blainville, Quebec, J7C 3V4, Canada.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the U.S. Sale Motion or, to the extent not defined therein, the Purchase Agreement attached to the U.S. Sale Motion as Exhibit C.

PLEASE TAKE FURTHER NOTICE that copies of the U.S. Sale Motion and related filings in these chapter 15 cases are available (a) on the Monitor’s case-specific website: <https://www.insolvencies.deloitte.ca/en-ca/pages/Xebec.aspx>; (b) on the Bankruptcy Court’s Electronic Case Filing System, which can be accessed from the Bankruptcy Court’s website at <http://www.ecf.deb.uscourts.gov> (a PACER login and password are required) or (c) upon request to counsel to the Foreign Representative, via email (jgadharf@mcdonaldhopkins.com), or via mail, McDonald Hopkins LLC, 300 North LaSalle Street, Suite 1400, Chicago, Illinois 60654, Attn: Josh Gadharf.

PLEASE TAKE FURTHER NOTICE that you are receiving this Notice because you may be a counterparty to an executory contract (a “Contract”) or an unexpired lease (a “Lease”) that *may* be assumed and assigned in connection with such Sale. A list of the Contracts and Leases is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that the Debtors have determined the cure amounts owing (the “Cure Amounts”) under each Contract and Lease, and the Foreign Representative has listed the applicable Cure Amounts on Exhibit A attached hereto. The Cure Amounts are the only amounts proposed to be paid upon any assumption and assignment of the Contracts or Leases, in full satisfaction of all amounts outstanding under the Contracts or Leases.

PLEASE TAKE FURTHER NOTICE that to the extent that a counterparty to a Contract or Lease objects to (a) the assumption and assignment of the counterparty’s Contract or Lease (including, without limitation, on the basis that Buyer cannot provide adequate assurance of future performance) or (b) the Cure Amount, the counterparty must file and serve an objection (an “Objection”). Any Objection shall: (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before 5:00 p.m. (ET) on March 29, 2023 (the “Objection Deadline”), and proof of service of such Objection upon the Objection Notice Parties shall be filed with the Court as and when required by the Local Rules; (iv) be served upon the Objection Notice Parties (as defined below); and (v) state with specificity the grounds for such objection, including, without limitation, the fully liquidated Cure Amount and the legal and factual bases for any unliquidated Cure Amount that the counterparty believes is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code for the Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto and any objection to the provision of adequate assurance of future performance by Buyer.

PLEASE TAKE FURTHER NOTICE that the “Objection Notice Parties” are as follows: (i) counsel for the Foreign Representative, McDonald Hopkins LLC, 300 North LaSalle Street, Suite 1400, Chicago, Illinois 60654, Attn: Josh Gadharf, jgadharf@mcdonaldhopkins.com, (ii) co-counsel for the Foreign Representative, Bielli & Klauder, LLC, 1204 North King Street, Wilmington, Delaware 19801, Attn: David M. Klauder, dklauder@bk-legal.com; (iii) counsel to Buyer, Stikeman Elliot LLP, 4300 Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta T2P 5C5, Attn: Craig Story, cstory@stikeman.com; and (iv) the Office of the United States Trustee for the District of Delaware, 855 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Timothy J. Fox, timothy.fox@usdoj.gov.

PLEASE TAKE FURTHER NOTICE that if no Objection is timely received with respect to a Contract or Lease: (i) the counterparty to such Contract or Lease shall be deemed to have consented to the assumption by Seller and assignment to Buyer of the Contract or Lease, and be forever barred (unless the Court orders otherwise) from asserting any objection with regard to such assumption and assignment (including, without limitation, with respect to adequate assurance of future performance by Buyer); (ii) any and all defaults under the Contract or Lease and any and all pecuniary losses related thereto shall be deemed cured and compensated pursuant to section 365(b)(1)(A) and (B) of the Bankruptcy Code; and (iii) the Cure Amount for such Contract or Lease shall be controlling, notwithstanding anything to the contrary in such Contract or Lease, or any other related document, and the counterparty shall be deemed to have consented to the Cure Amount and shall be forever barred (unless the Court orders otherwise) from asserting any other claims related to such Contract or Lease against the Debtors and their estates or Buyer, or the property of any of them, that existed prior to the entry of the Sale and Recognition Order.

PLEASE TAKE FURTHER NOTICE that to the extent that the Foreign Representatives and a counterparty are unable to consensually resolve any Objection prior to the commencement of the hearing set for **April 5, 2023, at 1:00 p.m. (prevailing Eastern time)**, before the Honorable Karen B. Owens at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Wilmington, DE 19801, in Courtroom No. 3 (the “**U.S. Sale Hearing**”), such Objection will be adjudicated at the U.S. Sale Hearing or at such other date and time as may be determined by the Foreign Representative, or otherwise fixed by the Court.

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Dated: March 15, 2023
Wilmington, Delaware

BIELLI & KLAUDER, LLC

/s/ David M. Klauder

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- and -

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Counsel for the Foreign Representative

Exhibit A**Contracts and Leases**

	Contact Information for Counterparty	Description	Cure Amount
1.	UE Compression LLC c/o United Holdings LLC Attn: Joe Reniers and Amy Husted 55 Waugh Drive, Suite 1000 Houston, TX 77007	Real Property Lease Agreement dated November 1, 2015, by and between UE Compression LLC and UEC, LLC relating to that certain real property located in Adams County Colorado, together with the building having a street address of 9461 Willow Ct., Henderson, Colorado 80640	\$0.00
2.	Russ C. Clark 4808 Secret Valley Dr. Billings, MT 59101	Real Property Lease Agreement dated April 1, 2019, by and between Russ C. Clark and UEC Billings, MT relating to that certain real property located in Billings, Mt Yellowstone County, referred to as Unit B 3205, Hesper Rd., Billings, MT 59102	\$0.00
3.	CIC, LLC Attn: Keith P. Tyler P.O. Box 2671 Casper, WY 82602	Real Property Lease Agreement dated March 15, 2022, by and between CIC, LLC and UEC, LLC relating to the real property situated at 953 Foster Road, Casper, WY 82601 encompassing approximately 3200 square feet	\$0.00
4.	Cisco Systems Capital Corporation 1111 Old Eagle School Road Wayne, PA 19087	Equipment Lease Agreement by and between UEC, LLC and Cisco Capital Corporation relating to that certain quote dated June 18, 2020	\$0.00
5.	SCS Carbon Removal, LLC Attn: James Powell 2321 N. Loop Dr. Suite 221 Ames, IA 50010	Gas Agreements by and between SCS Carbon Removal, LLC and Xebec Systems USA LLC, dated March 25, 2022, as modified on April 15, 2022 and April, 22, 2022, as the case may be, and by and between SCS Carbon Removal, LLC and UEC, LLC, dated November 19, 2021	Subject to agreement between Buyer and SCS Carbon Removal, LLC
6.	Frank Lill & Son, Inc. 785 Old Dutch Rd Victor, NY 14564	Purchase Agreement dated June 15, 2020 and amended on June 23, 2020, by and between UEC, LLC and Frank Lill & Son, Inc. relating to various engineering, material, equipment and labour	\$0.00
7.	Gilbane Alberici Construcciones Mexico, S. de R.L. de C.V. Attn: Jimmy Dale Upshaw Mario Pani No. 400 Int., Suite 145 Lomas de Santa Fe., 05300 Cuajimalpa de Morelos, Ciudad de Mexico	Purchase Agreement dated September 2, 2021, by and between UEC, LLC and Gilbane Alberici Construcciones Mexico, S. de R.L. de C.V. relating to the KGM Expansion of the Clients Brewery in Obregon, Mexico	\$0.00

	Contact Information for Counterparty	Description	Cure Amount
8.	PDC Energy, Inc. Attn: Erin Crawford P.O. Box 26 Bridgeport, WV 26330	Purchase Orders December 8, 2022 and February 2, 2023, by and between UEC, LLC and PDC Energy relating to Instrument Air Skid Packages	\$0.00
9.	EVRAZ Palmer North America Attn: Chastitie Graves P.O. Box 316 Pueblo, CO 81002-0316	Purchase Order dated July 30, 2021 and revised on January 21, 2022, by and between UEC, LLC (d.b.a. UE Compression) and Palmer NA LLC (d.b.a. Evraz Palmer North America) relating to the SC-10 UEC Air Compressor Package	\$0.00
10.	Clean Harbors Environmental Services Attn: Jerald Honeycutt 2247 S. HWY 71 Kimball, NE 69145	Purchase Order dated August 23, 2022, by and between UEC, LLC and Clean Harbors Environmental Services relating to various items including Electra Saver G2 Oil Flooded Rotaries, Nitrogen Generators, Externally Heated Reg Dryers and Air Aftercoolers	\$0.00
11.	Andeavor Field Services LLC Attn: Brandon Becker and Clint Cole 17962 County Road 233 Granger, WY 82934	Purchase Order dated December 5, 2022 and modified on December 8, 2022, by and between UEC, LLC and Andeavor Field Services LLC relating to an Instrument Air Package (air compressor package with 5,000 Gal Dry Receiver)	\$0.00
12.	Anadarko Petroleum Corporation Attn: Houston Contracts Management P.O. Box 1330 Houston, TX 77251-1330	Purchase Order relating to that certain Master Service Agreement dated February 7, 2012 by and between UE Compression, LLC and Anadarko Petroleum Corporation relating to the utilization, preparation, provision, sale or lease of various goods provided by UE Compression, LLC	\$0.00
13.	Verdad Resources LLC Attn: Kenneth Landtroop 5950 Cedar Springs RD #200 Dallas, TX 75235	Purchase Order dated September 15, 2022 by and between UEC, LLC and Verdad Resources relating to ten packages containing one Gardner Denver reciprocating air compressor mounted on Dry Tank, one NANO Heatless Regenerative Dryer and Filters, and Trico Fluid Storage Container for condensate collection	\$0.00
14.	Siemens Energy, Inc. Attn: Abraham Pothen 4400 Alafaya Trail Orlando, FL 32826	Purchase Order dated June 14, 2019, with added line items 10 & 11 pertaining to storage, following various Change Orders and as amended on June 27, 2022, by and between UEC, LLC and Siemens Energy, Inc.	\$0.00
15.	Southern California Gas Attn: Henry Tikualu and Carlito Tiongco P.O. Box 30777 Los Angeles, CA 90030-0777	Purchase Order dated July 12, 2022 by and between UEC, LLC and Southern California Gas relating to Rogers Machinery/Kobelco KNWA0-C/H 75 HP units	\$0.00