

**District of Ontario
Division No. 05 – London
Court No. 35-2041157
Estate No. 35-2041157**

IN THE MATTER OF THE BANKRUPTCY OF MUSTANG GP LTD.

**IN THE MATTER OF THE BANKRUPTCY OF HARVEST ONTARIO
PARTNERS LIMITED PARTNERSHIP**

**IN THE MATTER OF THE BANKRUPTCY OF HARVEST POWER MUSTANG
GENERATION LTD.**

Supplementary Trustee's Report to the Creditors

February 19, 2016

1. Background and Communication

This report is provided at the request of the Official Receiver pursuant to the concerns raised by a creditor in respect of the sale process completed during the insolvency proceedings. The issue was raised at the First Meeting of Creditors on January 28, 2016.

On September 29, 2015, Harvest Mustang GP. Ltd., Harvest Ontario Partners Limited Partnership and Harvest Power Mustang Generation (collectively, the "Debtors" or the "Companies") filed Notices of Intention to Make a Proposal ("NOI's") with the Office of the Superintendent of Bankruptcy under Section 50.4(1) of the Bankruptcy and Insolvency Act (Canada) ("BIA"). Deloitte Restructuring Inc. was named as Proposal Trustee.

The creditors were notified of the NOI proceedings pursuant to 50.4 (6) of the BIA.

The Proposal Trustee received and addressed calls from unsecured creditors. In addition, the Proposal Trustee provided information to interested parties by posting information on its website, www.deloitte.ca.

Following the filing of the NOI's, the Debtors sought an extension of time to file their proposal from the court and during this time completed a Court-approved sales process. The sales process included the Stalking Horse Agreement of Purchase and Sale executed by the Companies and StormFisher Environmental Inc. ("SFE") on October 15, 2015.

During the course of the NOI proceedings the creditors on the service list received notices of motion and other materials in respect of the court attendances in the NOI proceedings.

2. Sales Process

The Proposal Trustee issued two Court Reports, which are available on www.deloitte.ca.

The First Report outlined the proposed sales process under paragraph 25, which included:

- Advertising in The Globe & Mail – National edition;
- Establishing a bid deadline of 35 days following the Sale Process Approval Date.

The Second Report outlined the results of the sales process under paragraph 20, which included:

- Contacted 37 prospective purchasers;
- Prepared and distributed the confidential information memorandum (“CIM”) to 13 prospective purchasers who completed a non-disclosure agreement;
- Prepared and distributed a bid instruction letter to 6 prospective purchasers;
- Attended to plant tours and management presentations for 2 prospective purchasers; and
- Drafted and arranged for the Globe & Mail advertisement on November 10, 2015.

No offers or expressions of interest of any kind were submitted by any interested party. Accordingly the Proposal Trustee recommended the sale of all assets to the Stalking Horse Bidder, SFE. The Court approved the sale to SFE on December 10, 2015.

As a result of the sale of all of the assets, the Companies did not file a proposal by January 8, 2016, extension deadline date, and accordingly was deemed to have made an assignment in bankruptcy. Deloitte Restructuring Inc. was appointed as Trustee in Bankruptcy of the Debtors.

As a matter of administration, during the NOI proceedings, the Court approved that all 3 Debtors be consolidated under the Court File 35-2041157.

DELOITTE RESTRUCTURING INC.

In its capacity as trustee of the estate of Harvest Mustang GP Ltd., Harvest Ontario Partners Limited Partnership, and Harvest Power Mustang Generation Ltd. and not in its personal capacity



Rob Biehler, CPA, CA, CIRP
Senior Vice President