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COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	PACER CONSTRUCTION HOLDINGS CORPORATION
RESPONDENTS	PACER PROMEC ENERGY CORPORATION AND PACER PROMEC ENERGY CONSTRUCTION CORPORATION
DOCUMENT	FIRST REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF PACER PROMEC ENERGY CORPORATION AND PACER PROMEC ENERGY CONSTRUCTION CORPORATION **May 1, 2015**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** FTI Consulting Canada Inc. Suite 720, 440 – 2nd Avenue SW Calgary, AB T2P 5E9 Deryck Helkaa / Jamie Engen Telephone: (403) 454-6031 / (604) 417-7375 Fax: (403) 232-6116 Email: deryck.helkaa@fticonsulting.com / jamie.engen@fticonsulting.com **COUNSEL** Dentons Canada LLP 15th Floor, Bankers Court, 850 – 2nd Street SW Calgary, AB T2P 0R8 David Mann / David LeGeyt Telephone: (403) 268-7097 / 403-268-3075 Fax: (403) 268-3100 Email: david.mann@dentons.com / david.legeyt@dentons.com

RECEIVER'S FIRST REPORT

APPENDICES

INTRODUCTION

1. On March 10, 2015 (the "**Date of Appointment**"), FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") of all the assets, undertakings and properties (the "**Property**") of Pacer Promec Energy Corporation ("**PPEC"** or the "**Company")** and its wholly-owned subsidiary, Pacer Promec Energy Construction Corporation ("**PPEC Construction")** pursuant to an Order of this Honourable Court (the "**Receivership Order**").

2. The Receivership Order authorized the Receiver, among other things, to take possession of and exercise control over the Property, carry on the business of the Company and to make such arrangements or agreements as deemed necessary by the Receiver.

3. The Receiver's reports and other publicly available information in respect of these proceedings (the "**Receivership Proceedings**") are posted on the Receiver's website at http://cfcanada.fticonsulting.com/ppec.

4. The purpose of this report (this "**First Report**") is to inform the Court as to the following:

   (a) The status of various aspects of the Receivership Proceedings including the Receiver's activities since the Date of Appointment;

   (b) The general background and summary of PPEC's contracts and operations;

   (c) An analysis of the various stakeholder interests in the estate of PPEC;

   (d) The Receiver's recommendation with respect to the protocol to allow for the completion of certain uncompleted contracts (the "**Completion Protocol**");

(e) In order to facilitate the completion of the outstanding contracts as set out in the Completion Protocol in an efficient and orderly manner, the Receiver has proposed the following:

- A process for identifying and resolving various claims (the **"Claims Procedure"**);

- A mechanism to allow the required funding to complete the outstanding contracts and completion of the Receivership Proceedings (the "**Completion Funding**"); and

- the process for addressing various liens that have been filed against PPEC and its property ("**Lien Management**");

(f) A summary of the various discussions the Receiver has had with certain stakeholder groups;

(g) The details of the charges, security interests, encumbrances and liens registered against the Property;

(h) The implementation of an agreement between the Receiver and Pacer to document certain assistance being provided by Pacer to the Receiver in connection with the ongoing construction activities (the "**Pacer Agency Agreement**");

(i) Details of an agreement between the Receiver and Pacer to provide certain access to information and books and records of PPEC (the "**Pacer Access Agreement**");

(j) The sale, subject to Court approval, of a residential condominium unit owned by PPEC;

(k) A summary of the receipts and disbursements by the Receiver since the Date of Appointment; and

(l) The recommendations of the Receiver.

5. The Receiver is requesting the following relief from this Honourable Court:

(a) Approval of the sale of the condominium unit owned by PPEC as set out in the Krishna Offer (defined below) in the amount of $451,000;

(b) Approval of the Completion Protocol comprising:

- Approval of the Completion Funding including borrowings up to a further $63.0 million under a General Facility Charge, defined below, to allow the completion of the CNRL Contracts and completion of the administration of the estate; and

- Approval of the Krupp Facility Charge, defined below, in the amount of $5.0 million to allow funds to collect and/or litigate the Krupp Claims.

(c) Approval of the Claims Procedure and Lien Management, detailed below;

(d) Approval of the Pacer Agency Agreement; and

(e) Approval of the Pacer Access Agreement.

TERMS OF REFERENCE

6. In preparing this First Report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Companies' books and records and discussions with various parties (collectively, the "**Information**").

7. Except as described in this First Report:

   (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and

   (b) The Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.

8. Future oriented financial information reported or relied on in preparing this First Report is based on assumptions regarding future events; actual results may vary from forecasts and such variations may be material.

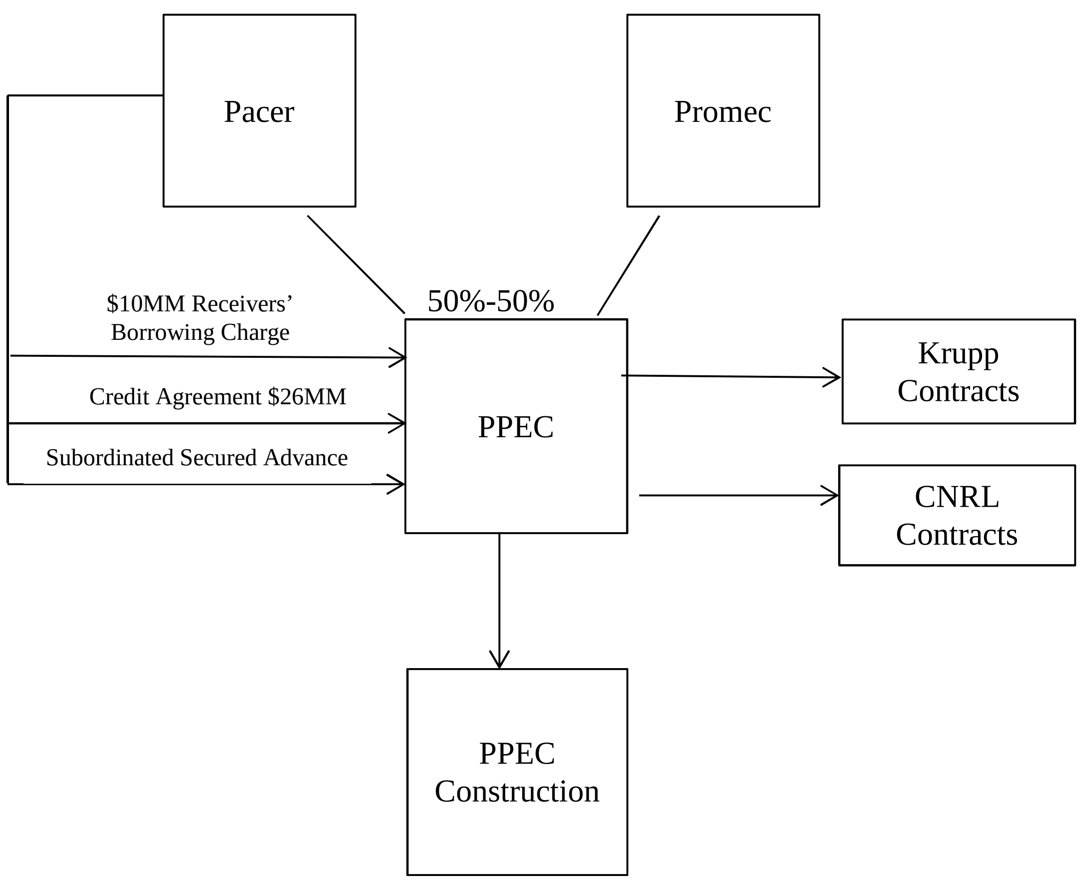
9. The Receiver has prepared this First Report in connection with the Receiver's Application dated May 1, 2015. This First Report should not be relied on for other purposes.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order, and Motion Materials filed in the Receivership Proceedings, or in the previous Reports.

BACKGROUND

11. PPEC is a private entity incorporated in April 2013 under the laws of the Province of Alberta specializing in civil, mechanical and electrical contracting services to customers in the oil sands developments in Northern Alberta. PPEC Construction is a private entity incorporated under the laws of Alberta. PPEC Construction has no operations or assets, but employs some of the trade employees working on PPEC's construction contacts.

12. PPEC has two shareholders each with a 50% ownership interest, namely Pacer Construction Holdings Corporation ("**Pacer")** and Construction Promec Inc. ("**Promec**") as set out in the organizational structure below:



13. PPEC originally had a credit agreement (the "**Credit Agreement**") with National Bank of Canada ("**National Bank**") comprising a demand revolving credit facility of up to $30.0 million. As a result of ongoing losses on its various construction contracts, PPEC fell into default under its Credit Agreement in about November 2014, as more fully described in the Affidavit of Richard Pelletier sworn March 6, 2015, (the "**Pelletier Affidavit**").

14. The amounts advanced by the shareholders is set out below:

$000's	Pacer	Promec	Total
Unsecured advances (cash and equipment)	12,850	18,220	31,070
Unsecured shareholder notes (cash)	10,421	2,599	
Secured advances (cash)	21,920	-	21,920
Total	45,191	20,819	52,990

15. Prior to the Receivership Order, due to lack of available funds under the Credit Agreement as a result of the defaults, PPEC's operational cash needs since November 2014 had been primarily funded by the secured advances from Pacer totaling $21.9 million.

16. The Receiver understands that the above noted secured cash advances are subordinated to the secured charge relating to the Credit Agreement. As discussed in further detail below, the Receiver has not completed its review of the secured advances from Pacer nor has its counsel reviewed the validity and enforceability of the related security documents. The Receiver understands that the advances are subordinated to the Credit Agreement and therefore would complete such an analysis if required.

17. On February 18, 2015, National Bank issued a Notice of Intention to Enforce Security pursuant to section 244 (1) of the Bankruptcy and Insolvency Act. On March 5, 2015, Pacer paid, pursuant to a guarantee, the aggregate amount of approximately $26.2 million to National Bank. Accordingly, Pacer was subrogated to the bank's rights under the Credit Agreement.

18. PPEC's most recent unaudited consolidated financial statements for the period ended January 31, 2015, indicated PPEC's assets totaled $68.5 million and total liabilities of $117.9 million comprising the following:

(a) Current assets of $32.1 million in accounts receivable, $30.2 million in work in progress, $133,204 in prepaid expenses and capital assets with a net book value of approximately $6.0 million (consisting of heavy equipment, handling equipment, office trailers, support equipment, and vehicles); and

(b) Current liabilities of $94.0 million, consisting of $59.3 million of trade accounts payable, $24.5 million of bank indebtedness, $5.2 million in accrued liabilities, and $4.2 million in wage and payroll liabilities. PPEC had long-term liabilities of $23.9[1], composed almost entirely of funds due to its shareholders.

19. PPEC's main contracts include:

(a) Construction of certain aspects of ThyssenKrupp Industrial Solutions (Canada) Inc., formerly known as Krupp Canada Inc. ("**Krupp**"), Kearl Lake Expansion Contract and the Mildred Lake Mine Replacement Contract (collectively, the "**Krupp Contracts**"); and

[1] Balance as at January 31, 2015. Certain of the advances from the shareholders were advanced to PPEC after January 31, 2015.

(b) Four remaining contracts relating to ongoing construction on the Horizon Site for Canadian Natural Resources Limited (“**CNRL”** and collectively, the “**CNRL Contracts**”).

RECEIVER’S ACTIVITIES

CUSTODY AND CONTROL

20. The Receiver advises that the majority of the operational management and employees (approximately 470 employees) are located on CNRL’s Horizon Site which is located approximately 70 km north of Fort McKay. PPEC is also supported by a small head office located in Calgary, Alberta (approximately 7 employees).

21. On the Date of Appointment, the Receiver attended the Company’s head office premise at Suite 200, 1040 – 7th Avenue SW, Calgary, Alberta and also arranged for meetings with PPEC management at the Company’s office trailer on the CNRL Horizon Site. The purpose of these meetings was to present a copy of the Receivership Order, explain the Receivership Proceedings and discuss the status of the ongoing operations with the remaining employees. The Receiver indicated its intent to maintain the ongoing construction activities on an interim basis to allow sufficient time to fully evaluate the economics of completing the CNRL Contracts.

22. On March 10, 2015, in accordance with the Receivership Order, the Receiver froze the Companies’ bank accounts and transferred the remaining funds to the Receiver’s trust account at Scotia Bank.

WEBSITE AND RECIVER CONTACTS

23. The Receiver has established a website at http://cfcanada.fticonsulting.com/ppec at which the Receiver will post periodic updates on the progress of the receivership, together with copies of court orders, motion materials and reports filed in the receivership. In addition, the Receiver has created a dedicated email address, ppec@fticonsulting.com, and a dedicated telephone number, 1-855-344-1825, which creditors, employees, interested parties and other stakeholders can use to contact the Receiver.

ACCOUNTS RECEIVABLE

24. Since the Date of Appointment, the Receiver has collected certain outstanding receivables. As noted above, the books and records indicate estimated receivables of approximately $32.0 million as at January 31, 2015. A number of these receivables were collected and new invoices issued between January 31, 2015 and the Date of Appointment. Currently, the outstanding receivables are approximately $20.3 million. To date the Receiver has collected approximately $8.3 million relating to the CNRL Contracts. The majority of the remaining receivables are due from the CNRL Contracts and the Krupp Contracts, as discussed in further detail below. Additional collection on outstanding receivables has been delayed due to the following:

(a) Filing of liens;

(b) Disputed invoice amounts; and

(c) Unapproved / disputed change orders.

EMPLOYEES

25. The Receiver met with all employees/contractors of PPEC and PPEC Construction located at both the head office and those located on the CNRL Horizon Site on the Date of Appointment. In order to ensure that all employees/contractors were notified of the Receivership Proceedings, the Receiver circulated a letter notifying them of the Receivership Order and outlining the terms of their continued employment with PPEC.

26. At the Date of Appointment the Company employed 477 office and field employees. Employee's services which were deemed necessary to assist the Receiver through the Receivership Proceedings were continued under their existing terms of employment; subject to the following changes implemented by the Receiver:

    (a) The Receiver has commenced the payment of accrued vacation earned with each payroll;

    (b) Certain payroll revisions were made to ensure that payments were in compliance with the provisions set out in the CNRL Contracts; and

    (c) The Receiver has converted all employees and contractors to the same payroll methodology to ensure consistencies and uniformity in payments and also to ensure compliance with the provisions of the CNRL Contracts.

27. The Employees were retained in order to assist with the completion of the CNRL Contracts, to maintain the Company's books and records, and to assist with employee related matters. All employees that were not deemed necessary to assist during the Receivership were provided with a termination letter. On the date of Receivership a total of four employees in the Calgary head office were terminated.

28. Currently there are a total of six people assisting the Receiver in the Calgary head office. Three of these people are employees of the Company. The other three have been hired through temporary employment agencies and were being used by the Company prior to Receivership.

INSURANCE

29. The Receiver contacted the Companies' insurance provider, Lloyd's Underwriters, to amend the Company's existing insurance policies to reflect the Receiver's interest in the Property, to review the adequacy of the insurance and to discuss the current status of the insurance coverage.

30. The Company's insurance policy is set to expire on December 9, 2015.

OFFICE LEASE AGREEMENT

31. At the Date of Appointment PPEC was leasing its head office space located in Calgary, Alberta. The Receiver has made arrangements with the landlord to continue leasing the space on a month to month basis.

CLAIMS UNDER SECTION 81.1 OF THE BIA ("30-Day Goods Claims")

32. The Receiver received two small 30-day good claims pursuant to section 81.1 of the BIA. One of these was disallowed by the Receiver and the disallowance was not appealed. The other is unresolved at this time.

STATUTORY COMPLIANCE

33. On March 16, 2015, the Receiver mailed its notice and statement of affairs in accordance with subsection 245(1) and 246(1) of the Bankruptcy and Insolvency Act to the Superintendent of Bankruptcy and to all known creditors of the Company.

34. The Receiver notified Canada Revenue Agency ("**CRA**") of the Receiver's appointment and established new remittance accounts for the goods and sales tax and employee source deduction obligations arising subsequent to the Date of Appointment.

35. The Receiver notified the Workers Compensation Board ("**WCB**") of the Receiver's appointment and established new accounts for obligations arising subsequent to the Date of Appointment.

WEPPA

36. In accordance with the Wage Earners Protection Program Act (Canada) ("**WEPPA**"), the Receiver provided the required information to individuals on April 29, 2015. The Receiver will be providing the required information to Service Canada by May 22, 2015, or such later date as agreed to by Service Canada in accordance with the provisions of WEPPA.

37. The Receiver has also posted information pertaining to WEPPA on its website, and continues to respond to inquiries via email and phone as the messages are received.

PPEC'S CONTRACT SUMMARY

38. At the Date of Appointment, PPEC's operations mainly comprised construction activity associated with four CNRL Contracts, with all construction activity located at CNRL's Horizon Site. The Receiver has substantially completed two of the four CNRL Contracts, as discussed in further detail below.

39. In addition to the ongoing work and related receivables on the CNRL Contracts, PPEC also has certain receivables relating to completed construction projects, including amounts owing from the completed Krupp Contracts, as discussed in further detail below.

CNRL CONTRACTS

40. At the commencement of these proceedings, PPEC had four outstanding contracts with CNRL. At the present time, PPEC has the following two remaining contracts on which construction is not complete:

    (a) CNRL N-5000 Contract ("**N-5000 Contract**"); and

    (b) CNRL R-100 Contract ("**R-100 Contract**").

41. Since the Date of Appointment PPEC has substantially completed work on the following contracts:

    (a) CNRL BTU Contract ("**BTU Contract**"); and

    (b) CNRL GRU Contract ("**GRU Contract**").

42. The Receiver met with representatives of CNRL on the Date of Appointment at the Horizon site to discuss the Receivership and the ongoing projects. The Receiver has regular meetings with CNRL representatives on site as well as at the

CNRL offices in Calgary. The Receiver and CNRL are working diligently together to have the projects completed in a timely, and cost efficient manner.

N-5000 CONTRACT

43. The N-5000 Contract involves a $40 million construction agreement for the completion of the mechanical and piping work in the Extraction Plant 24 Trains 3-4. In addition PPEC has been subcontracted by Pacer to complete Trains 1-2 in Extraction Plant 24. All of the work is being done concurrently and is not being accounted for separately. The Train 1-2 work involves a $9.6 million agreement with Pacer. The total amount of the combined contracts is approximately $49.6 million. Currently, there are 205 workers working on the N-5000 project.

44. The major construction work scopes to be completed include:

(a) Procuring the remaining materials necessary to perform the work;

(b) Installation of the mechanical and piping work;

(c) Hydro testing the installed mechanical and piping work;

(d) Reinstating the installed mechanical and piping work;

(e) Electrical heat tracing and insulation;

(f) Completing and supplying the necessary turnover documentation to CNRL; and

(g) Demobilizing the construction site.

45. The construction work package on the N-5000 has changed materially since the inception of the contract. PPEC has submitted 271 requested change orders (“**RCOs**”) to date and CNRL has agreed to entitlement on approximately 178 of the RCOs with a value of approximately $10.2 million, although the final amounts have not yet been agreed to by CNRL. The Receiver is only progressing with work on RCO’s that CNRL has either agreed to or CNRL has given the Receiver an Authorization to Proceed up to a certain dollar amount. Once that dollar value has been reached work stops until the authorized amount is increased.

46. The Receiver completed a review of the remaining construction work package and estimates the cost to complete the N-5000 as well as the approved RCO’s from the Date of Appointment to be approximately $35 million. A summary of the cost to complete and anticipated recoveries is provided in further detail below.

47. The Receiver anticipates the construction work package on the N-5000 Contract will be substantially complete by July 31, 2015 and remaining “punch list[2]” items and demobilization will occur by August 31, 2015.

R-100 CONTRACT

48. The contract involves a $30 million construction agreement for the completion of work on the Horizon Site’s ‘Extraction Building’. Currently there are 94 workers working on the project.

49. The major construction work scopes to be completed include;

(a) Procuring the remaining materials necessary to perform the work;

(b) Erection of the remaining structural steel;

[2] Punch list items is a checklist of items that are unfinished or incomplete, or require replacement or repair, or require additional work.

(c) Completing and supplying the necessary turnover documentation to CNRL;

(d) Demobilizing the construction site.

50. The Receiver has completed a review of the remaining construction work package and estimates the cost to complete the R-100 Contract from May 1, 2015 will be approximately $500,000. A summary of the cost to complete and anticipated recoveries is provided below.

51. The Receiver anticipates that the work on the R-100 Contract will be substantially completed by April 30, 2015 and remaining “punch list” items to be completed and demobilization will occur by May 15, 2015.

GRU CONTRACT AND BTU CONTRACT

52. PPEC has two other small contracts with CNRL on which the construction work has been substantially completed.

53. The major construction work packaged completed include:

(a) Removing remaining scaffolding; and

(b) Demobilizing the construction site.

KRUPP CONTRACTS

54. There are two contracts with Krupp comprising (i) the Kearl Lake Oil Sands Project (the "**Kearl Lake Project**"); and (ii) the Mildred Lake Mine Replacement Project ("**MLMR**"). Both contracts were completed prior to the Receivership, but Krupp has refused to remit full payment to PPEC due to various disputed amounts the majority of which relate to RCO's which were not dealt with during the project and PPEC has now claimed. Currently, $41 million is claimed by PPEC on the Kearl Lake Project and $26 million on MLMR. PPEC has filed liens in respect of both. Subcontractors have also liened these projects. All of liens have been removed from title pursuant to Krupp's applications to pay security into court.

55. A summary of the current accounts receivable (invoiced) and the amounts claimed against Krupp is provided in the table below:

$000's Krupp Receivable	Accounts Receivable	Lien/ claims	Total
Kearl Lake	4,273	41,184	45,457
MLMR	3,511	21,838	25,349
Total	7,784	63,022	70,806

56. The table above indicates that approximately $7.8 million of invoices have been issued by PPEC to Krupp that remains unpaid ("**Krupp Receivables**"). In addition, a further $63 million in claims have been filed by PPEC against Krupp relating to change orders and other disputed billings ("**Krupp Claims**").

57. Krupp has vigorously contested the above amounts are owing to PPEC.

58. The Receiver has met with representatives from both Pacer and Promec regarding the Krupp Claims. The Receiver attended a meeting with Krupp which had been scheduled prior to the date of Receivership; this meeting was also attended by representatives from Promec and Pacer. The Receiver has also met numerous times with representatives of Revay and Associates Limited who have been engaged to assist PPEC with their claims against Krupp. At the date of this Report, no agreement or settlement has been reached with respect to the Krupp Claims.

PPEC'S OPERATIONAL UPDATE

59. The Receivership Order created a first priority charge in favour of the Receiver (the "**Receiver's Charge**"), and a second priority charge as security for up to $10 million of Receiver's Borrowings (the "**Receiver's Borrowing Charge**"). The use of the funds borrowed under the Receiver's Borrowing Charge has allowed the continuation of the CNRL Contracts while the Receiver evaluated various options with an attempt to maximize recoveries to the various stakeholder groups.

60. The Receiver's primary tasks undertaken immediately following the Date of Appointment included:

(a) Meeting with all employees working and/or involved with the ongoing CNRL Contracts;

(b) Taking immediate steps to ensure that the construction operations continued in the normal course to ensure that any potential value associated with the ongoing contracts was preserved; and

(c) Evaluating the costs to complete the various CNRL Contracts to determine if incremental value to the various stakeholder groups could be achieved through the completion or sale of the contract.

61. On the Date of Appointment the Receiver met with the PPEC management to discuss the current status of the CNRL Contracts and urgent operational issues which required immediate attention.

62. The Receiver, with the assistance of PPEC management and employees, assembled a list of critical suppliers to contact to ensure the continuation of services and materials throughout the Receivership Proceedings. The Receiver has continually made arrangements with critical suppliers and consequently the Company's construction activities and operations have proceeded with minimal disruption.

63. In order to complete the foregoing, the Receiver has drawn $8 million on the Receiver Certificate in accordance with the terms of the Receivership Order. None of that amount has been repaid to date. The Receiver anticipates that the full $10 million in borrowings allowed under the Receiver's Certificate will be required by the end of April 2015.

64. Since the Date of Appointment, the Receiver has taken several steps to preserve and protect the assets of PPEC as outlined below:

(a) Appointed a project director, via Pacer, to supervise the performance of the CNRL Contracts, as prior to the Date of Appointment Pacer had taken over the responsibility of managing the CNRL projects and the Receiver has formalized this relationship in the Agency Agreement, as discussed below;

(b) Engaged the services of third party, Century Services Inc., to appraise the value of the PPEC owned equipment and leased equipment ("**PPEC Equipment")**;

(c) Evaluated the economic recoveries of the CNRL Contracts to PPEC as more fully described below; and

(d) Held discussion with various stakeholder groups including employees, suppliers, Pacer, Promec and CNRL.

65. To date, the Receiver, with the assistance of PPEC management and Pacer, has maintained the ongoing construction activity, completed its analysis of the cost to complete the CNRL Contracts and also has developed a proposed funding mechanism and protocol to address the various priority and distribution related issues to the various stakeholder groups, as discussed in further detail below.

66. The Receiver has engaged Revay and Associates to continue to prepare the detailed claims against Krupp as well as having employees of PPEC assist in this process. In addition, the Receiver's counsel has been reviewing the details regarding the Krupp Claims.

PPEC'S ASSETS

67. A summary of PPEC's assets available for potential recovery to the stakeholder groups is provided below:

(a) Real estate (condominium unit located in Calgary);

(b) PPEC Equipment (book value of $5.7 million);

(c) Outstanding accounts receivable of $20.3 million, including $10.4 million in holdbacks relating to both the CNRL Contracts and Promec Contracts;

(d) Work in progress of $30.2 million; and

(e) Remaining amounts to be billed under the CNRL Contracts for work yet to be completed.

68. The Receiver notes the following with respect to the various asset pools.

Condominium

69. PPEC is the owner of an unencumbered condominium unit legally described as:

CONDOMINIUM PLAN 0313153
UNIT 67
AND 42 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Unit**"). A copy of title to the Unit is attached hereto, marked as Appendix A.

70. The Unit was listed for sale by the Company on December 17, 2014, for $499,987. An offer was received in the amount of $475,000, on January 4, 2015, which was rejected by PPEC.

71. Following the Receiver's appointment, the purchase price was adjusted to $479,997 on March 13, 2015 based on the recommendation from the real estate agent. The Receiver has received and accepted an offer to purchase the Unit in the amount of $451,000 (the "**Krishna Offer**"), subject only to Court approval and vesting order. A copy of the Asset Purchase Agreement representing the Krishna Offer is attached hereto, marked as Appendix B.

72. The company's realtor in respect of the Unit has provided the Receiver with comparative market sale summaries and the Receiver believes the purchase price is commensurate with the market value of the Unit. The Receiver believes the Krishna Offer is commercially reasonable and recommends the Krishna Offer be approved by the Court.

Machinery and equipment

73. The majority of PPEC's machinery and equipment is located on the Horizon Site and is being used in the completion of the CNRL Contracts, as discussed in further detail below. The Receiver has completed an inventory of the equipment and had an appraisal completed (liquidation value). The Receiver advises that the majority of the PPEC Equipment is currently in use and will be sold / auctioned once construction activity is completed.

74. The Receiver understands that the following creditor may have a secured claim against the equipment as summarized below:

(a) GE Finance Canada Ltd.; and

(b) Canadian Western Bank.

75. The Receiver's counsel has not completed its review of the security as against the machinery and equipment; however, notes that the Receiver's Charge and Receiver's Borrowing Charge did not prime its security.

Accounts Receivable

76. PPEC's current accounts receivable are set out below by customer.

Current accounts receivable (May 1, 2015) $000's	Krupp	CNRL	Other	Total
Accounts receivable	4,000	5,600	300	9,900
Earned holdback	3,791	6,590	-	10,381
Total accounts receivable	7,791	12,190	300	20,281
Unbilled holdbacks	-	6,534	-	6,534
	7,791	18,724	300	26,815

77. The receivables currently and earned holdbacks total approximately $20.3 million. A further $6.5 million in holdbacks are to be billed up completion.

78. Since the Appointment Date the Receiver has collected a total of $6.4 million from CNRL. This amount relates to invoices which totaled $8.3 million. CNRL deducted a total of $1.9 million for various amounts which the Company owed to CNRL related companies.

Work in Process

79. The current work in process amount of $30.2 million included in the books and records of PPEC relates to work completed, and not yet billed and the outstanding RCO claims.

STAKEHOLDER AND ILLUSTRATIVE RECOVERY ANALYSIS

PPEC'S PROPERTY

80. The Receiver has spent considerable time attempting to estimate the recoveries to the stakeholders under various scenarios including completing the current contracts in progress, completing certain of the contracts in progress or abandoning / selling the current contracts in hand.

81. As discussed above, PPEC is owned 50% by Pacer and 50% by Promec. The ownership structure arrangement was the continuation of a joint venture Pacer and Promec began earlier to combine the expertise of Pacer's experience in servicing the oil sands industry with Promec expertise in industrial electrical work.

82. Both Pacer and Promec have guaranteed PPEC's borrowings under the Credit Agreement. The Credit Agreement was originally in favor of National Bank but Pacer has since paid out the National Bank under its guarantee and is therefore subrogated to the National Bank charge.

83. As discussed above, the PPEC estate can generally be divided into potential recovery pools as described below:

(a) Accounts receivables;

(b) Krupp Claims; and

(c) PPEC Equipment and other assets including miscellaneous receivables and a condominium (collectively, the "**Other Assets**").

84. In reviewing recovery scenarios (including scenarios to complete the contracts in hand) to various stakeholder groups, it is important to note the following:

(a) Pacer has guaranteed all the CNRL Contracts and had guaranteed the amounts owed by PPEC under the Credit Agreement. Accordingly, if any of the on-going contracts with CNRL were not completed by the Receiver, Pacer could be liable for their completion;

(b) Promec has guaranteed the amounts owed by PPEC under the Credit Agreement, and had guaranteed all the CNRL contracts excluding the N-5000 Contract. Therefore, Promec could be jointly liable for amounts due under the Credit Agreement and potentially for completion of all the CNRL Contracts except the N-5000;

(c) Essentially every Contract (both CNRL and Krupp) has a series of liens or outstanding trade payables relating to work completed on the various projects; and

(d) Funding of the project's completion prior to the Receiver's appointment.

COST TO COMPLETE CNRL CONTRACTS

85. The Receiver has spent considerable time working with management to determine the costs to complete the N-5000 Contract and R-100 Contract.

86. Since the date of the Receivership Order the Receiver has worked with PPEC and Pacer management to review costs to complete all outstanding projects. This analysis included attending at PPEC's office in Calgary and its field office on the Horizon Site. The work completed by the Receiver in arriving at the estimated cost of completion amounts set out below includes:

(a) Meeting with PPEC's accounting team and management;

(b) Detailed review of cost to complete analysis which was done prior to the Date of Appointment;

(c) Numerous meetings with the Construction Management Team on site to go over what is left to complete under the existing contract as well as the numerous accepted RCO's;

(d) Numerous meetings with CNRL representatives including site tours with CNRL to go over the remaining work to be completed;

(e) Analysis of the actual costs being incurred by the Receiver to ascertain real costs on an hourly basis for all employees as well as the rental equipment and consumables;

(f) Analysis of materials which have been received as well as the outstanding materials required to complete the project.

87. The costs to complete these projects needed to be understood to evaluate the potential recoveries to the stakeholder groups assuming the contracts were continued. The table below provides a summary of the recoveries and related estimated costs to complete for the CNRL Contracts.

$000's Summary of CNRL Contracts	N-5000	R-100	GRU	BTU	S6000	TOTAL
Status	***in progress***	***in progress***	***complete***	***complete***	***complete***	
Completion date	***31-Aug-15***	***15-May-15***	***n/a***	***n/a***	***n/a***	
Amounts to be invoiced (including RCOs)	35,563	9,702	-	-	-	45,265
Outstanding receivables	5,392	1,327	-	-	-	6,719
Holdback	2,460	2,400	637	1,419	2,689	9,605
Total remaining recoveries	43,415	13,429	637	1,419	2,689	61,589
Estimated costs to complete	(35,000)	(500)	-	-	-	(35,500)
Net recovery	8,415	12,929	637	1,419	2,689	26,089

88. The Receiver notes the following:

(a) All the above contracts are based on a fixed price basis as set out in the table above;

(b) Amounts to be invoiced include all remaining invoices to be issued including RCO's (requested change orders) relatee to various 'extras' to the work set out in the fixed price contract. Note that RCOs are required to be approved by CNRL, at present this is an estimated amount of $10.7 million;

(c) Accounts receivable represent the current outstanding receivable by project and includes holdback amounts that have been issued or to be issued upon the completion of the project;

(d) Estimated costs to complete comprise the total costs estimated to complete the project (time and material incurred and paid after the Date of Appointment); and

(e) Net recovery is the estimated recovery on each project after the cost to complete, but excluding amounts owing to trade creditors etc. as at the date of the Receivership Order, which is discussed in further detail below

89. The table above indicates that the estimated net recovery on the CNRL Contracts after funding the estimated costs to complete the project would be approximately $26.1 million. Note that this assumes the full collection of outstanding accounts receivable and that the estimated completion timelines supporting the costs to complete are correct, and does not account for the fees and costs of the Receiver, their counsel or the Project Manager.

COMPLETE VS. ABANDON CNRL CONTRACTS

90. The Receiver has considered the potential recoveries to the estate under two scenarios comprising:

(a) the completion of the two active CNRL Contracts (the "Completion Scenario"); and

(b) the immediate discontinuation of the CNRL Contracts effective immediately (the "Abandonment Scenario") as summarized in the table below:

$000's Illustrative Recovery Analysis	note	Scenario Completion	 Abandon
Recoveries			
CNRL	**a**		
Amounts to be invoiced		45,265	-
Current receivables		6,719	-
Holdback amounts		9,605	9,605
		61,589	9,605
Krupp Receivables	**b**	7,784	7,784
Krupp Claims	**c**	tbd	tbd
Other Assets	**d**	2,000	2,000
Total recoveries		71,373	19,389
Source deductions	**e**	(2,800)	(2,800)
Potential lien amounts	**e**	(20,000)	(9,605)
Receivers' Borrowing Charge	**e**	(10,000)	(6,984)
Cost to complete	**e**	(35,000)	
Net remaining proceeds		3,573	-
Recovery to liens potential liens	**f**	100.0%	40.0%

91. The Receiver notes the following with respect to the above analysis:

(a) CNRL recoveries comprise the following:

- Under the Completion Scenario recoveries comprise the remaining billings on all the CNRL Contracts, work in progress up to today's date, outstanding change orders and the current accounts receivables;

- The recoveries for the CNRL Contracts under the Abandonment Scenario comprise only the holdback amounts.

(b) Krupp Receivables comprises the current amount of accounts receivable owing by Krupp to PPEC;

(c) Krupp Claims relate to the amount in dispute which are estimated at approximately $63.0 million. As noted above, Krupp disputes that this amount is owed and therefore no amount has been included in the estimated recovery under either scenario;

(d) Other assets comprise net recoveries with respect to the sale of the condominium, machinery and equipment, net of any lease or secured charges (the equipment financing companies were not primed by the Receiver's Borrowing Charge); and

(e) The following distributions are assumed from the total recoveries:

- Approximately $2.8 million source deductions are currently owed;

- Potential lien amounts represent the estimated lien amounts and potential lien amounts. Under the Completion Scenario, estimated payments to the lien holders totals $20.0 million assuming a completion of the CNRL Contracts. Under the Abandonment Scenario, recoveries to lien holders has been assumed to be equal the current holdback amounts; and

- Costs to complete relate specifically to the estimated time and materials to complete the CNRL Contracts as set out in the table above by project and excludes any amounts owed as at the date of the Receivership Order.;

(f) Recovery to lienholders is an average for all CNRL Contracts assumes that the liens are fully paid under the Completed Scenario. The recovery to the lien holders under the Abandonment Scenario equals the holdback amount and assumes no further collection of amounts owing under the CNRL Contracts due to set-offs

92. The Receiver notes that considerable funding would be required to fund the costs to complete and there are considerable risks including:

(a) Cost to complete and Cost overruns;

(b) Material overruns; and

(c) Completion delays.

93. Accordingly, the Receiver's overall assessment of the outstanding CNRL Contracts is that, in ordinary circumstances, the Receiver would not complete these projects but would, instead, immediately abandon the projects given the risk associated with completing the projects and the required costs to complete of approximately $35 million. Furthermore, it is evident the primary stakeholder group under either scenario is the lienholders, as the bulk of recoveries from either completing the contracts or the holdback amounts available under the Abandonment Scenario, would ultimately be distributed to the lienholders.

94. The table above indicates that the recovery to the lienholder group under the Abandonment Scenario is significantly less than under the Completion Scenario. After considering the source deduction and the $10 million Receiver's Borrowing Charge, nominal funds, if any, would be realized by the PPEC estate (i.e. for distribution to PPEC's secured creditors and then unsecured creditors).

95. The Receiver's analysis indicates that under both the Completion Scenario and Abandonment Scenario, the fulcrum creditor is the lienholder group. The Receiver believes the lienholder group benefits from the completion of the CNRL Contracts due to the following:

(a) Completing the projects will allow the lienholders to continue to work/supply materials to the project. Most of the current lienholders are continuing to provide services to the Receiver for the CNRL Contracts; and

(b) The recoveries to the lienholders would likely be greater and received in more timely/efficient manner by completing the contracts as opposed to recoveries from the current lien holdback if the projects were abandoned. Furthermore, the Completion Funding protocol discussed below contemplates a process to address the liens filed and outstanding as at the date of the Receivership Order.

96. The Receiver's analysis concludes that the completion of the CNRL Contracts would be beneficial to the following stakeholder group:

(a) CNRL;

(b) PPEC employees as these individuals would have uninterrupted continued employment. Furthermore, the employees have a completion bonus element payable by CNRL upon the successful completion of the project. This amount may not be paid if the project is abandoned;

(c) Pacer to the extent of its guarantee of the CNRL Contracts;

(d) Promec to the extent of its guarantee of the CNRL Contracts;

(e) Sub-trades and liens as recoveries available to sub-trades and lien holders would be likely be greater and received sooner under the completion scenario than immediate abandonment; and

(f) Equipment Lessors.

COMPLETION PROTOCOL

97. As discussed above, the fulcrum creditor is most likely PPEC's lienholders as the bulk of the net recoveries would be recovered by that stakeholder group. The Receiver expects PPEC's remaining stakeholders should be indifferent between completion and abandonment of the CNRL Contracts; with the exception of Promec's concerns that recoveries from the Krupp Claims and Krupp Receivables not be used to fund the completion of the CNRL Contracts and instead should be used to reduce the outstanding amount owed under the Credit Agreement (which Promec has guaranteed). As discussed in further detail below, the Receiver has attempted to address this potential concern of Promec by ring-fencing the recoveries related to the Krupp Claims such that the proceeds would be applied against the Credit Agreement (after payment of related costs and other priority charges) and not applied to the go-forward costs associated with completing the CNRL Contracts.

98. In summary, the Receiver is proposing to essentially divide the PPEC assets into two group comprising (a) the Krupp Claim and (b) all the remaining PPEC assets. As discussed in further detail below, recoveries relating to all PPEC's assets would be applied to the following outstanding priorities:

(a) The $2.8 million in source deductions; and

(b) The $10.0 million Receiver's Borrowing Charge approved by the Court in the Receivership Orders.

99. The recoveries after the payment of (a) and (b) above would then be applied as follows:

(a) Recoveries related to the Krupp Claim would be applied against the specific costs of pursuing that claim (the "Krupp Facility Charge"); and proceeds after that would be applied to the amounts owing under the Credit Agreement;

(b) Recoveries from all other PPEC assets would be applied against the General Facility Charge, as defined and discussed below, which would comprise all amounts required to fund the completion of the CNRL Contracts, address outstanding liens and fund the remaining administration of the estate.

100. In order for the CNRL Contracts to be completed, substantial funding must be provided to the Receiver. Pacer has agreed in principle to provide that funding, but only if such funding can facilitate the efficient completion of the CNRL Contracts and is completed in accordance with the structure proposed herein.

101. To accommodate Pacer's funding requirements, and in an attempt to address the various stakeholder issues that would allow for the potential of maximizing value by completing the CNRL Contracts, the Receiver with the assistance of the Receiver's Counsel has developed a Completion Protocol to be approved by the Court.

102. The Completion Protocol contemplates the following:

(a) A mechanism to provide the required funding to the Receiver to complete the N-5000 and R-100 Contracts and the overall administration of the estate in a manner that attempts to maximize value to all stakeholder while not prejudicing the rights of certain stakeholder groups (the "**Completion Funding**");

(b) Recover outstanding receivables including pursuing the Krupp Claim;

(c) A process to solicit and efficiently address various claims against PPEC (the **Claims Procedure**); and

(d) A process to efficiently address the various liens that have or maybe filed against PPEC assets.

COMPLETION FUNDING

103. The Completion Protocol incorporates the Receiver's funding requirements to:

(a) Complete the N-5000 Contract and R-100 Contract and collecting the related receivables from CNRL;

(b) Address the needs to remove liens relating to the CNRL Contracts and Krupp Contracts; and

(c) Facilitate the realization of the remaining assets including collection of the receivables and sale of the PPEC Equipment.

104. The Completion Funding contemplates the Receiver borrowing under the following two additional borrowing facilities:

(a) The General Facility Charge that will provide funding to the Receiver to complete the N-5000 and R-100 projects, remove liens for services provided prior to the date of the Receivership Order and fund the complete administration of the estate; and

(b) The Krupp Facility Charge that will provide funding to the Receiver to continue to pursue the collection of the Krupp Claims.

105. The Receiver would complete the CNRL Projects, while on parallel track seek to recover outstanding receivables and call for claims against the estate, including pursuing the Krupp Claims. As funds are generated it proposed the funds would be distributed in the following priority, by the two asset pools, as c contemplated by the Completion Protocol:

$000's Waterfall Analysis	Note	PPEC (excl. Krupp Claims)	Krupp Claims	Total
Sources of funds	a			
To be invoiced (CNRL)		45,902	-	45,902
Outstanding receivables		20,318	-	20,318
Krupp Claim		-	tbd	-
PPEC Equipment		2,000	-	2,000
Total illustrative recoveries		68,220	-	68,220
Receivership Funding	b			
General Facility		57,500	-	57,500
Krupp Facility		-	5,000	5,000
		125,720	5,000	130,720
Uses of funds	c			
Costs to complete contracts		(35,000)	-	(35,000)
Potential liens		(20,000)	-	(20,000)
Administration, legal and professional		(2,500)	(5,000)	(7,500)
		(57,500)	(5,000)	(62,500)
Estimated remaining proceeds (a + b - c)		68,220	-	68,220
Repayment of Recievership Charges/priorities	d			
Source deduction	e	(2,800)	(2,800)	
Receiver's Borrowing Charge	e	(10,000)	(10,000)	
General Facility Charge	f	(57,500)	n/a	
Krupp Facility Charge	g	-	(5,000)	
Credit Agreement	h	-	-	
Deficit		(2,080)	(17,800)	

All asssets are secured by the source deductions and Receiver's Borrowing Charge

106. With respect to the above recovery and distribution analysis, the Receiver notes the following:

(a) Source of funds comprise;

- Completion of the CNRL Contracts and collection of the related accounts receivable. A total of $45.9 million remains to be invoiced to CNRL and a further $20.3 million in current receivables (all remaining PPEC receivables excluding any recoveries associated with the Krupp Claims);

- The Krupp Claims totals approximately $63.0 million. For illustrative purposes, given that the amount is in dispute, we have not estimated a recovery amount;

- Other Assets includes the condominium and PPEC Equipment which for illustrative purposes has been estimated at $2.0 million;

(b) Additional receivership funding would comprise a General Facility Charge of $57.5 million and a Krupp Facility Charge of $5.0 million.

(c) The use of the funds from the General Facility and Krupp Facility are set out in the table below:

$000's	General Facility	Krupp Facility	Total
Costs to complete contracts	35,000	-	35,000
Potential liens	20,000	-	20,000
Administration, legal and professional	2,500	5,000	7,500
	57,500	5,000	62,500

- Cost to complete include all labour and material required to complete the N-5000 Contract and the R-100 Contracts;

- Potential liens relate to an estimate of all current liens and potential liens relating to unpaid amounts outstanding as at the Date of Appointment;

- The Krupp Facility relates to the funding of all maters required to collect/litigate the Krupp Receivables and Krupp Claims including legal, receiver and expert witness; and

- Administration and professional costs include all costs related to the administration of the estate and the legal and professional costs associated with pursuing the Krupp Claims.

(d) The repayment of various priority payables and charges are summarized below.

(e) Source deductions – approximately $2.8 million in employee source deduction are currently outstanding. Repayment of the outstanding source deductions would be secured against all assets of the PPEC estate including both asset pools;

(f) The Receiver’s Borrowing Charge of $10.0 million as approved in the Receivership Order is secured against all assets of the PPEC estate

(g) The General Facility Charge would rank against all assets of PPEC excluding any recoveries relating to the Krupp Claims; however, the General Facility Charge would be subordinated to the Receiver’s Borrowing Charge as discussed above;

(h) The Krupp Facility Charge would be secured against the recoveries related to the Krupp Claims; however the Krupp Facility Charge would be subordinated to the Receivers’ Borrowing Charge; and

(i) Any recoveries in excess of the General Facility Charge and the Krupp Facility Charge would be applied against the Credit Agreement.

107. The Receiver believes that the Completion Funding is a fair and practical mechanism in the circumstance to complete the CNRL Contracts:

(a) The General Facility Charge will allow the funding for the completion of the CNRL Contracts which is beneficial to CNRL, PPEC's employees and suppliers, as well as Pacer and Promec (as guarantor of the contracts) and the various trade and lien creditors who likely will receive enhanced recoveries with the completion of the CNRL Contracts as opposed to the abandonment of the projects;

(b) The Krupp Facility Charge will allow sufficient funding to pursue the collection of the outstanding Krupp Claims. The Completion Protocol also ensures that the recoveries (after allocation of the Receivers' Borrowing Charge and Krupp Facility Charge) relating to the Krupp Claims are applied first to liens specifically related to the Krupp Contracts and then to the Credit Agreement, ensuring that no recoveries from the Krupp Claim are used to fund completion of the CNRL Contracts; and

(c) The original borrowings of $10.0 million under the Receiver's Borrowing Charge maintain their first priority ranking against all PPEC's Property (after outstanding source deductions) consistent with the Receivership Order.

CLAIMS PROCEDURE

108. Furthermore, the Completion Protocol provides a mechanism for the establishment of an efficient claims process to ensure the timely, economical, and certain resolution of all claims impacting the estate, as discussed in further detail below under the Claims Procedure and Lien Management section.

109. The Claims Procedure has been designed to identify all claims, including:

(a) Unsecured claims;

(b) those parties who have filed liens against the property related to the CNRL Contracts and Krupp Contracts; and

(c) Secured claims.

110. Claims against the Receiver for loans made to the Receiver pursuant to the Orders of this Court including any Receiver's Certificates are excluded from the Claims Procedure.

111. The Receiver will conduct a proof of claims procedure to identify all creditors who have a Claim against the Debtors or the Receiver (the "**Claimants**"). The Claims Procedure is summarize below:

(a) The Receiver, shall send to the Claimants and other potential affected creditors (collectively, referred to as "**Affected Creditors**") a copy of:

- the Notice to Creditors; and

- and a Proof of Claim form and related instruction letter (the "**Proof of Claim**").

112. The Receiver will publish a notice to Affected Creditors (the "**Notice to Affected Creditors**") of the Claims Procedure on two separate dates prior to May 22, 2015 in each of the Calgary Herald, and Fort McMurray Today.

113. The Receiver shall also post electronic copies of the Notice to Affected Creditors, the Proof of Claim Document Package and the Claims Procedure Order on the Receiver's website at http://cfcanada.fticonsulting.com/ppec as soon as practically possible after the approval of this Honourable Court.

114. Affected Creditors must submit their Proofs of Claim to the Receiver to be received prior to 5:00 p.m. (Mountain Daylight Time) on June 19, 2015 (the "**Claims Bar Date**"). The Receiver will supervise the receipt and collection of the Proofs of Claim and will review each Proof of Claim submitted by the Claims Bar Date.

115. With respect to any Proof of Claim filed by a Claimant alleging a secured or proprietary interest or priority claim in any of the undertaking, property, and assets of the Debtors, including without limitation Claimants claiming a Lien (a "**Secured Claim**") in accordance with the provisions of the Builders' Lien Act (the "**BLA**"), the Receiver, will, within 30 days of the Affected Creditor filing its Proof of Claim:

(a) accept the Claim as set out in the Proof of Claim in its entirety;

(b) revise the amount, secured status, or any priority of the Proof of Claim; or

(c) disallow the Claim as set out in the Proof of Claim.

116. If the Receiver disputes the amount, secured status, or priority of a Secured Claim set out in a Proof of Claim, the Receiver will, within 30 days of receiving the Proof of Claim, send a notice of revision or disallowance (the "**Notice of Revision or Disallowance**") to the Affected Creditor by courier, facsimile or electronic mail.

117. Any Secured Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a dispute notice, to the Receiver no later than 14 days from the date the Notice of Revision or Disallowance was received or such later date as the Receiver may agree to in writing or as ordered by this Honourable Court.

118. The Receiver may attempt to consensually resolve any Dispute Notice with the Secured Creditor. If same cannot be resolved, the Receiver shall within 20 days of their receipt of the Dispute Notice refer the Claim to the Claims Officer (defined below) for processing in accordance with this Order.

119. With respect to Claims of all Affected Creditors, other than Secured Claims, the Receiver will either:

(a) accept the Claim as set out in the Proof of Claim in its entirety;

(b) revise the amount or any priority claimed in the Proof of Claim; or

(c) disallow the Claim as set out in the Proof of Claim.

120. The Receiver will, when and if deemed necessary by the Receiver, provide to each Affected Creditor filing a Proof of Claim a notice in writing indicating whether the Affected Creditor's Claim is accepted, disputed in whole, or disputed in part. If the Receiver disputes the amount or priority of a Claim set out in a Proof of Claim, the Receiver will send a Notice of Revision or Disallowance to the Affected Creditor.

121. Any Affected Creditor that intends to dispute its Claim as set out in the Notice of Revision or Disallowance must deliver a Dispute Notice, to the Receiver no later than 14 days after their receipt of the Dispute of Revision or Disallowance.

122. If an Affected Creditor Or Secured Creditor does not deliver a Dispute Notice in accordance with the preceding paragraph, it shall be deemed to have accepted the Notice of Revision or Disallowance and, unless otherwise ordered by this Honourable Court, will:

(a) where the entire Claim is disallowed:

- not be entitled to receive any distribution in these proceedings; and

- be forever barred from making or enforcing any Claim against the property or the Receiver, [and that Claim will be forever extinguished]; or

(b) where the Claim has been revised:

- only be entitled to receive any distribution, should distributions be available in the future, in these proceedings proportional to the revised amount or in accordance with the revised priority; and

- be forever barred from making or enforcing any Claim greater than the revised amount against the property or the Receiver [and the amount of the Claim reduced by the revision will be forever extinguished].

123. The Receiver may attempt to consensually resolve any Dispute Notice with the Affected Creditor. If same cannot be resolved, the Receiver shall refer the Claim to the Claims Officer (defined below) for further processing.

Claims Officer

124. If the Claim of an Affected Creditor, or a Claim of the Debtors or the Receiver, is not resolved consensually or by operation of this Order the Claim shall be referred to the Claims Officer for further assessment, as described below.

125. The Receiver shall provide to the Claims Officer a copy of all documents associated with the Claim, including to the Proof of Claim, the Notice of Revision of Disallowance, the Dispute Notice, and any other documentation or information relevant to the Claim (the "**Claims Officer Package**"), and the Receiver shall concurrently provide a copy of the Claims Officer Package to the Affected Creditor whose Claim is referred to the Claims Officer.

126. Within 15 days of receipt of the Claims Officer Package, the Affected Creditor may deliver to the Claims Officer any other materials which it relies on in support of its Claim, with a copy to the Receiver.

127. In fulfilling its duties under the Order, the Claims Officer is empowered, but not required, to:

(a) Communicate with and convene meetings with the Receiver and Affected Creditor as is necessary in the circumstances;

(b) Request additional documentation or information from the Receiver, the Affected Creditor, or any other Person, and, in this regard, take into consideration such counter claims, third party claims, or other issues related to the full consideration of a party's claim;

(c) Establish such rules and procedures as are necessary for:

- the discovery of information relating to the Claim, and

- the taking of evidence from the parties at the hearing of the Claim, whether by way of Affidavit or viva voce evidence;

- Conduct a hearing of the Claim in person, by written materials only, or in any other manner determined by the Claims Officer;

(d) Engage legal counsel or other experts or advisors;

(e) Issue written reasons in support of the Claims Officer's findings and recommendations in respect of the Claim;

(f) Seek advice and direction from the Court in connection with this Order or the processing of a Claim.

128. The Claims Officer will review all materials and evidence in respect of the Claim referred to the Claims Officer and, unless the Claim can be consensually resolved, shall render a disposition of the Claim, and any recommendations the Claims Officer has in respect of the Claim.

129. The disposition and recommendations of the Claims Officer in respect of any Claim are subject to confirmation by this Honourable Court, unless agreed to by the Receiver and the Affected Creditor, in which case the disposition and recommendations of the Claims Officer will be binding upon the Receiver and the Affected Creditor.

PPEC Receivables

130. The Receiver may attempt to consensually resolve with any person or counterparty the amounts owing to the Debtors or the Receiver, and arrange for payment of same. If the same cannot be consensually resolved, the Receiver shall refer those disputes to the Claims Officer for further processing, in which case the provisions of this Claims Procedurre shall apply to the Receiver, and the person or counterparty, as the case may be.

LIEN MANAGEMENT

131. In order to facilitate the completion of the CNRL Contracts, the Receiver is proposing a lien management process ("**Lien Management**"). The Lien Management process provides a mechanism for the Receiver to remove liens relating to the CNRL Contracts and Krupp Contracts by depositing security in place of the liens, to ensure the timely receipt of receivables.

132. The following issues with respect to the Liens will be dealt with in the Claims Procedure as discussed above:

(a) The validity and quantum of the liens;

(b) The amount of money the lienholders are to receive; and

(c) The amount of any lien fund and the priority of the lienholders to the lien fund.

DISCUSSIONS WITH STAKEHOLDER GROUPS

133. The Receiver has discussed the Completion Protocol, Completion Funding, Claims Procedures and Lien Management with the following stakeholder groups:

(a) Pacer;

(b) CNRL;

(c) Promec; and

(d) A total of 6 creditors that have filed liens in excess of $1 million who have liens registered in the combined amount of $16.1 million.

134. The Receiver has been advised that Pacer, CNRL and the lienholder group above are generally supportive of the general concepts of the Completion Protocol and are supportive to complete the remaining CNRL Contracts. Promec have advised that they are not in agreement with the Receiver's Application.

SUMMARY OF RECEIPTS AND DISBURSEMENT

135. Receipts and Disbursements from the Date of Appointment to April 17**,** 2015 are summarized as follows:

Schedule of Receipts and Disbursements	N5000	R100	Other	Total	Notes
Receipts					
Receipts	2,647,235	4,747,118	479,286	7,873,638	a
Receivers Certificate	-	-	5,000,000	5,000,000	b
Opening cash	-	-	442,384	442,384	c
HST	-	-	126,582	126,582	d
Total - Receipts	**2,647,235**	**4,747,118**	**6,048,252**	**13,442,604**	
Disbursements					
Labour and Benefits	5,689,379	2,809,906	100,664	8,599,949	e
Camp costs	814,592	407,296	-	1,221,888	f
Materials	437,090	391,939	-	829,029	g
Travel	423,173	211,587	-	634,760	h
Professional Fees	-	-	581,752	581,752	i
Project Consumables	194,658	212,795	-	407,452	j
Equipment	187,120	197,083	-	384,203	k
General Overhead	-	-	82,071	82,071	l
Total - Disbursements	**7,746,013**	**4,230,604**	**764,487**	**12,741,104**	
Net Cash on Hand	**(5,098,779)**	**516,514**	**5,283,764**	**701,500**	

(a) Receipts – revenue collected by the Receiver for progress billing from the CNRL Contracts;

(b) Receiver Certificate – amounts borrowed in accordance with the terms of the Receivership Order;

(c) Opening Cash – funds transferred to the Receiver's bank account in accordance with the terms of the Receivership Order;

(d) GST – including GST refunds;

(e) Labour and Benefits – amounts disbursed by the Receiver relating to payroll and employee related deductions;

(f) Camp Costs – costs incurred relating to employee lodging at the CNRL Horizon Site;

(g) Materials – costs incurred for material required to complete the CNRL Contracts;

(h) Travel – costs incurred relating to employee travel to CNRL Horizon Site;

(i) Professional Fees – Receiver and Receiver's Counsel fees and disbursements;

(j) Project Consumables – fuel, small tools, welding supplies and various other supplies;

(k) Equipment – cost incurred for rental and purchased equipment relating to the completion of the CNRL Contracts;

(l) General Overhead – general and administrative costs.

136. As at April 17, 2015, the Receiver holds $701,500 in cash on hand.

DETAILS OF SECURED AND POTENTIAL PRIORITY CLAIMS

137. The Receiver is aware of the following secured claims, charges and liens that are owed by the Company either pursuant to statute or which have been registered against the Property.

NATIONAL BANK SECURITY

138. As more fully described in the Pelletier Affidavit, on March 5, 2015, Pacer and National Bank entered into an Letter Agreement whereby Pacer agreed to honour National Bank's call on Pacer's Guarantee of the Credit Agreement in full. Under terms of the Letter Agreement, Pacer agreed to pay the aggregate amount of $26,227,046.49 in full payment and satisfaction of all indebtedness and other claims owing by PPEC to National Bank.

CRA DEEMED TRUST CLAIMS

139. CRA has a claim for unremitted employee payroll deductions at source. CRA is owed $2,715,110. CRA may have a deemed trust claim in the amount of $2,715,110 pursuant to the provisions of subsection 227(4) of the *Income Tax Act*, subsection 23(3) of the *Canada Pension Plan Act*, and subsection 86(2) of the *Employment Insurance Act*.

LIEN CLAIMS

140. The Receiver is aware of various liens that have been filed against the interests relating to the CNRL Contracts and Krupp Contracts. The validity and priority of the liens will be address in accordance with the Claims Procedure outlined above.

ANALYSIS OF SECURED AND PRIORITY CLAIMS

141. A preliminary review of the validity and priority of the Credit Agreement has been be conducted by the Receiver and the Receiver's Counsel, and the Receiver advises as follows:

(a) National Bank's security (now held by Pacer) has been independently reviewed by the Receiver's Counsel who has opined that the security creates a valid security interest in favour of Pacer in all of the right, title and interest of each of the Companies in its real property and personal property;

(b) Payment of the amounts owed to CRA in respect of the deemed trust claims should be made to the Receiver General out of the realization of the Property that is subject to these statutory trusts;

(c) The Receiver's counsel is currently reviewing the security held by GE and Canadian Western Bank ("**CWB**") relating to certain PPEC Equipment. The Receiver will further report to Court upon the completion by its counsel of the security documents; and

(d) The Receiver has not yet reviewed the shareholders' advances or the related security documents relating to the advances made by Pacer to PPEC prior to the Receivership Order.

PACER AGENCY AGREEMENT

143. Of primary importance to the Receiver to ensure it maximizes recoveries is the ability to retain the expertise provided by Pacer to assist with the completion of the CNRL Contracts.

144. Prior to the Receivership, Pacer provide significant management, office, administrative and IT support to PPEC. Pacer has continued to provide such support to the Receiver since the Receivership Appointment and the services (“**Pacer Services”)** which includes:

(a) all the required human resource services for PPEC including recruitment, orientation and employee matters, including all matters on the Horizon Site;

(b) arranging for camp and related travel for in excess of 650 employees;

(c) All IT both in Calgary and on the Horizon Site;

(d) Certain accounting assistance; and

(e) Construction management services.

145. The Receiver advises the Pacer has agreed to provide the Pacer Services for an amount of cost plus 5% (the “**Pacer Services Agreement**”). The Receiver estimates the total cost of the services including ‘out of pocket’ travel costs (Pacer purchasers all flights for PPEC employees) provided under the Agency Agreement will be approximately $550,000 per month for the next 4 months. However, the actual costs incurred by Pacer under the Pacer Services Agreement will be reviewed and approved by the Receiver prior to reimbursement.

PACER ACCESS AGREEMENT

146. Pacer has requested certain information from PPEC for the purpose of undertaking a post-closing purchase price adjustment pursuant to a Purchase and Sale Agreement to which Pacer is party ("**PSA**").

147. The Receiver has agreed to provide Pacer with certain information on the following terms and conditions which are formally set out in the Pacer Access Agreement:

(a) Pacer may request in writing copies of books, records, documents or other information of PPEC (including information of personnel or consultants of PPEC) (the "**Requested Information**") from the Receiver and the Receiver will consider the request;

(b) Pacer represents that the Requested Information is necessary for the purpose of undertaking a post-closing purchase price adjustment pursuant to the PSA, the Requested Information is not being requested for any other purpose, and cannot be obtained from a third party or other source;

(c) The Receiver shall, subject to any Orders granted in the Receivership Proceedings, and subject to any common law or statutory duties imposed upon the Receiver, make reasonable efforts to provide Pacer with the Requested Information, subject to the Receiver's review of the Requested Information for the following:

- Privileged information;
- Proprietary information; and
- Information which could if disclosed adversely impact the administration of the PPEC receivership; and

- Restricted Information.

148. The Receiver is under no obligation to disclose or provide any Restricted Information to Pacer. The Receiver makes no representations or warranties about the accuracy, authenticity, or completeness of any of the information provided.

149. The Receiver and its legal counsel shall review the Requested Information and may redact or remove any Restricted Information contained within the Requested Information and deliver such redacted Requested Information to Pacer.

150. Pacer agrees to keep confidential any information provided by the Receiver hereunder, except as may be required to be disclosed in the post-closing purchase price adjustment process contemplated by the PSA.

151. A copy of the Pacer Access Agreement is attached to this Report at Appendix C.

RECEIVER'S RECOMMENDATIONS

152. The Receiver respectfully requests that this Honourable Court grant the following Orders:

(a) validating service of the within Application;

(b) approving the Pacer Agency Agreement, the Pacer Access Agreement, and the Krishna Offer, and vesting the Unit in the purchaser free and clear of all encumbrances and claims by, through or against PPEC;

(c) increasing the Receiver's borrowing powers;

(d) creating the Krupp Facility Charge and General Facility Charge, and ranking those charges against the Debtors' various assets;

(e) approving the Lien Management;

(f) approving the Claims Procedure;

(g) appointing and establishing the powers of the Claims Officer; and

(h) such further and other relief as this Honorable Court may permit.

All of which is respectfully submitted this 1st day of May, 2015.

FTI Consulting Canada Inc. in its capacity as receiver
and manager of the assets undertakings and
properties Pacer Promec Energy Corporation and
Pacer Promec Construction

Deryck Helkaa
Senior Managing Director

Jamie Engen
Managing Director

Appendix A

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0030 189 708	0313153;67	141 147 390

LEGAL DESCRIPTION
CONDOMINIUM PLAN 0313153
UNIT 67
AND 42 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;24;16;NW

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 081 332 467

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
141 147 390	13/06/2014	TRANSFER OF LAND	$490,000	CASH

OWNERS

PACER PROMEC ENERGY CORPORATION.
OF 1105-7 AVE SW
CALGARY
ALBERTA T2P 1B2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS

NO REGISTRATIONS

* ADDITIONAL REGISTRATIONS MAY BE SHOWN ON THE CONDOMINIUM ADDITIONAL PLAN SHEET

TOTAL INSTRUMENTS: 000

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 24 DAY OF APRIL, 2015 AT 11:26 A.M.

ORDER NUMBER: 28289789

CUSTOMER FILE NUMBER: 548476-5

END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

Appendix B

ASSET PURCHASE AGREEMENT

DATED this ______ day of April, 2015, among:

FTI CONSULTING CANADA INC., in its capacity as receiver and manager (the "**Receiver**") of the current and future assets, undertakings and properties of Pacer Promec Energy Corporation and Pacer Promec Energy Construction Corporation (collectively, "**PPEC**")

- and -

RAJESH KRISHNA., an individual resident in the Province of Alberta (the "**Purchaser**")

WHEREAS:

A. On March 10, 2015, the Court of Queen's Bench of Alberta in Action Number 1501-02652 (the "**Receivership Proceedings**") granted a receivership order (the "**Receivership Order**") appointing the Receiver as the receiver and manager of the current and future assets, undertakings and properties of PPEC (the "**Property**").

B. The Receivership Order empowers and authorizes the Receiver to market any or all of the Property and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

C. The Purchaser wishes to purchase the Assets (as defined below) subject to, and in accordance with, the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed between the parties as follows:

ARTICLE 1 – DEFINITIONS

1.1 **Definitions.** In this Agreement, the following terms shall have the following meanings:

(a) "**Agreement**" means this Asset Purchase Agreement;

(b) "**Assets**" means all of the property and assets set out in Schedule "A";

(c) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in Alberta;

(d) "**Canadian Dollars**" or "Cdn. $" or "$" shall mean lawful money of Canada;

(e) "**Claim**" shall mean any secured, lien, possessory lien, unsecured, administrative, trust or other type of claim, against PPEC and/or any and all of the Assets, of every nature and kind and howsoever arising, including, without limitation, debts, dues, rights, actions, causes of action, third party claims, rights by way of indemnity, surety or set-off and securities, whether legal, beneficial, equitable, absolute or contingent, liquidated or unliquidated, vested or not vested, due or accruing due, present or future, known or unknown, but not including the Permitted Encumbrances;

(f) "**Closing**" means the closing of the transactions set forth in this Agreement at the Closing Time;

(g) "**Closing Time**" shall mean 12:00 noon (Calgary time) on May 29, 2015 or such later date as the parties may agree to in writing;

(h) "**Court**" means the Court of Queen's Bench of Alberta in the Judicial District of Calgary presiding over the Receivership Proceedings;

(i) "**Deposits**" has the meaning attributed thereto in paragraph 2.4 of this Agreement;

(j) "**GST**" has the meaning attributed thereto in paragraph 2.3 of this Agreement;

(k) "**Initial Deposit**" has the meaning attributed thereto in paragraph 2.4 of this Agreement;

(l) "**ITA**" means the *Income Tax Act* (Canada), as amended;

(m) "**Order**" means an order granted by the Court;

(n) "**Permitted Encumbrances**" means the permitted encumbrances set out in Schedule "B" to this Agreement;

(o) "**Purchase Price**" means the sum of $451,000, inclusive of GST;

(p) "**Transaction**" means the transaction of purchase and sale of the Assets and other arrangements, if any, contemplated by this Agreement; and

(q) "**Approval and Vesting Order**" has the meaning attributed thereto in paragraph 2.6 of this Agreement.

1.2 **Headings.** The headings appearing in this Agreement are inserted for convenience of reference only and will not affect the interpretation of this Agreement.

1.3 **Plurality and Gender.** Words used herein importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders and words importing individuals shall include corporations, partnerships, trusts, syndicates, joint ventures, governments and governmental agents and authorities and vice versa.

1.4 **Schedules.** The following Schedules are incorporated into and form part of this Agreement:

Schedule "A" Assets

Schedule "B" Permitted Encumbrances

ARTICLE 2 – PURCHASE AND SALE

2.1 **Sale of the Assets.** Upon the satisfaction of the terms and conditions stated herein, on Closing, the Purchaser hereby purchases from the Receiver, and the Receiver hereby sells, assigns, conveys and delivers to the Purchaser, the Assets, on an as is where is basis, at and for the Purchase Price.

2.2 **<u>Payment of Purchase Price.</u>** Upon the satisfaction of the terms and conditions stated herein, the Purchaser shall pay to the Receiver, on or before the Closing Time, the Purchase Price. Unless otherwise agreed, all amounts payable shall be paid to the Receiver by cheque certified by, or draft of, a Canadian chartered bank to be released upon Closing.

2.3 **<u>GST.</u>** The Purchase Price shall include any Goods and Services Tax that may be exigible on the within transaction pursuant to the provisions of the *Excise Tax Act* (Canada) ("**GST**").

2.4 **<u>Deposits.</u>** Within two business days of execution of this Agreement, the Purchaser shall provide the Receiver a deposit in the amount of $10,000 (the "**Initial Deposit**"). The Purchaser shall provide the Receiver a second deposit in the amount of $10,000 on or before May 8, 2015 (together with the Initial Deposit, hereafter referred to as the "**Deposits**"). The Deposits shall be made by cheque certified by, or draft of, a Canadian chartered bank. The Deposits shall be deemed to be cash deposits to be applied to the Purchase Price. The Deposits shall be returned to the Purchaser if this Agreement is terminated pursuant to paragraph 2.7. The Deposits will be forfeited if this Agreement is terminated for any other reason.

2.5 **<u>Post- Closing Adjustments.</u>** Adjustment for the actual costs of realty taxes, utilities, closing costs, rent payments (as applicable) and other reasonable and ordinary adjustments will be made on or shortly after Closing (the Closing Date to be for the account of the Purchaser) and shall be reflected on a Post-Closing Statement of Adjustments to be delivered by the Purchaser to the Receiver not less than thirty days after the Closing Date. Within fifteen (15) days of approval by the Receiver of the Post-Closing Statement of Adjustments, the parties agree to adjust the amount paid or payable pursuant to paragraph 2.2 accordingly.

2.6 **<u>Conditions to Closing.</u>** The obligation of the Purchaser and the Vendor to proceed with the closing of the Transaction is conditional upon the Receiver obtaining an order of the Court:

(a) approving the Transaction; and

(b) conveying title to the Lands free of claims of the Receiver and the parties claiming through the Receiver (other than as specifically referenced herein), which order shall be:

   (i) in form and substance satisfactory to the Receiver and the Purchaser, acting reasonably, and

   (ii) in full force and effect, free of any stay or other impediment to execution (the "**Approval and Vesting Order**").

2.7 **<u>Termination.</u>** If the conditions contained in paragraph 2.6 are not satisfied or waived on or before the Closing Time, or such later date as may be agreed to in writing by all of the parties, this Agreement shall terminate and cease to have any further force or effect.

ARTICLE 3
TRANSFER

3.1 **Delivery by the Receiver.** The Receiver shall deliver, or cause to be delivered, to the Purchaser a duly executed and registerable transfer of land in respect of the Lands, on such trust conditions as are customary for closing a transaction of this nature in accordance with the terms hereof.

ARTICLE 4– "AS IS, WHERE IS"

4.1 **As Is, Where Is.** The Purchaser hereby acknowledges and agrees that the Assets are being purchased on an "as is, where is" basis, and that it has conducted to its satisfaction its own independent investigation, analysis and evaluation of the Assets as it deems necessary or appropriate and that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby it has and will rely solely on such independent investigation. Without limiting the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any legislation in any jurisdiction do not apply hereto and have been waived by the Purchaser. The Purchaser acknowledges that there is no representation, warranty, term, condition, understanding or agreement, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, given in this Agreement or in any document furnished in connection with this Agreement, as to title, outstanding liens, encumbrances, description, merchantability, value, suitability or marketability of the Assets or in respect of any other matter or thing whatsoever, except as otherwise expressly stated herein. The Purchaser shall be deemed to have relied entirely on its own inspection and investigation in proceeding with the transactions contemplated hereunder.

ARTICLE 5 – MISCELLANEOUS

5.1 **Further Assurances.** The parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

5.2 **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally to the parties or sent by courier or facsimile to the following address (or such other address for a party as shall be specified by like notice):

(a) to Purchaser, as follows:

Rajesh Krishna
C/O Re/Max Real Estate (Central)
Suite #206, 2411 – 4th Street NW
Calgary, Alberta T2M 2Z8

Attention: Geoff Martin
Fax: (403) 366-5847

with a copy to:

Miguel Mejia & Associates
Suite 1050, 398 – 11th Avenue S.W.
Calgary, Alberta T2R 0C5

Attention:
Fax: (403) 718-9598

(b) to the Receiver, as follows:

FTI Consulting Canada Inc.
Receiver of Pacer Promec Energy Corporation and
Pacer Promec Energy Construction Corporation
Suite 720, 440 – 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Deryck Helkaa
Fax:

with a copy to:

Dentons Canada LLP
15th Floor, Bankers Court
850-2nd Street SW
Calgary, AB T2P 0R8

Attention: David Mann / David LeGeyt
Fax: 403.268.3100

Any such notice or other communication shall be effective upon delivery.

5.3 **Legal Advice.** The parties have consulted with and been advised by their own solicitors before entering into this Agreement, have read same and know the contents thereof.

5.4 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

5.5 **Severability.** In case any provision in this Agreement shall be prohibited, invalid, illegal or unenforceable in any jurisdiction, such provision shall be ineffective only to the extent of such prohibition, invalidity, illegality or unenforceability in such jurisdiction without affecting or impairing the validity, legality or enforceability of the remaining provisions hereof, and any such prohibition, invalidity, illegality or unenforceability shall not affect or impair such provision in any other jurisdiction.

5.6 **Amendment.** No amendment of this Agreement will be binding unless made in writing by all the parties.

5.7 **Time of the Essence.** Time shall be of the essence of this Agreement.

5.8 Costs. Each party shall be responsible for its own costs in preparation of this Agreement and completion of the Transaction.

5.9 Waiver. Failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants and obligations contained herein shall not be construed as a waiver or relinquishment of such covenant or obligation. No waiver by any party hereto (whether in whole or in part) of any such covenant or obligation shall be deemed to have been made unless expressed in writing and signed by the waiving party.

5.10 Applicable Law and Court Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, and the parties hereby attorn to the jurisdiction of the Court in relation to any matter relating to this Agreement.

5.11 Successors and Assigns. This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

5.12 Counterparts. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by fax or any other form of electronic transmission.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

RAJESH KRISHNA

X) Rajesh K

Witness

FTI CONSULTING CANADA INC., in its capacity as receiver and manager (the "Receiver") of the current and future assets, undertakings and properties of Pacer Promec Energy Corporation and Pacer Promec Energy Construction Corporation

Per:

Schedule “A”

Assets

The Assets are comprised of:

a) the lands legally described as:

CONDOMINIUM PLAN 0313153
UNIT 67
AND 42 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

b) including one assigned parking stall (#306) and one assigned storage space (#64);

c) including electric stove, refrigerator, microwave and hoodfan, built-in dishwasher, washer and dryer, all window coverings, garburator, and air conditioning as presently exists;

d) and all appurtenances thereto.

Schedule "B"

<u>Permitted Encumbrances</u>

Nil.

Appendix C

May 1, 2015

VIA EMAIL

Stikeman Elliott LLP
4300 Bankers Hall West
888 – 3rd Street S.W.
Calgary, AB T2P 5C5

Attn: Geoffrey D. Holub

Dear Sir:

RE: **FTI Consulting Canada ULC re: Pacer Promec Energy Corporation ("PPEC")**
Letter Agreement – Provision of Information

WHEREAS Pacer Construction Holding Corp. ("**Pacer**") has requested certain information from Pacer Promec Energy Corporation ("**PPEC**") for the purpose of undertaking a post-closing purchase price adjustment pursuant to a Purchase and Sale Agreement to which Pacer is party ("**PSA**");

AND WHEREAS FTI Canada Consulting Inc. was appointed as receiver and manager of PPEC (the "**Receiver**") by Order of the Court of Queen's Bench of Alberta on March 10, 2015;

AND WHEREAS Pacer is requesting certain information from the Receiver pursuant to the PSA for the purpose of allowing Pacer to undertake a post-closing purchase price adjustment contemplated by the PSA;

And whereas the Receiver has agreed to provide Pacer with certain information on the terms and conditions set out herein;

AND WHEREAS Stikeman Elliott LLP is legal counsel to Pacer and MasTec Inc;

The Receiver and Pacer agree as follows:

1. Pacer may request in writing copies of books, records, documents or other information of PPEC (including information of personnel or consultants of PPEC) (the "**Requested Information**") from the Receiver and the Receiver will consider the request;

2. Pacer represents that the Requested Information is necessary for the purpose of undertaking a post-closing purchase price adjustment pursuant to the PSA, the Requested Information is not being requested for any other purpose, and cannot be obtained from a third party or other source;

3. The Receiver shall, subject to any Orders granted in the Receivership Proceedings, and subject to any common law or statutory duties imposed upon the Receiver, make reasonable efforts to provide Pacer with the Requested Information, subject to the Receiver's review of the Requested Information for the following:

a. Privileged information;

b. Proprietary information; and

c. Information which could if disclosed adversely impact the administration of the PPEC receivership;

(All of the foregoing collectively referred to as the "**Restricted Information**").

4. The Receiver is under no obligation to disclose or provide any Restricted Information to Pacer.

5. The Receiver makes no representations or warranties about the accuracy, authenticity, or completeness of any of the information provided.

6. The Receiver and its legal counsel shall review the Requested Information and may redact or remove any Restricted Information contained within the Requested Information and deliver such redacted Requested Information to Pacer without including the Restricted Information.

7. Pacer agrees to keep confidential any information provided by the Receiver hereunder, except as may be required to be disclosed in the post-closing purchase price adjustment process contemplated by the PSA.

8. The provision of any Requested Information by the Receiver pursuant to this Letter Agreement is without prejudice to Pacer or MasTec's ability to use or disclose such information provided by the Receiver hereunder for other purposes, including the prosecution of claims against third parties, upon further agreement with the Receiver or an Order of the Court.

Please confirm your acceptance of these terms and conditions by executing this Letter Agreement below.

Yours truly,

Agreement and Acceptance

The undersigned agrees to and accepts the provisions of this Letter Agreement as solicitor and agent for Pacer Construction Holding Corp.

Stikeman Elliott LLP

By: ____________________

Name: Geoffrey D. Holub
Title: Partner
Date: May 1, 2015

FTI CONSULTING