Q.B.G. No. 1461 of 2009

CANADA)
PROVINCE OF SASKATCHEWAN)

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

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

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF BIG SKY FARMS INC., DRYCAST SYSTEMS INC. and BIG SKY MANAGEMENT CONSULTING CORP.

SECOND SUPPLEMENTARY AFFIDAVIT OF CANUTE TAGSETH

I, **CANUTE TAGSETH**, of the City of Saskatoon, in the Province of Saskatchewan, Chartered Accountant, **MAKE OATH AND SAY THAT**:

1. I am employed as the Chief Financial Officer (the "CFO") of the Applicant, Big Sky Farms Inc., such that I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.

2. I make this Second Supplementary Affidavit to supplement the Affidavit sworn by me on October 29, 2009 (the "October 29 Affidavit") and the Supplementary Affidavit sworn by me on November 2, 2009 (the "November 2 Affidavit"), each of which Affidavits have been filed on behalf of Big Sky Farms Inc., Drycast Systems Inc. and Big Sky Management Consulting Corp. (collectively, the "Applicants" or "Big Sky") in support of these proceedings.

Restructuring Efforts by Big Sky Since the Initial Order

3. On November 10, 2009, the Applicants obtained an initial order (the "Initial Order") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") from the Honourable Mr. Justice N.G. Gabrielson of the Court of

Queen's Bench for Saskatchewan (the "Court"). As more particularly described below, since obtaining the Initial Order, the Applicants have worked diligently and in good faith, with the assistance of their legal counsel, their other professional advisors and the Monitor, to pursue the restructuring of their business and financial affairs and to develop a plan of compromise and recapitalization (the "Big Sky Plan") to present to their creditors.

4. In pursuing the restructuring of their business and financial affairs since obtaining the Initial Order on November 10, 2009, the Applicants have focused their efforts upon the following three aspects of their business and financial affairs, namely:

(a) obtaining an Order of the United States Bankruptcy Court for the Northern District of Iowa recognizing the November 10, 2009 Initial Order of the Court of Queen's Bench For Saskatchewan as a foreign main proceeding under Chapter 15 of the *U.S. Bankruptcy Code*;

(b) negotiating with Bank of Nova Scotia, Bank of Montreal, National Bank of Canada and Farm Credit Canada (collectively, the "Senior Lenders") and Golden Opportunities Fund Inc., CIC Asset Management Inc., FCC Ventures, a Division of Farm Credit Canada, Florian Possberg and Cliff Wiegers (collectively, the "Sub-Debt Lenders") to develop and reach agreement in principle on the key elements of the Big Sky Plan; and

(c) communicating with creditors, suppliers and other stakeholders of the Applicants regarding the implications of the Initial Order and working with such stakeholders to ensure that the restructuring of the Applicants proceeds in a constructive, orderly and transparent fashion.

<u>Recognition of the November 10, 2009 Initial Order in the United States</u>

5. Immediately upon the Initial Order being granted by the Court of Queen's Bench for Saskatchewan on Tuesday, November 10, 2009, Iowa counsel to the Applicants and the Monitor received authority from the Honourable William L. Edmonds, Bankruptcy Judge of the United States Bankruptcy Court for the

Northern District of Iowa, to schedule a hearing before the United States Bankruptcy Court for the Northern District of Iowa on Thursday, November 12, 2009 of an application by the Applicants and the Monitor for an Order granting a provisional stay of proceedings in the United States in favour of the Applicants (the "Provisional Stay Application").

6. Materials in support of the Provisional Stay Application were served upon Iowa creditors of the Applicants on the evening of November 10 and during the day on November 11, 2009. The hearing of the Provisional Stay Application took place before Judge Edmonds in the United States Bankruptcy Court for the Northern District of Iowa in Sioux City, Iowa on the afternoon of Thursday, November 12, 2009. Kevin Brennan, a representative of the Monitor, appeared in Court in Sioux City, Iowa at the hearing and testified on behalf of the Monitor.

7. As a result of the hearing, Judge Edmonds delivered an Order on November 12, 2009 granting a provisional stay of proceedings in favour of the Applicants under Chapter 15 of the *United States Bankruptcy Code.* Attached and marked as Exhibit "A" to this Affidavit is a true copy of the November 12, 2009 Order of Judge Edmonds described in this paragraph (the "November 12 Iowa Provisional Order").

8. The hearing of the application for an Order recognizing the November 10, 2009 Initial Order of the Court of Queen's Bench For Saskatchewan as a "foreign main proceeding" under Chapter 15 of the *United States Bankruptcy Code* is scheduled to take place in Sioux City, Iowa before Judge Edmonds on December 10, 2009.

<u>Big Sky Plan Negotiations with the Senior Lenders and the Sub-Debt Lenders</u>

9. The Initial Order provided that the Applicants were required, by 4:00 p.m. on November 30, 2009, to develop a Plan of Arrangement acceptable to the Senior Lenders.

10. During the 24 days since the granting of the Initial Order, with the assistance of the Monitor and their legal counsel and professional advisors, the Applicants have

been actively involved in intensive negotiations regarding the Big Sky Plan with both the Senior Lenders and the Sub-Debt Lenders. These intensive negotiations have involved three days of face to face meetings in Toronto and numerous lengthy telephone conference calls during business hours, evenings and weekends. As well, on a regular basis throughout the past 24 days, each of the Applicants, the Senior Lenders and the Sub-Debt Lenders have been required to participate in several lengthy internal conference calls, meetings and internal discussions with their own professional advisors, in order to advance the dialogue and negotiations regarding the Big Sky Plan.

11. The negotiations between the Applicants, the Senior Lenders and the Sub-Debt Lenders over the past 24 days have been difficult, complex and time-consuming and the negotiation process has taken longer than had originally been anticipated by the Applicants.

12. On December 1, 2009, with the consent of the Senior Lenders and the Sub-Debt Lenders, the Applicants obtained an *Ex Parte* Order from the Court extending the deadline by which they were required to file the Big Sky Plan from November 30, 2009 to December 4, 2009.

13. The Applicants now propose to seek a further Order from the Court (on notice to those persons on the Service List) extending the deadline by which they are required to file the Big Sky Plan from December 4, 2009 to December 23, 2009.

14. The Applicants, the Senior Lenders and the Sub-Debt Lenders reached agreement in principle on the fundamental terms of the Big Sky Plan on November 30, 2009 (being the deadline stipulated in paragraph 4(a) of the Initial Order by which such a Plan was to have been developed by the Applicants). The process of drafting the Big Sky plan is well underway. However, the final text of the Big Sky Plan is anticipated to be a complex commercial document comprising several dozen pages and will require a great deal of careful drafting, attention to detail and additional dialogue between the Applicants, the Senior Lenders and the Sub-Debt Lenders before it will be in a position to be filed with the Court and to be

presented to the creditors and stakeholders of the Applicants for their consideration.

15. Subject to the direction which may be received by them from the Court, and subject to additional input as to scheduling which the Applicants may receive from their stakeholders, the current intention of the Applicants regarding the development and presentation of the Big Sky Plan is:

(a) to obtain an Order from the Court on December 9, 2009 authorizing Big Sky to implement a Claims Process, in order to identify those creditors and claimants of the Applicants entitled to vote upon, and to receive a distribution of dividends under, the Big Sky Plan (the "Proven Creditors");

(b) to finalize the Big Sky Plan and to file the Big Sky Plan with the Court on or before December 23, 2009;

(c) to obtain a further Order from the Court (ideally later in December of 2009) authorizing the Applicants to circulate the Big Sky Plan to the Proven Creditors and to schedule a meeting of the Proven Creditors to consider and to vote upon the Big Sky Plan (the "Creditors' Meeting") early in February of 2010;

(d) to conduct an initial mailout of the Big Sky Plan and Notice of the Creditors' Meeting (together with an accompanying Information Circular and Report of the Monitor) (collectively, the "Big Sky Plan Materials") to the Proven Creditors on or before December 28, 2009, with subsequent additional mailouts of the Big Sky Plan Materials at regular intervals from and after December 28, 2009 to those Proven Creditors whose claims against the Applicants are proven subsequent to December 28, 2009;

(e) to conduct the Creditors' Meeting in Saskatoon in early February of 2010 (and, ideally, to obtain the level of support for the Big Sky Plan from the creditors and claimants of the Applicants which is required under the CCAA); and

(f) in the event that the Applicants obtain at the Creditors' Meeting the level of support for the Big Sky Plan from the Proven Creditors which is required under the CCAA, to obtain an Order of the Court sanctioning the Big Sky Plan in mid-February of 2010.

Communications with Creditors, Suppliers & Other Stakeholders

16. On the day that the Applicants obtained the Initial Order (November 10, 2009), management of Big Sky implemented a communication process to inform employees, suppliers and key stakeholders of the Applicants of the existence of the Initial Order and its implications, with a view to stabilizing the operations of the Applicants, minimizing disruptions to the business and financial affairs of the Applicants and giving comfort to employees, suppliers and other key stakeholders of the Applicants as to the intention of the Applicants to continue to carry on their business operations and to restructure their business and financial affairs.

Employees

17. As part of their communication process, the Applicants provided their employees with a "Question and Answer" circular, in order to address initial questions and concerns regarding the CCAA process that their employees may be expected to raise. This communication process implemented by the Applicants has been extremely successful in avoiding disruption to the employment ranks and staffing levels of the Applicants.

18. As of the date of my swearing of this Affidavit (December 4, 2009), of the approximately 430 employees of the Applicants described in paragraph 5 of the October 29 Affidavit, five (5) such persons have left their employment with the Applicants since the granting of the Initial Order. Each of the departures of these five employees occurred in the normal course of business of the Applicants and, to the best of my knowledge, none of these departures were directly or indirectly attributable to these CCAA proceedings by the Applicants. All of the Applicants' production units remain fully staffed. Since the commencement of these CCAA

proceedings, the Applicants have also continued to hire additional employees in the ordinary course of their business operations.

Local Area Grain Farmers

19. As described by me in paragraph 52 of the October 29 Affidavit, the Applicants purchase approximately 75% of their annual feed requirements from local area grain farmers located in or near the 24 rural Saskatchewan and Manitoba communities in which the Applicants carry on their business operations (the "Local Area Grain Farmers").

20. Upon obtaining the Initial Order on November 10, 2009, the Applicants implemented a "Grain Delivery Commitment Incentive Program" for the Local Area Grain Farmers from whom the Applicants purchase feed grain. The "Grain Delivery Incentive Program" permits Local Area Grain Farmers who were affected by these CCAA proceedings by the Applicants to deliver specified amounts of feed grain to the Applicants and to be paid a premium price for such feed grain in exchange for their continued support in delivering feed grain to the Applicants in future. As well, prior to the date of the Initial Order, the Applicants' payment terms in their dealings with Local Area Grain Farmers were to make payment to Local Area Grain Farmers for feed grain within 10 to 15 days of delivery. Under the Grain Delivery Incentive Program, Local Area Grain Farmers receive payment from the Applicants for feed grain delivered by them within 7 to 14 days of delivery.

21. The Grain Delivery Incentive Program has been received favourably by a substantial number of the Local Area Grain Farmers who were affected by the Initial Order. Of the 415 Local Area Grain Farmers affected by the Initial Order, 181 of them have communicated a response to the Grain Delivery Incentive Program. As of December 3, 2009, 168 Local Area Grain Farmers have formally signed on to participate in the Grain Delivery Incentive Program.

22. In order to provide Local Area Grain Farmers with additional time to make an informed decision as to whether or not they wish to participate in the Grain Delivery Incentive Program, the deadline for Local Area Grain Farmers to formally sign on to participate in the Grain Delivery Incentive Program has been extended to December 31, 2009.

23. As of December 1, 2009, the Applicants have taken delivery of approximately $1,200,000.00 worth feed grain (comprising approximately 400,000 bushels) from Local Area Grain Farmers affected by the Initial Order.

24. Attached and marked collectively as Exhibit "B to this Affidavit are four letters signed by Local Area Grain Farmers affected by the Initial Order which express their satisfaction with the Grain Delivery Incentive Program.

Transportation Services

25. As described by me in paragraphs 16 and 17 of the October 29 Affidavit, the Applicants purchase transportation services from a number of locally-based lease operators (the "Lease Operators"). The Initial Order permits the Applicants to pay certain pre-filing claims of Lease Operators who exclusively provide truck transportation services to Big Sky. The transportation services provided to the Applicants by the Lease Operators are critical to the business operations of the Applicants. The Lease Operators were essentially unaffected by the Initial Order.

26. On November 11, 2009, the Applicants communicated to all of the Lease Operators the existence of the Initial Order and its implications. The Applicants were able to ensure that all of the Lease Operators continued to provide transportation services to the Applicants without disruption.

27. The Applicants also contacted certain third party transportation companies who provide services to the Applicants. Certain of these third party transportation companies had initially halted the transportation of loads in transit. However, the Applicants were eventually successful in arranging for all of these third party

transportation companies to resume or continue deliveries on November 11, 2009. The only disruption to the Applicants' business operations was the cancellation of two market loads because delivery appointments were missed due to temporary disruptions in transportation.

28. Payment terms have been successfully negotiated between the Applicants and the various transportation service providers. These transportation service providers continue to supply transportation services to the Applicants.

U.S. Feed Suppliers

29. In order to arrange for the continued supply of feed to its United States operations, on November 11, 2009, the Applicants communicated the existence of the Initial Order and its implications to their four major feed suppliers in the United States. One of these four U.S. feed suppliers has communicated to the Applicants its decision not to do any further business with the Applicants. However, the remaining three U.S. feed suppliers have continued to deliver feed to the Applicants in Iowa with no disruptions, once payment terms were negotiated.

30. One brief temporary disruption to the United States business operations of the Applicants occurred when one of the Applicants' U.S. feed suppliers known as DEL-uxe Feeds, Inc. ("Deluxe") communicated with Sioux-Preme Packing Co., the principal American customer to whom the Applicants sell their U.S. pig inventory. In this communication, Deluxe claimed a lien on the Applicants' product and requested of Sioux-Preme Packing Co. that any moneys payable to the Applicants by Sioux-Preme be paid by means of a cheque payable to both Big Sky Farms Inc. and Deluxe.

31. By means of the November 12 Iowa Order, Judge Edmonds of the United States Bankruptcy for the Northern District of Iowa Court prohibited Deluxe from such interference with Sioux-Preme and ordered Sioux-Preme to make payment for pigs purchased by it from Big Sky Farms Inc. exclusively to Big Sky Farms Inc.. The result of the November 12 Iowa Order was to avoid any further disruption

with the payments received by the Applicants from their principal U.S. customer, Sioux-Preme Packing Co.

32. Certain other U.S. packing companies that purchase a nominal amount of product to the Applicants have recently started the practice of making cheques payable jointly to Big Sky Farms Inc. and Deluxe. This has caused a relatively minor disruption to the cash flow in the Applicants' United States operations. The Applicants are working with Deluxe to remedy this situation, but may need to seek a Court Order if the situation cannot be worked out consensually.

Additional Creditors & Stakeholders

33. Early on the morning of November 12, 2009, fuel credit card suppliers temporarily cut off services to the Applicants. However, the services resumed by 10 a.m. that morning after the Applicants negotiated payment terms with the affected service suppliers.

34. The Applicants also took proactive steps in communicating the Initial Order and its implications to its other suppliers of other goods and services. The Applicants have been successful in arranging normal credit terms in many instances. In other instances, suppliers required tightened payment terms (primarily weekly). In a very few instances, suppliers have required pre-payment or deposits. A very few suppliers have communicated their decision to discontinue doing business with the Applicants on any terms. However, such isolated events are not representative of the overall level of support for the Applicants from their suppliers and have not led to any significant disruptions in the Applicants' business operations. Where necessary, the Applicants were able to secure goods and services from alternative suppliers who were willing to provide these goods or services.

Cash Flow

35. As a result of the Applicants' successful negotiation of favourable credit terms with suppliers, the Applicants' cash flow during the CCAA restructuring has been better than projected. Although cash prices for hogs have been slightly below the

Applicants' projections, such prices strengthened in the last week of November and are now more in line with the Applicants' financial projections. The Applicants made their first draw on the DIP Credit Facility on December 1, 2009 in the amount of $500,000.00.

Production

36. Since the date of the Initial Order, the Applicants' level of production has continued to be strong. These CCAA proceedings by the Applicants have not caused any negative consequences to the ability of the Applicants to sustain production at projected levels. Market hog shipments continue to be in line with the Applicants' financial projections.

Independent Counsel to the Board of Directors

37. The board of directors of Big Sky Farms Inc. has determined that retaining its own legal counsel (in order to provide the directors of Big Sky Farms Inc. with independent legal advice pertaining to their rights and responsibilities as directors of corporations operating within CCAA proceedings) will serve to advance the restructuring process and to promote the orderly, efficient and transparent administration of the CCAA restructuring of the Applicants.

38. The board of directors of Big Sky Farms Inc. have determined to engage Mr. Frank Dearlove of the law firm of Bennett Jones LLP of Calgary as independent counsel to the board of directors of Big Sky Farms Inc.

39. Given the insolvent state of the Applicants, in order to be in a position to retain independent legal counsel, the directors of Big Sky Farms Inc. require that the Initial Order be amended so as to encompass independent counsel to the board of directors of Big Sky Farms Inc. within the scope of the Administration Charge, in order to provide such independent counsel with security for the payment of its professional fees and disbursements.

Summary

40. As more particularly described above, the CCAA restructuring of the Applicants is proceeding in a constructive and orderly fashion. The Applicants have acted and continue to act diligently and in good faith toward the development of the Big Sky Plan. The Applicants are optimistic that, given an extension of the stay of proceedings and additional time to finalize and present the Big Sky Plan to their Proven Creditors, they will be able to achieve a successful restructuring of their business and financial affairs and to continue to carry on business, to pay their employees and to make a very significant economic contribution to the 24 rural Saskatchewan and Manitoba communities in which they operate.

41. I make this Second Supplementary Affidavit in support of the application by the Applicants for an Order extending the stay of proceedings against the Applicants by their creditors under the Initial Order to and including February 1, 2010 (together with ancillary relief) and for an Order approving the proposed claims process, all as more particularly described in the Notices of Motion of the Applicants dated December 4, 2009.

SWORN BEFORE ME at the City of)
Saskatoon, in Province of Saskatchewan)
this 4th day of December, 2009.)
)
_______________________________)
A Commissioner For Oaths in and for the
Province of Saskatchewan.
- Being a Solicitor

____
CANUTE TAGSETH

This Affidavit was delivered by:

MacPherson Leslie & Tyerman LLP
Lawyers
1500, 410 - 22nd Street East
Saskatoon, Saskatchewan S7K 5T6
Lawyer in Charge of File: Jeffrey M. Lee
Telephone Number: (306) 975-7100
Fax Number: (306) 975-7145
Email: jmlee@mlt.com

THIS IS EXHIBIT "A" referred to in the Affidavit of Carole Taszeth
SWORN before me at Saskatoon
this 4th day of December, 2009
A COMMISSIONER FOR OATHS in and for the Province of Saskatchewan
Being a Solicitor – OR –
~~My Commission expires~~

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

In re: Petition of Big Sky Farms Inc. by Ernst & Young Inc., as its Monitor, Debtor in a Foreign Proceeding.	Case No. 09-03293 Chapter 15 ORDER GRANTING PROVISIONAL RELIEF PURSUANT TO 11 U.S.C. §1519

This matter comes before the Court for hearing on November 12, 2009, on the Motion for Provisional Relief Pursuant to 11 U.S.C. §1519 (the "Motion") filed by Ernst & Young Inc., as the Monitor of Big Sky Farms Inc. (the "Petitioner") on November 10, 2009. Upon review of the Petition for Recognition of a Foreign Proceeding Pursuant to 11 U.S.C. §§1515 and 1517, (the "Petition") filed on November 10, 2009, and the Certificate of Service filed by Petitioner's counsel, the Court finds that the Petitioner has served copies of the Petition, the Motion and the Order setting the hearing on the Motion on all parties against whom the Petitioner is seeking provisional relief. Upon review of the Petition and Motion, and hearing the arguments presented by counsel at the hearing, the Court finds that relief to protect the assets of Big Sky Farms Inc. ("Big Sky") located in Iowa and the interests of all of the creditors of Big Sky is necessary and appropriate and, accordingly, finds the Motion should be granted.

THE COURT FINDS:

1. This Chapter 15 case arises out of an application of Big Sky Farms Inc. and the consent of Ernst & Young Inc., an international insolvency and restructuring firm, to act as Monitor of the Debtor. Certified copies of the Order entered by the Court of Queen's Bench for Saskatchewan, Judicial Centre of Saskatoon (the "Canadian Court") under the Companies' Creditors Arrangement Act for Big Sky, Q.B. No. 1461 of 2009 (the "Canadian Proceeding") on November 10, 2009, appointing the Monitor and the Consent to Appointment of the Monitor are attached to the Petition.

2. The Monitor is a foreign representative acting as Monitor for Big Sky Farms Inc., a corporation formed under the laws of Saskatchewan. The Monitor has been appointed by the Canadian Court and receives its authority from orders entered by the Canadian Court.

3. The Monitor is seeking immediate imposition of the automatic stay pursuant to Bankruptcy Code Section 362 pending recognition of the Chapter 15 Petition in order to protect all of the assets of Big Sky located in Iowa in the United States (collectively, the "Assets"), including, without limitation, approximately 53,000 wean-to-finish pigs and finishing pigs ("Pigs") in the possession of various contract growers located in northwest Iowa and a pork processing plant located in Sioux Center, Iowa.

4. Section 1519(a) provides that this Court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including staying execution against the

debtor's assets located in the United States, to the foreign representative in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy, and any additional relief as may be appropriate.

5. The Pigs are in the possession of various contract growers and a processing plant in Iowa pursuant to certain executory contracts between Big Sky and the individuals or entities. In addition, various feed suppliers have agreements to supply feed to Big Sky which is vital to the health and survival of the Pigs of Big Sky. Further, some creditors may claim an interest in or lien upon the Pigs of Big Sky and/or be in a position to supply goods and/or services vital to the health and survival of the Pigs of Big Sky or the Debtor's realization of the value of the Pigs.

6. Pursuant to the Order of the Court of Queen's Bench for Saskatchewan, Judicial Centre of Saskatoon, Q.B. No. 1461 on November 10, 2009 (the "Order"), the Canadian Court ordered that "all Persons having oral or written agreements with the Applicants . . . for the supply of goods and/or services, including without limitation all . . . utility services, goods and services provided by the Lease Operators or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, . . . provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court." See Order of the Canadian Court, ¶18.

7. In addition, the Order of the Canadian Court provides that "no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation after the making of this Order to provide goods or services on credit or to provide further advances of money or credit to the Applicants." See Order of the Canadian Court, ¶19.

8. Relief under Section 1519 of the Bankruptcy Code is available where the foreign representative can satisfy the standards for injunctive relief including: (a) whether the movant has shown a reasonable probability of success on the merits; (b) whether the movant will be irreparably injured by denial of the relief; (c) whether granting preliminary relief will result in even greater harm to the non-moving party; and (d) whether granting the preliminary relief will be in the public interest.

9. The Monitor has demonstrated a reasonable probability that the Canadian Proceeding will be recognized as a foreign main proceeding.

10. The provisional application of the automatic stay under Section 362 of the Bankruptcy Code in this case is critical to the prevention of irreparable damage to the value of the Assets of the Debtor, including the Pigs of Big Sky.

11. No harm will result to any party that is greater than the harm to the estate of the Debtor in the absence of the requested relief extending through the disposition of the Chapter 15 Petition. By contrast, if the provisional relief sought herein is not granted, then the Debtor is at risk of immediate and irreparable harm to or appropriation of its Pigs and other Assets.

12. Providing the requested relief would effectuate the public policy considerations supporting Section 1525 of the Bankruptcy Code which mandates cooperation "to the maximum extent possible" between this Court and the Canadian Court and the Monitor.

IT IS ORDERED from the time of the filing of the Petition until this Court's ruling on the Petition, the Court grants the following relief of a provisional nature:

(a) Staying execution against the assets of Big Sky located in Iowa and the United States and all other actions described in 11 U.S.C. §362(a) against Big Sky and its assets;

(b) Entrusting the protection and preservation of all of the assets of Big Sky located in the United States to Big Sky under the supervision of the Monitor and subject to orders of the Canadian Court in the Canadian Proceeding in order to preserve the value of the assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy;

(c) Prohibiting the interference or discontinuance of any right or agreement in favor of Big Sky for the provision of goods and services, provided in each case that the normal prices or charges for all goods and services provided to Big Sky on after November 10, 2009, are paid by Big Sky in accordance with normal payment practices; provided, however, no individual or entity shall be prohibited from requiring immediate payment for goods, services or other valuable consideration provided on and after November 10, 2009, and no person shall be under any obligation to provide goods or services on credit or to provide further credit to Big Sky;

(d) Prohibiting all persons (including, without limitation, DEL-uxe Feeds, Inc. and any and all creditors of Big Sky) from interfering with, intercepting, garnishing or asserting a claim against monies, accounts receivable or other amounts payable to Big Sky by any party (including, without limitation) Sioux-Preme Packing Co.;

(e) Directing Sioux-Preme Packing Co.:

(i) to continue to make payments to Big Sky for all goods sold by Big Sky to Sioux-Preme Packing Co. (including, without limitation, pigs and related products) in accordance with ordinary payment terms between Big Sky and Sioux-Preme Packing Co.;

(ii) to continue to make checks for such payments by Sioux-Preme Packing Co. to Big Sky payable solely to "Big Sky Farms Inc." (and to no other party) and directing that Sioux-Preme Packing Co. shall incur no liability to any party (including, without limitation, DEL-uxe Feeds, Inc.) in so doing; and

(iii) to continue to deliver checks for such payments by Sioux-Preme Packing Co. to Big Sky at its offices in Canada in accordance with ordinary payment practices followed by Sioux-Preme Packing Co. in regard to its dealings with Big Sky and directing that Sioux-Preme Packing Co. shall incur no liability to any party including, without limitation, DEL-uxe Feeds Inc.) in so doing;

(WJE) a stay of

(f) ~~Vacating~~ any collection or enforcement actions or proceedings commenced by any creditor of Big Sky (including, without limitation, DEL-uxe Feeds, Inc.), in respect of a debt due by Big Sky to such creditor prior to the making of the Canadian Order, between the time of the making of the Canadian Order, effective as of 12:01 am on November 10, 2009, and the making of this Order of the Court and directing that all parties who have taken any such collection or enforcement actions or proceedings shall forthwith: (a) discontinue such collection or enforcement actions or proceedings; and (b) provide such notice or other remedy as may (WJE) reasonably be required to ~~vacate or set aside~~ cease (WJE) such collection or enforcement action or proceeding; and

(g) All of such provisional relief shall be effective until such time as the Court enters an order on the Petition or orders otherwise.

DATED AND ENTERED November 12, 2009.

William L. Edmonds, Bankruptcy Judge

THIS IS EXHIBIT "B" referred to in
the Affidavit of Canute Tagseth
SWORN before me at Saskatoon
this 4th day of
December, 2009
A COMMISSIONER FOR OATHS in and
for the Province of Saskatchewan
Being a Solicitor – OR –
~~My Commission expires~~

December 1, 2009

Big Sky Farms Inc.
Box 610
Humboldt, SK
SOK 2A0

To whom it may concern,

I am a grain producer who has been a long time supporter and supplier of grain to Big Sky Farms Inc. I have been affected by the current proceedings of Big Sky Farms with respect to the Companies Creditor Arrangement Act.

Big Sky Farms has offered a **"Grain Delivery Commitment Incentive Program"** to all affected producers which will allow me to deliver a specific amount of grain and receive a specified premium for my continued support in delivering grain to the company. I have delivered grain since November 10th under the program and have been paid in accordance with the terms of payment outlined by the company. All payments I have received have been honoured by the bank.

I remain supportive of Big Sky's efforts to recognize the importance of local grain producers as an integral part of their long term sustainability in our community.

Sincerely,
Tom Babchishin

Tom Babchishin
Box 857
Preeceville, SK
SOA 3B0

December 1, 2009

Big Sky Farms Inc.
Box 610
Humboldt, SK
SOK 2A0

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I remain supportive of Big Sky's efforts to recognize the importance of local grain producers as an integral part of their long term sustainability in our community.

Sincerely,

Terry Zavislak
Box 1207
Canora, SK
SOA 0L0

December 1, 2009

Big Sky Farms Inc.
Box 610
Humboldt, SK
SOK 2A0

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Sincerely,

Orest Dyckewich
Box 2
Porcupine, SK
SOE 1H0

December 1, 2009

Big Sky Farms Inc.
Box 610
Humboldt, SK
S0K 2A0

To whom it may concern,

I am a grain producer who has been a long time supporter and supplier of grain to Big Sky Farms Inc. I have been affected by the current proceedings of Big Sky Farms with respect to the Companies Creditor Arrangement Act.

Big Sky Farms has offered a **"Grain Delivery Commitment Incentive Program"** to all affected producers which will allow me to deliver a specific amount of grain and receive a specified premium for my continued support in delivering grain to the company. I have delivered grain since November 10th under the program and have been paid in accordance with the terms of payment outlined by the company. All payments I have received have been honoured by the bank.

I remain supportive of Big Sky's efforts to recognize the importance of local grain producers as an integral part of their long term sustainability in our community.

Sincerely,

Jason Peterson
Box 176
Sturgis, SK
S0A 2A0