

COURT FILE NUMBER

1501-00396

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

Calgary

APPLICANTS

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

**AND IN THE MATTER OF THE BUSINESS
CORPORATIONS ACT, R.S.A. 2000, c. B-9**

**AND IN THE MATTER OF GASFRAC ENERGY
SERVICES INC., GASFRAC SERVICES GP INC.,
GASFRAC ENERGY SERVICES (US) INC., GASFRAC
US HOLDINGS INC. and GASFRAC INC.**

DOCUMENT

**APPLICATION FOR APPROVAL OF
ENGAGEMENT FINANCIAL ADVISOR**

ADDRESS FOR SERVICE AND

Patrick McCarthy, Q.C./Robyn Gurofsky

CONTACT INFORMATION OF

Borden Ladner Gervais LLP

1900, 520 3rd Ave. S.W.

PARTY FILING THIS

Calgary, AB T2P 0R3

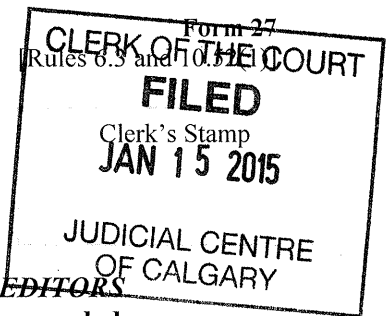
Telephone: (403) 232-9774

DOCUMENT

Facsimile: (403) 266-1395

Email: PMcCarthy@blg.com/RGurofsky@blg.com

File No. 441817-000015



NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date	January 15, 2015
Time	10:00 o'clock a.m.
Where	Calgary Courts Centre, 601-5 th Street S.W., Calgary, AB
Before Whom	The Honourable Justice K.M. Eidsvik

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicant seeks the following relief from this Honourable Court:
 - (a) An Order,
 - (i) Deeming service of this Application to be good and sufficient,
 - (ii) Approving the Renewed Engagement Letter entered into by GESI and CIBC (all capitalized terms as defined below), and
 - (iii) Sealing the Confidential Affidavit of Lori McLeod-Hill sworn January 15, 2014; and
2. Such further and other relief Counsel may advise and this Honourable Court permit.

Grounds for making this application:

3. The applicants, GASFRAC Energy Services Inc. (“**GESI**”), GASFRAC Services GP Inc. (“**GSGP**”) for itself and in its capacity as general partner of GASFRAC Energy Services Limited Partnership (“**GES LP**”), GASFRAC Energy Services (US) Inc. (“**GESI US**”), GASFRAC US Holdings Inc. (“**Holdings**”) and GASFRAC Inc. (“**GI**”) (GESI, GSGP, GES LP, GESI US, Holdings and GI are sometimes collectively referred to herein as the “**Applicants**” or the “**Company**”), are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) apply.
4. The Applicants have sought creditor protection pursuant to the CCAA in order to restructure their financial affairs and create a maximization of value for the benefit of their stakeholders.
5. Prior to commencing these CCAA proceedings, in the fall of 2014, GESI retained CIBC World Markets Inc. (“**CIBC**”) pursuant to an engagement letter dated November 13, 2014 (the “**Engagement Letter**”) to explore and evaluate a range of strategic alternatives to maximize value for the Company and its stakeholders. The Applicants are now in a position where they have no other choice but to apply for protection under the CCAA.
6. In order to successfully restructure their business and financial affairs in the proposed CCAA proceedings, the Applicants require the ongoing engagement of CIBC to pursue a contemplated Sale and Investment Solicitation Process (the “**SISP**”) resulting in a possible sale, restructuring or recapitalization of all or a portion of the Applicants’ business and/or assets.

7. As a result, a renewed engagement letter was signed by GESI and CIBC on January 15, 2015, which is conditional upon Court approval (the “**Renewed Engagement Letter**”). As CIBC has been involved with the Applicants since November, it is anticipated that their existing knowledge of the Applicants’ business and undertaking will add value to any marketing process undertaken in the CCAA proceedings
8. It is fair and reasonable and in the best interests of the stakeholders of the Applicants that the Renewed Engagement Letter be approved in order to facilitate consultations between the Applicants, CIBC and the proposed Monitor with respect to the terms of a SISP. In approximately one weeks’ time, the Applicants anticipate being in a position to apply to the Court for the approval of a SISP that would canvas the market with respect to a possible sale, restructuring or recapitalization of all or a portion of the Applicants’ business or assets.
9. The provisions of the CCAA and the equitable jurisdiction of this Honourable Court are applicable to and provide the basis for the relief sought by the Applicants.
10. Such further and other basis as Counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

11. The Confidential Affidavit of Lori McLeod-Hill, sworn January 15, 2015.
12. The Affidavit of Lori McLeod-Hill, sworn January 13, 2015.
13. The Confidential Affidavit of Lori McLeod-Hill, sworn January 13, 2015.
14. The Affidavit of Christopher Hind, sworn January 13, 2015.
15. Such further and other material as counsel may advise and this Honourable Court permit.

Applicable rules:

16. *Alberta Rules of Court*, AR 124/2010.

Applicable Acts and regulations:

17. *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
18. *Judicature Act*, R.S.A. 2000, c. J-2.

19. Such further and other acts and regulations as Counsel may advise and this Honourable Court permit.

Any irregularity complained of or objection relied on:

20. None.

How the application is proposed to be heard or considered:

21. In person, before the Honourable Madam Justice K.M. Eidsvik, on affidavit evidence with some or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.