IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.

Dated: January 16, 2015.

Craig A. Gargotta

CRAIG A. GARGOTTA
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

In re:	§	
	§	**CASE NO. 15–50161**
GASFRAC ENERGY SERVICES, INC.,	§	**Jointly Administered**
***et al.*,**[1]	§	
	§	**Chapter 15**
Debtors in a foreign proceeding.	§	

ORDER GRANTING MONITOR'S EMERGENCY EX PARTE APPLICATION FOR TEMPORARY RESTRAINING ORDER AND RELIEF PURSUANT TO SECTIONS 105(A) AND 1519 OF THE BANKRUPTCY CODE

On January 15, 2015, Ernst & Young, LLP ("**EY**"), as the court-appointed monitor (the "**Monitor**") and authorized foreign representative of the above-captioned Debtors, filed *Monitor's Emergency Ex Parte Application for Temporary Restraining Order and Relief Pursuant to Sections 105(A) and 1519 of The Bankruptcy Code* ("**Application**") in the above-styled and numbered chapter 15 cases.

[1] The Debtors are: GASFRAC Energy Services Inc., GASFRAC Services GP Inc., GASFRAC US Holdings Inc., GASFRAC Energy Services Limited Partnership, GASFRAC Inc., and GASFRAC Energy Services (US) Inc.

The Court finds that notice was proper (or that to the extent that notice was insufficient, this Order should be issued without notice to avoid irreparable harm to the Debtors), and that no party in interest made any response in opposition to the Application, or, if so, the relief requested in any such response was denied for the reasons stated on the record, and further finds that the relief requested in the Application should be granted.

This Court having considered and reviewed: (i) the Application, (ii) Monitor's Expedited Petition For Recognition As Foreign Main Proceeding Pursuant To Sections 1515 And 1517 Of The United States Bankruptcy Code And Related Relief ("**Petition**") (ii) the exhibits to such Application and Petition, (iii) the Initial Order entered in the Canadian Proceeding, (iv) all other documents filed in support thereof (collectively, the "**Supporting Papers**"), and this Court having heard the parties on January 16, 2015, and based upon the representations made on the record at such hearing, this Court finds and concludes as follows:

A. The "**Debtors**" are the following six entities: GASFRAC Energy Services Inc. ("**GESI**"), GASFRAC Services GP Inc. ("**GSGP**"), GASFRAC US Holdings Inc. ("**Holdings**"), GASFRAC Energy Services Limited Partnership ("**GES LP**"), GASFRAC Inc. ("**GI"**), and GASFRAC Energy Services (US) Inc. ("**GESI US**").

B. On January 14, 2015, the Debtors filed applications for the commencement of reorganization proceedings ("**Canadian Proceedings**") pursuant to the Companies' Creditors Arrangement Act ("**CCAA**") in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Canadian Court**").

C. On January 15, 2015, the Canadian Court granted an Initial Order (the "**Initial Order**") for relief in the Canadian Proceedings. Also, on January 15, 2015, the Canadian Court appointed Ernst & Young Inc. as the Monitor of the Canadian Proceedings under the Initial Order.

D. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and (b) and 1334(a) and (b) and Sections 109 and 1501 of the Bankruptcy Code. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

E. Venue is proper in this district pursuant to 28 U.S.C. § 1410(3).

F. The Monitor is a person within the meaning of Section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of the Debtors within the meaning of Section 101(24) of the Bankruptcy Code.

G. This case was properly commenced pursuant to Sections 1504 and 1515 of the Bankruptcy Code. The notice of the application was sufficient given the circumstances of these cases and the potential for irreparable harm to the Debtors.

H. There is a substantial likelihood that the Court, upon final consideration, will find that the Canadian Proceedings are foreign proceedings within the meaning of Section 101(23) of the Bankruptcy Code.

I. There is a substantial likelihood that the Court, upon final consideration, will find the Canadian Proceedings are entitled to recognition by this Court pursuant to Section 1517 of the Bankruptcy Code.

J. There is a substantial likelihood that the Court, upon final consideration, will find that the Canadian Proceedings will be entitled to recognition as foreign main proceedings pursuant to Section 1502(4) of the Bankruptcy Code and will be entitled to recognition as foreign main proceedings pursuant to Section 1517(b)(1) of the Bankruptcy Code.

K. Relief is urgently needed to protect the assets of the Debtors or the interests of the creditors pursuant to 11 U.S.C. § 1519(a). Therefore, the Monitor is entitled to the provisional relief afforded under Section 1519 of the Bankruptcy Code.

L. The relief granted is necessary and appropriate, in the interest of the public and international comity, consistent with the United States public policy, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting the requested relief.

M. As described above, the Monitor has a substantial likelihood of prevailing on the merits. Even if the Canadian Proceedings are "foreign nonmain proceedings," there is a substantial likelihood that the Monitor will be able to demonstrate that he is entitled to relief under 11 U.S.C. § 1521(a).

N. There is a substantial threat of irreparable injury if the injunction is not issued. The Debtors are attempting to sell their assets or otherwise restructure in the Canadian Proceedings. If the injunctive relief is not ordered, the sale or restructuring could be jeopardized.

O. Any threatened injury to the Debtors outweighs any damage the injunction might cause to the opponents. The injunctive relief would actually benefit the Debtors' creditors by ensuring an equitable and orderly distribution of assets and facilitate the Canadian Proceedings.

P. The injunction will not disserve the public interest. The injunctive relief is in the public interest. It sets to facilitate a cross-border reorganization that will provide a benefit to the estates of the Debtors. The injunctive relief is supported by notions of comity and will allow the Debtors to craft a productive solution for their estates.

Q. The Monitor, in its role as foreign representative of the Debtors, and the Debtors, are entitled to the full protections and rights available pursuant to Section 1519(a) of the Bankruptcy Code.

R. PNC has agreed to provide interim financing to the Debtors under the existing Revolving Facility through 4 p.m. Mountain Standard Time on January 21, 2015 (the "**Interim Financing**"). As a result, PNC is entitled to a continuing lien and security interest in the Debtors' post-petition assets located in the United States (the "**Replacement Lien**") of the same kind, type and nature as PNC's collateral existing as of the date of the filing of the Petition for Recognition to secure the prepetition indebtedness due to PNC and Interim Financing provided by PNC.

S. PNC and Debtors are also negotiating the terms of a forbearance agreement that would provide additional financing to the Debtors under the Revolving Facility through February 27, 2015. If PNC and Debtors agree on the terms of that forbearance agreement, then the Replacement Lien will continue to attach to the Debtors' post-petition assets located in the United States.

T. If PNC and Debtors are unable to agree on the terms of that forbearance agreement for continued financing by PNC with the Debtors and the Debtors seek to use cash collateral, PNC is entitled to adequate protection of its interest in the assets in the United States securing PNC's prepetition indebtedness and Interim Financing (collectively, the "**PNC Collateral**") from any diminution in value resulting from the use of PNC's cash collateral (as defined in Section 363(a) of the Bankruptcy Code) and the use, sale or lease of the PNC Collateral, the imposition of the automatic stay, and, if sought, any priming liens imposed upon the PNC Collateral by any future post-petition lender.

U. Accordingly, the Debtors have agreed, in their reasonable business judgment to provide both the Replacement Liens and the adequate protection as set forth in this Order, which terms and conditions are fair and reasonable and were negotiated in good faith and at arm's length.

V. In the United States, the Debtors utilize a full dominion of funds cash management system (including the use of lock boxes in both Canada and the United States for receipt of cash collateral) at PNC. Permitting the cash management system to continue under the existing agreements with PNC until the hearing on the Recognition Petitions will facilitate the continued operations of the Debtors as a going concern.

W. Likewise, permitting the Debtors to pay prepetition employee wages as provided by the Initial Order until the hearing on the Recognition Petitions will further facilitate the Debtors' continued operations.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The terms of the initial order granted in the Canadian Proceedings under the CCAA on January 15, 2015 (the "**Initial Order**") are given full force and effect in the United States.

2. The commencement or continuation of any action or proceeding concerning the assets, rights, obligations or liabilities of the Debtors, including any action or proceeding against EY in its capacity as Monitor of the Debtors, is hereby stayed.

3. Execution against the assets of the Debtors is hereby stayed.

4. The administration or realization of all or part of the assets of the Debtors within the territorial jurisdiction of the United States is hereby entrusted to the Debtors, and the terms of the Initial Order shall apply to the Debtors, its creditors, the Monitor, and any other parties-in-interest.

5. The right of any person or entity, other than the Debtors, or the Monitor, to transfer or otherwise dispose of any assets of the Debtors is hereby suspended unless authorized in writing by the Debtors or by Order of this Court.

6. The Monitor may undertake the examination of witnesses, the taking of evidence, the production of documents, or the delivery of information concerning the assets, affairs, rights, obligations or liabilities of the Debtors.

7. Nothing in this Order shall be deemed to entrust or otherwise vest the Debtors or its assets to the Monitor, with the terms of the Initial Order to expressly govern the rights and responsibilities as foreign representative in this foreign main proceeding.

8. Notwithstanding Rule 7062 of the Bankruptcy Rules, made applicable to this case by Rule 1018 of the Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry and, upon its entry, shall become final and appealable.

9. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 foreign proceedings, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

10. The security provision provided in Rule 65(c) of the Federal Rules of Civil Procedure, made applicable through Rule 7065 of the Bankruptcy Rules, is unnecessary in this case and is therefore waived.

11. This Order applies to all parties in interest in this Chapter 15 case and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

12. A hearing on preliminary and permanent injunction is set for January 30, 2015, at 10:00 a.m. in Courtroom 3. Counsel for the Monitor must serve this Order on parties in interest in this Chapter 15 case and provide notice of the hearing.

13. Any party in interest may make a motion seeking relief from, or modification of, this Order on not less than two (2) business days' notice to the Monitor's U.S. counsel, Steve A. Peirce, Esq., Fulbright & Jaworski LLP, 300 Convent Street, Suite 2100, San Antonio, Texas 78205-3792 ("**U.S. Counsel**").

14. The notice required in paragraph 13 above on objections, if any, submitted for the purpose of opposing the Monitor's request for a preliminary and permanent injunction sought in the Application must be made in writing describing the basis therefore, filed with the Court and served on the U.S. Counsel in a manner whereby such notice or objections are actually received by U.S. Counsel at least two (2) business days prior to (i) any hearing scheduled on any motion seeking relief from, or modification of this Order, or (ii) the hearing date scheduled in paragraph 13 above for the hearing on the preliminary and permanent injunction.

15. If no objections to the Monitor's request for a preliminary and permanent injunction are made as herein provided, the Court may enter an order granting the preliminary and permanent injunction requested in the Application without holding a hearing.

16. PNC is entitled to a continuing lien and security interest in all of the Debtors' post-petition assets located in the United States to secure the post-petition financing provided by PNC to the Debtors. Accordingly, PNC is hereby granted valid, binding, enforceable and perfected liens on Debtors' post-petition assets located in the United States of the same kind, type and nature as PNC's liens existing as of the date of the filing of the Petition for Recognition.

17. PNC is further entitled to adequate protection for its interest in the PNC Collateral from any diminution in value resulting from the use of the Cash Collateral and the use, sale or lease of the PNC Collateral, the imposition of the automatic stay, and, if sought, any priming liens imposed on the PNC Collateral. Accordingly, PNC is hereby granted valid, binding, enforceable and perfected liens (the "**Adequate Protection Liens**") in all assets of the Debtors in the United States to secure the amount of their indebtedness (the "**Adequate Protection Claim**") equal to any diminution in the value of their interests in the PNC Collateral subsequent to the date of the filing of the Petitions for Recognition resulting from the use of the Cash Collateral

and the use, sale or lease of the PNC Collateral, the imposition of the automatic stay, and, if sought, the priming liens imposed on the PNC Collateral, whether incurred before or after the Petition Date. Nothing herein shall prejudice, impair or otherwise affect the rights of PNC to seek any other or supplemental relief (retroactive to the petition date) in respect of their adequate protection rights.

18. Debtors are authorized to pay the pre-petition wages of employees as provided by the Initial Order.

19. Debtors are authorized and empowered to (i) maintain and continue to use, with the same account numbers, all of its existing bank accounts at depository institutions in the United States (the "Bank Accounts"); (ii) treat the Bank Accounts for all purposes as debtor-in-possession accounts; (iii) maintain and continue to use its existing business forms, stationery and checks, all without the appellation "debtor-in-possession"; and (iv) preserve the reporting and accounting mechanisms used by the Debtors in respect of the Bank Accounts.

20. Debtors are authorized to maintain its existing consolidated cash management system, to allow receipt and sending of transfers via the ACH or automatic clearing house system and by wire transfer (collectively, the "**Cash Management System**"), all subject to the terms and conditions of Debtor's prepetition agreements with its depository institutions (including the right to pay all pre-petition and post-petition administrative fees associated with such Bank Accounts and Cash Management System), provided however that no prepetition obligations of any kind to be paid except as authorized hereby.

21. To the extent of any conflict or inconsistency between this Order and the Initial Order, the Initial Order as amended, supplemented, or modified shall control.

22. Paragraphs 2 and 3 in this Order do not apply to PNC.

# # #

Submitted by:

Steve A. Peirce
State Bar No. 15731200
Steve.peirce@nortonrosefulbright.com
FULBRIGHT & JAWORSKI LLP
300 Convent Street, Suite 2100
San Antonio, TX 78205-3792
Telephone: (210) 224-5575
Facsimile: (210) 270-7205

COUNSEL FOR CANADIAN MONITOR