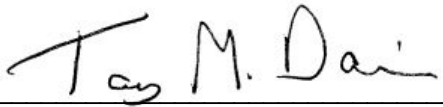




**IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.**

**Dated: August 01, 2019.**

  
**TONY M. DAVIS**  
**UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS**

|                                            |   |                         |
|--------------------------------------------|---|-------------------------|
| -----                                      | X |                         |
|                                            | : |                         |
| In re:                                     | : | Chapter 15              |
|                                            | : |                         |
| KODIAK SERVICES USA, INC., <i>et al.</i> , | : | Case No. 19-70031 (TMD) |
|                                            | : |                         |
| Debtors. <sup>1</sup>                      | : | Jointly Administered    |
|                                            | : |                         |
| -----                                      | X |                         |

**AMENDED ORDER (A) RECOGNIZING AND GIVING FULL FORCE AND EFFECT  
TO THE ORDER APPROVING SALE OF CERTAIN ASSETS OF THE DEBTORS  
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND  
(B) GRANTING RELATED RELIEF**

Upon consideration of the motion of Ernst & Young Inc. in its capacity as the authorized

<sup>1</sup> The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: Kodiak Services USA, Inc. (0169) ("Kodiak USA"), Kodiak Services Partnership (9809) ("Kodiak Partnership"), Kodiak Wireline Services Ltd. (2948) ("Kodiak Wireline"), Kodiak Energy Solutions Ltd. (2892) ("Kodiak Solutions"), Kodiak Tools Ltd. (3099) ("Kodiak Tools"), and 1623360 Alberta Ltd. (1045) ("162 Alberta"), collectively with Kodiak Partnership, Kodiak Wireline, Kodiak Solutions, and Kodiak Tools, the "Canadian Debtors"). The Debtors' headquarters is located at #2230, 13 Mission Avenue, St. Alberta, Alberta. Kodiak's principal place of business in the US is located at its leased premises in Midland, Texas.

foreign representative (the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors” or “Kodiak”) for *Entry of an Order (A) Recognizing and Giving Full Force and Effect to the Order Approving Sale of Certain Assets of the Debtors Free and Clear of Liens, Claims, Encumbrances, and Interests, and (B) Granting Related Relief* (the “Motion”)<sup>2</sup> seeking an order recognizing the Order attached hereto as **Exhibit A** (the “Canadian Approval Order”) entered in the pending Canadian insolvency proceedings for the applicable Debtors under the Bankruptcy and Insolvency Act (the “Canadian Proceedings”) concerning the sale (the “Transaction”) of the Assets (as defined in the Sale Agreement (as defined below)) to Lancaster Capital Advisory Corp. (and/or its designees, the “Purchaser”) pursuant to the terms and conditions of that certain *Agreement of Purchase and Sale* dated as of May 5, 2019, (such agreement, and all exhibits, schedules, and agreements ancillary thereto, as amended, collectively the “Sale Agreement”). The Court finds that it has jurisdiction to hear and determine the Motion, this is a core proceeding, and venue is proper in this District and in this Court. The Court also finds that notice was proper given the circumstances and that no party in interest made any response in opposition to the Motion or, if so, the relief requested in any such response was denied. The Court further finds that the Debtors’ lenders, i.e. ATB Financial, formerly Alberta Treasury Branches (“ABT”) and Export Development Canada (“EDC”), were supportive of the Transaction with the Purchaser, and neither objected to the Canadian Sale Application or the entry of the Canadian Approval Order. Based upon all evidence submitted and argument at the hearing on the Motion, including all declarations and affidavits filed and the proffer or testimony of witnesses, as well as the record of and docket filings in these cases, of which the Court takes judicial notice, the Court further finds that the relief requested is in the

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<sup>2</sup> Capitalized terms used herein but not otherwise defined have the meanings given to such terms in the Sale Agreement.

best interest of the Debtors, their creditors, and all other parties in interest and should be granted:

THE COURT HEREBY ORDERS THAT:<sup>3</sup>

1. The relief requested in the Motion is GRANTED. The Foreign Representative and the Debtors are authorized and directed to take all actions necessary or appropriate to effect the relief granted pursuant to this Order.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to this Court at the hearing or by filing with this Court are hereby overruled on the merits.

3. ABT and EDC's failure to object to the Motion is deemed consent for purposes of section 363(f) of the Bankruptcy and as a result, the Foreign Representative may sell the Assets free and clear of all liens, claims and encumbrances.

4. The Canadian Approval Order, attached hereto as **Exhibit A**, and all of its terms are hereby recognized and given full force and effect in the United States.

5. In light of the recognition and full force and effect of the Canadian Approval Order in the United States, the Foreign Representative and the Debtors are authorized and directed to: (A) consummate the Transaction for sale of the Assets to the Purchaser pursuant to the terms and conditions of the Sale Agreement, the Canadian Approval Order and this Order, which Transaction, upon the Foreign Representative's receipt of the Purchase Price, shall be free and clear of any and all liens, encumbrances, claims (as defined in Section 101(5) of the Bankruptcy Code (as defined below), including, but not limited to, any and all claims pursuant to any successor

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<sup>3</sup> The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the findings of fact set forth herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law set forth herein constitute findings of fact, they are adopted as such.

or successor-in-interest liability theory), and interests, except as otherwise set forth expressly in the Sale Agreement, in accordance with the terms thereof without further notice or order of the Court.

6. In light of the recognition and full force and effect of the Canadian Approval Order in the United States, all liens, claims, encumbrances and interests shall attach solely to the proceeds of the Transaction (net of taxes, fees and expenses incurred in effecting the Transaction) received by the Foreign Representative with the same validity, priority, force, and effect that they now have as against the Assets, and subject to any claims and defenses the Foreign Representative or the Debtors may possess with respect thereto. The Foreign Representative shall hold such proceeds and is authorized to deal with them in accordance with Canadian Approval Order and further order of the Canadian Court.

7. Nothing contained in any order of any type or kind entered in (a) these Chapter 15 cases, (b) any subsequent Chapter 11 or Chapter 7 case into which any such Chapter 15 cases may be converted, or (c) any related proceeding subsequent to entry of this Order, shall affect, conflict with or derogate from the provisions of the Sale Agreement, the terms of the Canadian Approval Order, or the terms of this Order. To the extent this Order is inconsistent with any prior order in these Chapter 15 cases, the terms of this Order shall govern. To the extent that this Order is inconsistent with the Canadian Approval Order, the terms of the Canadian Approval Order shall govern.

8. This Order shall be effective immediately upon entry, and any stay periods in Bankruptcy Rules 7062 or 6004(h), or otherwise, are expressly waived. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding anything to the contrary, including Bankruptcy Rule 6004(h), and to any extent necessary under Bankruptcy

Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, this Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs that this Order constitute an entry of judgment.

9. This Order is binding upon and governs the acts of all persons, entities, and governmental departments or agencies, including the Foreign Representative, the Debtors, their creditors, any holders of liens, claims, encumbrances and/or interests against or in the Debtors or against or on all or any portion of the Assets, any parties in interest, the Purchaser, and any trustees, examiners, responsible officers, estate representatives, or similar entities for any of the Debtors, if any, subsequently appointed in any of the Debtors' cases or upon a conversion to Chapter 11 or Chapter 7 under the Bankruptcy Code of any of the Debtors' cases, and all of their respective successors and assigns.

10. This Court shall retain jurisdiction to interpret, implement, and enforce the terms and provisions of this Order, and to adjudicate disputes concerning or relating to this Order.

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Submitted by:

DENTONS US LLP

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-and-

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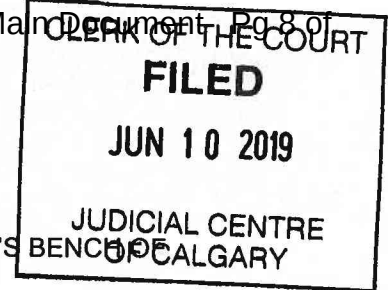
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Email: mark.wege@dentons.com

Counsel for Ernst & Young Inc., in its capacity as Foreign Representative for the Debtors

**Exhibit A**  
**(the “Canadian Approval Order”)**



|                                                                           |                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT FILE NUMBER                                                         | 1901-00238                                                                                                                                                                                                                                    |
| COURT                                                                     | COURT OF QUEEN'S BENCH OF ALBERTA                                                                                                                                                                                                             |
| JUDICIAL CENTRE                                                           | CALGARY                                                                                                                                                                                                                                       |
| PLAINTIFF                                                                 | ATB FINANCIAL                                                                                                                                                                                                                                 |
| DEFENDANTS                                                                | KODIAK SERVICES PARTNERSHIP,<br>KODIAK WIRELINE SERVICES LTD.,<br>KODIAK ENERGY SOLUTIONS LTD.,<br>KODIAK TOOLS LTD., 1623360 ALBERTA LTD., KODIAK SERVICES USA, INC.,<br>KODIAK SERVICES MEXICO, SA. DE CV<br>AND KODIAK SERVICES INT'L INC. |
| DOCUMENT                                                                  | <b><u>ORDER - APPROVING SALE AND VESTING TITLE</u></b>                                                                                                                                                                                        |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Dentons Canada LLP<br>Bankers Court<br>15 <sup>th</sup> Floor, 850 - 2 <sup>nd</sup> Street S.W.<br>Calgary, Alberta T2P 0R8<br>Attn: David Mann / John Regush<br>Ph. (403) 268-7097 / 7086 Fx. (403) 268-3100<br>File No.: 131079-100        |
| DATE ON WHICH ORDER WAS PRONOUNCED:                                       | June 7, 2019                                                                                                                                                                                                                                  |
| LOCATION WHERE ORDER WAS PRONOUNCED:                                      | Calgary, Alberta                                                                                                                                                                                                                              |
| NAME OF JUSTICE WHO MADE THIS ORDER:                                      | The Honourable Justice CM Jones                                                                                                                                                                                                               |

**UPON THE APPLICATION** by Ernst & Young Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertaking, property and assets of Kodiak Services Partnership, Kodiak Wireline Services Ltd., Kodiak Energy Solutions Ltd., Kodiak Tools Ltd., 1623360 Alberta Ltd., and Kodiak Services USA, Inc. (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Lancaster Capital Advisory Corp. or its designate (the "**Purchaser**"), dated May 5, 2019 a redacted copy of which is appended to this Order and to the Receiver's Third Report dated May 30, 2019 (the "**Report**"), and an unredacted copy of which is appended to the Confidential Supplement to the Third Report (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtors' right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**");

**AND UPON HAVING READ** the Receivership Order pronounced January 10, 2019 as amended March 13, 2019 (the "**Receivership Order**"), the Report, and the Affidavit of Service of Izzy Kowalcze sworn June 6, 2019, filed; **AND UPON HEARING** the submissions of counsel for the Receiver and the Purchaser, ATB Financial, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTIONS**

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).
3. The sale process and all actions taken by the Receiver to date, as outlined in the Report, are commercially reasonable and are hereby ratified and approved.
4. The Transaction is commercially reasonable and in the best interests of the Debtors and their stakeholders.

**VESTING OF PROPERTY**

5. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement attached as **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from all rights of first refusal and pre-emptive rights of third parties, any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing, any encumbrances or charges created by the Receivership Order and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system. For greater certainty, this Court orders that all of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
6. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Certificate and all Claims, including encumbrances, shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net

proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's borrowing certificate pursuant to the Receivership Order.

7. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
8. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
9. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
10. The Registrar of the Alberta Personal Property Registry, Registrar of Land Titles of Alberta (notwithstanding the requirements of subsection 191(1) of the *Land Titles Act*, RSA 2000 c L-4), and any other registrar or officials of public registries in Alberta are hereby directed to transfer each of the registrations identified in the Sale Agreement to the name of the Purchaser (or its nominee), irrespective of whether the registration stands in the name of the Debtors or some other third party, and this Order shall be good and sufficient authority for doing so.
11. The aid and assistance of the officials of the public registries in any Province of Canada or State in the United States of America is requested to give effect to this Order by transferring each of the registrations identified in the Sale Agreement to the name of the Purchaser (or its nominee), irrespective of whether the registration stands in the name of the Debtors or some other third party.
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).
13. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser, i) any personal information of customers of the Debtors and users of the Debtors' Property, including all persons or entities who have had or continue to have any interface with the Purchased Assets in the course of the Debtors' business; and 2) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtors.
14. Notwithstanding:
  - a) the pendency of these proceedings;

- b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- c) any assignment in bankruptcy made in respect of the Debtors

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

#### **MISCELLANEOUS MATTERS**

16. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order on any party not attending this application is hereby dispensed with.
18. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by posting a copy of this order to the Receiver's website maintained for these proceedings. Service is deemed to be effected the next business day following the posting of such documents.



Justice of the Court of Queen's Bench of Alberta