

COURT FILE NUMBER 25-094321

ESTATE NUMBER 25-094321

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF  
IMPACT 2000 INC.

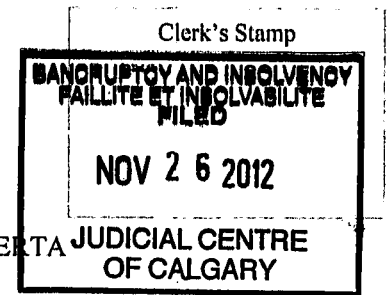
DOCUMENT **FIRST REPORT OF ALVAREZ AND MARSAL  
CANADA INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE  
NOTICE OF INTENTION TO MAKE A PROPOSAL**

**NOVEMBER 23, 2012**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## INTRODUCTION

1. On November 2, 2011, Impact 2000 Inc. (“Impact”) sought protection from their creditors through filing a Notice of Intention to Make a Proposal under section 50.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”), RSC 1985, c B-3, as amended (the “NOI”). The NOI filing was accepted by the Office of the Superintendent of Bankruptcy Canada (“OSB”) and a stay of proceedings was obtained by Impact on the morning of November 2, 2011 (the “Filing Date”). Alvarez & Marsal Canada Inc. (the “Trustee”) was named as Trustee under the NOI.
2. The purpose of this first report of the Trustee (the “First Report”) is to provide this Honourable Court with information in respect of the following:
  - a) Impact’s business and financial affairs since the Filing Date;
  - b) Impact’s ongoing restructuring efforts to date;
  - c) Impact’s sale of certain immaterial tools and garments;
  - d) the updated cash flow projections (the “Updated Forecast”) from November 2, 2012 to March 29, 2013 (the “Forecast Period”);
  - e) other activities and administrative duties of the Trustee during these proceedings;
  - f) Impact’s request to obtain an order from this Honourable Court with respect to an administrative charge pursuant to s. 64.2(1) of the BIA;
  - g) Impact’s request to obtain an order from this Honourable Court with respect to allowing Impact to sell of certain its assets without additional Court approval during the proposal proceedings, subject to the Trustee's consent;

- h) the Trustee's comments with respect to Impact's application for an extension of time for filing its proposal to January 10, 2013; and
  - i) the Trustee's recommendations.
- 3. All references to dollars are in Canadian currency unless otherwise noted.

#### **TERMS OF REFERENCE**

- 4. In preparing this First Report, the Trustee has relied upon unaudited financial information, Impact's records and discussions with various advisors of Impact. The Trustee has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this report is based on Impact's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

#### **LIMITATION IN SCOPE OF REVIEW**

- 5. The First Report has been prepared by the Trustee pursuant to the rules and regulations as set out in the BIA. The BIA provides that the Trustee shall incur no liability for any act or omission pursuant to its appointment or fulfillment of its duties, save and except for gross negligence or wilful misconduct on its part.
- 6. This First Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any persons to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to Impact during these proceedings and/or at any other such time.
- 7. The Trustee has not audited or reviewed the assets of Impact, and with respect to such assets, both have relied to a significant degree upon information provided by Impact.

8. The Trustee is specifically not directed or empowered to take possession of the assets of the Company or to manage any of the business and affairs of the Company.

## **IMPACT'S BUSINESS AND FINANCIAL AFFAIRS**

### **Background**

9. Impact is in the business of providing a full suite of front-end seismic consulting services to the oil and gas exploration sector throughout Western Canada and the Northwest Territories. A copy of Impact's organizational chart is attached as Appendix A to this report and a discussion of Impact's subsidiaries, its related companies, its shareholders and detailed description of Impact's business operations is discussed further in the filed affidavit of Mr. Michael Wolowich on or around November 23, 2012 (the "November 23<sup>rd</sup> Wolowich Affidavit").
10. The main services that Impact provides include: (a) providing front end seismic consulting services to oil and gas exploration companies; (b) acquiring and marketing seismic data; and (c) entering into short term rental agreements for its unutilized equipment.
11. The main cause of Impact's financial difficulty and eventual insolvency of the company was as a result of it being under-capitalized due to a failed recapitalization deal with an investor, Triple Five Global Group Ltd. This failed recapitalization caused significant operational problems that eventually led to Impact's inability to pay its creditors when they became generally due. Further detailed information on the causes and events leading up to Impact's insolvency is discussed in the November 2012 Wolowich Affidavit.
12. Further information regarding the NOI and proceedings of Impact has been posted by the Trustee on its website at: [www.amcanadadocs.com/impact](http://www.amcanadadocs.com/impact).

## **Books and Records**

13. Impact has provided the Trustee with internally drafted financial statements of Impact as at September 30, 2012. These are the most recent financial statements; however, Impact has advised the Trustee that these financial statements are not completely up to date and are missing various accounting journal entries and information as the company has been locked out of its office premises for approximately two months. As a result, Impact has not had any accounting staff available to update the records. Impact's financial year-end is August 31, 2012, and these financial statements and corporate tax returns have not been completed.

## **Assets**

14. The Trustee's preliminary review of Impact's statement of affairs and available financial statements indicate a net book asset value of approximately \$3 million (net book value) as follows:
  - a) capital assets (equipment and machinery) of approximately \$2.5 million;
  - b) furniture and other intangible assets (which includes seismic data) of approximately \$540,000; and
  - c) account receivables of approximately \$6,500.
15. Impact, with the assistance of the Trustee, is continuing with its efforts to review and update the financial records of Impact. When cash flow permits, Impact intends to forthwith engage the services of an accountant to assist in updating and completing its financial records.

## Appraisal of Assets

16. On November 12, 2012, Impact engaged the services of Maynards Appraisals Ltd. ("Maynards") to complete the appraisal of its office furniture (the "Furniture Appraisal") located at the Head Office Premise (defined below). Impact will be

utilizing this confidential appraisal in disposing of certain of its office furniture which is no longer required due to the downsizing of the company's operations.

17. Impact also requested Maynards to complete a full appraisal of its specialized fleet of seismic equipment (the "Equipment Appraisal"). The Trustee understands that the field work of the appraisal has been completed by Maynards during the week of November 12, 2012, and it is anticipated that the final Equipment Appraisal will be completed and delivered to Impact on or around November 28, 2012. Impact has advised the Trustee that it anticipates that the value of its equipment on a forced sale liquidation scenario is likely to be less than the current net book value of its equipment recorded as indicated on its balance sheet as at September 30, 2012. This is partly due to the specialized nature of certain of the equipment.

### **Liabilities**

18. The Trustee has conducted a preliminary review of Impact's liabilities from Impact's statement of affairs, its available financial statements and other financial information. It appears that Impact has current obligations of approximately \$5.7 million as follows:

- a) unpaid source deductions to Canada Revenue Agency ("CRA") (priority payables) of approximately \$211,000 that is owed by Impact and possibly another \$460,000 (not included in the \$5.7 million total liability) owed to CRA by a related entity to Impact, Prolific Energy Services Ltd. ("Prolific"). CRA has filed writs in these amounts, but neither Impact nor the Trustee have been able to verify the amounts as the payroll records are with the former accountant who has only recently agreed to release the records. Prolific supplied labour to Impact who would pay Prolific for its services (wages and source deductions) and in turn, Prolific would pay its employees and/or contractors. The Trustee is in the process of undertaking a further investigation of the CRA claims.

- b) secured debt of approximately \$1.1 million owing to Canadian Western Bank (“CWB”);
- c) secured debt to related parties of approximately \$900,000;
- d) outstanding wages payable to its employees totalling approximately \$380,000 that was identified through various documentation supplied by the Alberta Labour Board. Impact, along with the Trustee, will investigate this potential claim further when the payroll records are obtained; and
- e) trade creditors of approximately \$3.2 million, which includes certain contingent liabilities of approximately \$400,000.

#### Head Office Lease Agreement

19. On June 14, 2006, a lease agreement was entered into between 396982 Alberta Ltd. (the “Head Office Landlord”) and Impact for premises located at units 200 and 202, 3016 – 5<sup>th</sup> Avenue N.E., Calgary, Alberta (“Head Office Premises”), which was amended and extended by a lease extension and amending agreement made effective April 1, 2011 (the “Head Office Lease”). The Head Office Lease required lease payments of \$15,000 per month and Impact is currently in arrears for rental payments of approximately \$70,000.
20. On October 2, 2012, the Head Office Landlord terminated the Head Office Lease and filed a formal notice of intention to dispose of chattels to Impact and its secured creditors. The Head Office Landlord required all chattels to be removed by Impact by November 1, 2012.
21. Impact had not been given access to its Head Office Premises for approximately two months and as a result has not been able to access its financial and accounting records and other mail to update its financial affairs until only recently. Shortly after these NOI proceedings commenced, the Head Office Landlord allowed Impact access to remove the records and to either remove its assets and/or sell it



- to its new tenant, LTS Infrastructure Services LP (“LTS”). If, by November 23, 2012 the furniture was not removed, the Head Office Landlord indicated that it would take possession of the furniture and dispose of it.
22. On November 20, 2012, Impact sold certain insignificant and surplus furniture and equipment (i.e. used sofa, projection screen and projector, printer, an office desk and a chair) for a purchase price of \$4,000 (plus GST) to LTS. The Trustee understands that the appraised value of these goods was consistent with an orderly liquidation sale value. Due to the nature of these assets and the timing to get these assets out of the Head Office Premises, Impact believed that that it would better for the estate to dispose of this surplus furniture rather than incurring costs related to the moving and dismantling of the office furniture, which would have reduced the net proceeds from these goods.
  23. The Trustee understands that Impact is requesting authorization from this Honourable Court with respect to the sale of this furniture and equipment *nunc pro tunc*, and for the proceeds from this sale to remain with Impact for its operational and restructuring process.
  24. The Trustee has been advised by Impact that its remaining furniture will be removed from the Head Office Premise and stored offsite by the November 23, 2012.

#### Yard Space Premise

25. On March 15, 2011, a lease agreement was entered into between 1415 Realty Ltd. (the “Yard Space Landlord”) and Impact for premises located at 1415-28<sup>th</sup> Street N.E., Calgary, Alberta (the “Yard Space Premises”) for a three (3) year term ending March 15, 2014. The Yard Space Lease requires lease payments of \$5,000 a month and the Yard Space Landlord is currently in arrears of lease payments of approximately \$25,000. Impact requires the space to operate and store its equipment and intends to continue with the Yard Space Lease. Accordingly,

Impact will be required to pay go-forward lease payments from the Filing Date onwards.

### **Liabilities in Excess of Asset Value**

26. Based on the information provided to the Trustee to date, it appears that Impact has a deficiency in the net book value of its assets compared to its liabilities of approximately \$2.7 million.

### **Employees and Contract Employees**

#### General

27. During the course of its 2012 fiscal year, Impact advised the Trustee that between Impact and Prolific, it had employed up to 50 employees and/or contractors. By October 2, 2012 (when the office lease space was terminated as discussed below), Impact did not have any employees on its payroll. Impact has not been able to complete final ROE's or T4's for its employees and currently requires assistance in completing its payroll and source documents.
28. On November 2, 2012, the Trustee was advised that the Alberta Labour Board issued certain orders against both Impact and Prolific relating to employee claims totalling approximately \$380,000, which includes outstanding wages, salaries, and termination and severance payments. Impact, with the assistance of the Trustee, is currently investigating these orders and intends on working with the accountant to identify all Impact's employees and its wage obligations owing to them, as well as the Trustee's responsibilities in informing these employees as to their rights under the Wage Earner Protection Program Act.
29. Impact has advised that it will require 6 consultants to assist in its operations during the restructuring process, namely:
  - a) Mike Wolowich and Patty Wolowich, the two ultimate shareholders, to manage the operations,

- b) an independent consultant to assist Impact during these proposal proceedings;
- c) two (2) part-time accountants to update the financial records of the company; and
- d) a part-time mechanic to ensure that Impact's equipment is ready for rental.

### **Insurance**

30. Impact currently has no insurance on its equipment. Impact has advised the Trustee that it is arranging for the placement of insurance on all of its equipment forthwith. As part of the Rental Agreement (defined below), Impact's customers are also required to obtain sufficient liability and property damage insurance over each piece of equipment that will be rented. Impact has advised the Trustee that no equipment will be rented to any of its customers without proper insurance in place.

### **Other lease obligations**

31. Impact is currently considering the cancellation of its remaining lease obligations with respect to its telephone and internet providers as well as other photocopier agreements.

## **ONGOING RESTRUCTURING EFFORTS TO DATE**

### **General**

32. Impact has advised the Trustee understands that it believes that its best opportunity to restructure and to present a viable proposal is to have its equipment rented for at least the next four and a half months up until the end of March 2013, as discussed further in this report.

33. As discussed below, the Trustee's initial review and investigation indicates that Impact's proposed course of action to rent its equipment for an interim period is in the ordinary course of business and is the best option for all stakeholders, while the company restructures and prepares its proposal to its creditors.
34. The Trustee understands from its discussions with Impact that the time period spanning the winter months is the busiest operating season and that the majority of contracts with oil and gas companies for this type of work have already been confirmed and are underway. Due to Impact's recent operational, legal and financial issues, Impact has lost all of its front-end seismic consulting contracts and cannot start up in time to secure revenue or cash flow on this basis.
35. Since Impact is not able to start up full operations to secure any front-end seismic contracts for this operating season, the current best use of its equipment is to rent it out to generate cash flow to fund the NOI proceedings and provide a portion of the funds to either pay down secured debt or to support a proposal to its creditors.

### **Rental Agreements**

36. The Trustee understands that on November 16, 2012 and November 21, 2012, Impact entered into two short-term rental agreements (the "Rental Agreement") with Impact's current customers whom they have a long-standing relationship with and who are both consider having strong reputations in the seismic industry. The Rental Agreements call for renting out the majority of its equipment for a 4 month period commencing ending March 31, 2013 (the "Rental Period"). The terms of the Rental Agreements are considered confidential in nature and have been attached as "confidential exhibits" to the November 23, 2012 Wolowich Affidavit.
37. Impact is currently finalizing a third rental agreement, which is expected to be executed in early December 2012. After completing the above Rental Agreements, Impact has advised the Trustee that approximately 50% of its equipment fleet will be rented out to its customers. Impact will continue its

efforts to either rent out its remaining equipment and/or explore the opportunity to sell these assets, subject to Court approval.

38. The Trustee has reviewed Impact's Rental Agreements, its proposed equipment insurance listing and has several discussions with Impact relating to the safety measures it intends to put in place to protect the rented equipment (i.e. regular on-site visit made by Impact, etc.). As a result of the foregoing, the Trustee believes that the Rental Agreements are reasonable under all of the circumstances and are necessary for the viability of Impact's continued operations.
39. Impact believes that if liquidation of its assets were to presently occur, there would not be enough time to properly market its specialized assets in order to obtain top value as part of an orderly liquidation sales process, as Impact's competitors, the potential purchasers, would have likely obtained the required equipment it needs for the start of this season already. Accordingly, there would not appear to be any negative impact on deferring the sale of the equipment.
40. The Rental Agreements provide that the lease is responsible for the repair and maintenance of the leased equipment and the equipment is to be returned in substantially the same condition as when initially rented. Most of the equipment is not new, and has already been substantially depreciated. Accordingly, the use and wear and tear on the equipment throughout the rental period should not significantly impair the value of the equipment.
41. Consequently, the realizations that may occur should the equipment be liquidated now would not likely be any more significant than if the equipment is sold at the end of the rental period should the company not be in a position to put forward a proposal to its creditors.
42. The rental of the equipment is projected to generate positive cash flow after covering ongoing operating costs, CWB's interest under its loan and professional fees that would likely occur in any other insolvency proceedings.

43. Therefore, no creditor would appear to be materially prejudiced by the NOI proceedings.

## **SALE OF ASSETS**

### Disposal of assets

44. Impact identified certain miscellaneous used tools and garments to sell to LSGC for \$8,000 (i.e. safety vests, hard hats, shovels, radios, ice picks and a couple of older laptop computers). The offer and a list of these used tools are included as Appendix B to this First Report. As part of its normal course of business, Impact would, from time to time, purchase new equipment and dispose of its used equipment. Impact views the sale of this equipment to LSGC a transaction under the normal course of business. The transaction is not material and the Trustee concurs that it is in the normal course of business. We have discussed these values with Maynards, who is currently completing the Equipment Appraisal, and it has been advised that this purchase price is consistent with its appraised value.

## **UPDATED CASH FLOW FORECAST THROUGH MARCH 29, 2013**

45. Impact, with the assistance of the Trustee, has prepared an Updated Forecast for Forecast Period, which is attached as Appendix C. Impact has prepared the Updated Forecast based on the most current information available.
46. The table below summarizes cash flow for the Forecast Period:

<b>Impact 2000 Inc. Updated Forecast</b>	<b>Nov. 2/12 - Mar. 29/13</b>
<b>RECEIPTS</b>	
Rental receipts	\$ 679,125
Damage deposit	62,175
Damage deposit held in trust	(62,175)
Seismic data receipts	200,000
Sale of non-core/redundant assets	12,000
GST collected	47,665
<b>Total receipts</b>	<b>\$ 938,790</b>
<b>DISBURSEMENTS</b>	
Management and contracting fees	\$ 122,880
Moving fees and costs	10,000
Fleet registration costs	5,000
Rent	27,500
Equipment maintenance and repairs	5,000
Insurance	20,000
Interest charges	32,500
Seismic data sales commissions	30,000
Appraisal	8,500
Professional fees and costs	175,000
Miscellaneous and contingency	3,000
GST paid on disbursements	20,344
GST remitted to CRA	27,321
<b>Total disbursements</b>	<b>\$ 487,045</b>
<b>NET CHANGE IN CASH FLOWS</b>	<b>\$ 451,745</b>
<b>OPENING CASH</b>	-
<b>NET CHANGE IN CASH FLOWS</b>	451,745
<b>ENDING CASH</b>	<b>\$ 451,745</b>

47. As summarized above, Impact is projecting total cash receipts of approximately \$939,000 and cash disbursements for approximately \$487,000, resulting in a net increase in cash of approximately \$452,000 during the Forecast Period.
48. The Trustee has reviewed the assumptions supporting the Updated Forecast with Impact and believes the assumptions to be reasonable.

49. Significant assumptions made by Impact with respect to the Updated Forecast are attached as Appendix C to this First Report.
50. Based on Impact's assumptions, the Updated Forecast indicates that Impact will continue to have sufficient available cash to meet its current obligations through the Forecast Period. The Update Forecast assumes that Impact will be able to execute and collect upon all of its Rental Agreements and on its sale of seismic data to certain key oil and gas companies. If Impact is able to meet these forecast receipts and manage its operating disbursements, there is a reasonable opportunity for Impact to obtain approximately \$452,000 in net cash flow surplus at the end of the Forecast Period.
51. As a result, based on the assumptions made by Impact contained in the notes to the Updated Forecast, the Trustee believes that Impact will have sufficient funds to meet his business and financial affairs through to the end of March 29, 2013.

## **OTHER ACTIVITIES AND DUTIES OF THE TRUSTEE**

### **Cooperation with the Trustee**

52. Following the issuance of the NOI, the Trustee has continued to be in contact with Impact to inform them of the Trustee's role during the NOI process including the review of all cash disbursements of Impact, discussion of creditor claims and any sale of assets and to assist in the preparation of Impact's cash flow forecast and its proposal to its creditors.
53. To date, the Trustee has obtained the full cooperation and assistance of Impact.

### **Mailing of Statutory Notifications**

54. The Trustee has completed the mailing of the notification to creditors regarding the filing of the NOI (the "Creditor NOI Notification") as required under section 50.4(6) of the BIA. A copy of Impact's Creditor NOI Notification is attached as Appendix D to this report and on the Trustee's website.



## **Statutory Cash Flow Statements**

55. On November 8, 2012, Impact, with the assistance of the Trustee, filed the following statutory documents as required under section 50.4(2) of the BIA:
- a) a cash flow statement (the “Initial Cash Flow Statement”);
  - b) a report on Initial Cash Flow Statement by the person making the proposal (the “Impact Initial Cash Flow Report”); and
  - c) the Trustee’s report on Cash Flow Statement (the “Trustee’s Initial Cash Flow Report”).
56. A copy of Initial Cash Flow Statement, the Impact Initial Cash Flow Report and the Trustee’s Initial Cash Flow Report (the “Statutory Cash Flow Documents”) is attached as Appendix E and is located on the Trustee’s website.

## **ADMINISTRATION CHARGE**

57. A preliminary analysis of Impact’s financial situation concluded that the proposal proceedings were the best strategy for stabilizing the company and generating the best recovery for its stakeholders.
58. Impact requires the services of its legal counsel, the Trustee and the Trustee’s legal counsel to assist them in the NOI proceedings (the “Insolvency Professionals”). Impact was unable to provide the Insolvency Professionals with any retainer for fees for its services as it did not have the cash available at the start of these proceedings to cover these costs. Depending upon the timing of the cash receipts and operational disbursements, cash may not be available to pay ongoing professional fees or retainers on a timely basis.
59. Pursuant to s. 64.2(1) of the BIA, this Honourable Court may order security or a charge to cover certain costs.

60. The Trustee understands that Impact is requesting from this Honourable Court that an order be granted that provides for a charge that ranks in priority over the claim of any secured creditor or persons in these proposal proceedings (the “Proposed Administration Charge Order”).
61. Specifically, Impact is requesting that the Trustee, counsel to the Trustee, and the Applicant’s counsel, as security for the professional fees and disbursements incurred both before and after the granting of the Proposed Administration Charge Order, shall be entitled to the benefits of and are hereby granted a charge on all of the property of Impact, which charge shall not exceed an aggregate amount of \$200,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Trustee and such counsel, both before and after the making of this Proposed Administration Charge Order in respect of these proposal proceedings.
62. Impact believes it is critical to the success of their restructuring to have such a charge in place to ensure that its Insolvency Professionals are protected with respect to its fees and costs.
63. The Trustee recommends that the Proposed Administration Charge Order pursuant to s. 64.2(1) of the BIA be granted by this Honourable Court and it believes that it is appropriate under all of the circumstances.

#### **PROPOSED SALE OF ASSETS ORDER**

64. The Trustee understands that Impact is seeking an order from this Honourable Court to allow it to dispose of redundant or non-material assets not exceeding \$10,000 in any one transaction or \$50,000 in the aggregate (or in the excess of these amounts, by further order this Court) with prior consent of the Trustee (the “Proposed Sale of Assets Order”)
65. The purpose of this Proposed Sale of Assets Order is to allow the company to deal with its redundant or non-material assets in an efficient manner and avoid Impact

from having to incur additional court time and legal and professional fees with respect to the sale of assets of immaterial value.

66. The Trustee supports Impact's request for the Proposed Sale of Order to be granted by this Honourable Court as believes it is reasonable under all of the circumstances.

#### **APPLICATION TO EXTEND THE TIME TO PREPARE A PROPOSAL**

67. Pursuant to the BIA, Impact's 30 day stay period to file a proposal expires at midnight on December 2, 2012 (the "Stay Period"). Impact is seeking an extension of the Stay Period for the maximum 45 days as allowed for under s. 50.4(9) of the BIA, which would be until, and including January 10, 2013 (the "Stay Extension").
68. Impact has been acting in good faith and diligently in respect of these proceedings and considering its options to put forth a viable proposal to creditors.
69. The Trustee does not believe that any creditor will be materially prejudiced if the Stay Extension is granted.
70. Based on the preliminary review of Impact's financial information and other documentation to date, the Trustee believes that Impact would likely be able to make a viable proposal to its creditors
71. An extension of the stay is necessary to allow time for Impact to restructure its affairs and present a viable plan to its creditors.

## RECOMMENDATION

72. The Trustee recommends that this Honourable Court approve:

- a) the Stay Extension;
- b) the Proposed Administration Charge Order; and
- c) the Proposed Sale of Assets Order

All of which is respectfully submitted this 23<sup>rd</sup> day of November, 2012

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Trustee under the Notice  
of Intention to Make a Proposal of  
Impact 2000 Inc.**



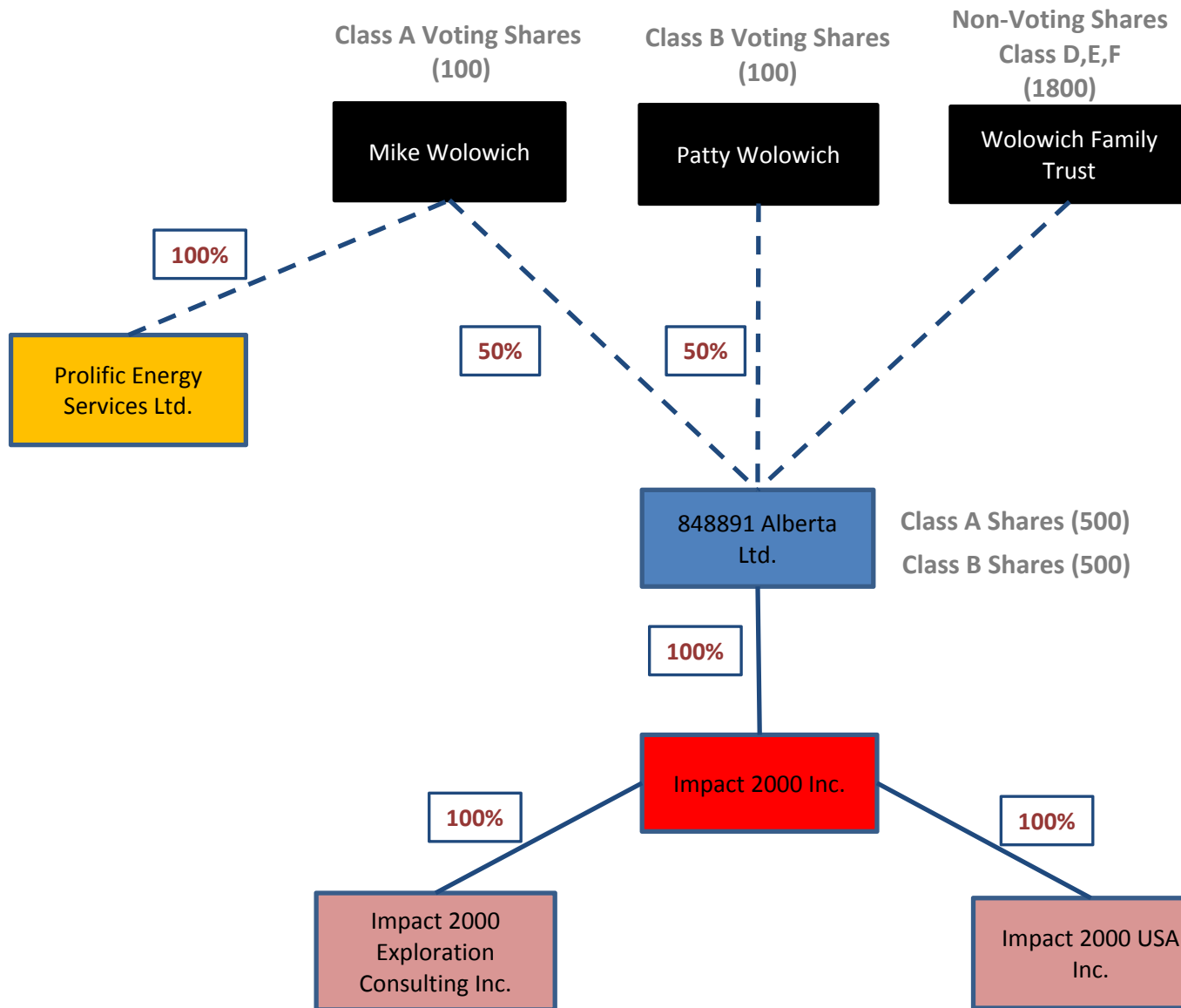
Tim Reid, CA•CIRP  
Senior Vice-President



Orest Konowalchuk, CA•CIRP  
Senior Manager

# APPENDIX A

**Impact 2000 Inc.  
Corporate Organizational Chart**



# APPENDIX B

LoneStar Geophysical Canada is willing to Purchase from Impact 2000 Inc the following equipment.

- 22 Kenwood Handheld Radios with Charger
  
- 9 Stihl - BT 121 Augers with stem and bits
- 5 Stihl - BT 45 Drills with stem and bits
  
- 6 Road Sign (Seismic crew ahead)
- Safety Vests
- Hard Hats
- Helmets
- Shovels
- Ice Picks
- 4 Spill Kits
- 6 Tow Straps (over and above the one that come with each vehicle)
- Snowmobile Oil
- Snowmobile Belts
  
- 2 Laptop Computers (over and above the 2 that come with the recording system)

<b>Total Purchase price for All of the above items</b>	<b>\$ 8,000.00</b>
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# APPENDIX C

**IMPACT 2000 INC.**  
**Projected Cash Flow Statement\***  
**For the period of November 3, 2012 to March 29, 2013 (the "Forecast Period")**  
 (in CDN dollars)

Notes	Week 1 to Week 4		Week 5 to Week 8		Week 9 to Week 13		Week 14 to Week 17		Week 18 to Week 21		Total	
	Nov.3/12 to Nov.30/12	Dec. 1/12 to Dec.28/13	Dec. 29/12 to Feb. 1/13	Feb. 2/13 to Mar. 1/13	Mar. 2/13 to Mar. 29/13	Mar. 2/13 to Mar. 29/13	Mar. 2/13 to Mar. 29/13	Mar. 2/13 to Mar. 29/13	Mar. 2/13 to Mar. 29/13			
<b>RECEIPTS</b>												
A	\$	97,475	\$	38,600	\$	206,550	\$	206,550	\$	129,950	\$	679,125
B		44,675		17,500		-		-		-		62,175
B		(44,675)		(17,500)		-		-		-		(62,175)
C		-		100,000		-		-		100,000		200,000
D		12,000		-		-		-		-		12,000
E		7,708		2,805		15,328		10,328		11,498		47,665
	<b>\$</b>	<b>117,183</b>	<b>\$</b>	<b>41,405</b>	<b>\$</b>	<b>321,878</b>	<b>\$</b>	<b>216,878</b>	<b>\$</b>	<b>241,448</b>	<b>\$</b>	<b>938,790</b>
<b>DISBURSEMENTS</b>												
F	\$	20,000	\$	32,500	\$	28,460	\$	20,960	\$	20,960	\$	122,880
G		10,000		-		-		-		-		10,000
H		-		-		5,000		-		-		5,000
I		7,500		5,000		5,000		5,000		5,000		27,500
J		-		-		5,000		-		-		5,000
K		5,000		-		10,000		5,000		-		20,000
L		-		13,000		6,500		6,500		6,500		32,500
M		-		-		15,000		-		15,000		30,000
N		8,500		-		-		-		-		8,500
O		50,000		-		75,000		25,000		25,000		175,000
P		-		-		1,000		1,000		1,000		3,000
Q		5,050		1,875		7,223		2,848		3,348		20,344
R		-		-		11,992		8,528		6,802		27,321
	<b>\$</b>	<b>106,050</b>	<b>\$</b>	<b>52,375</b>	<b>\$</b>	<b>170,175</b>	<b>\$</b>	<b>74,836</b>	<b>\$</b>	<b>83,610</b>	<b>\$</b>	<b>487,045</b>

**NET CHANGE IN CASH**  
 \$ 11,133 \$ (10,970) \$ 151,703 \$ 142,042 \$ 157,838 \$ 451,745

<b>OPENING CASH</b>	\$	-	\$	11,133	\$	163	\$	151,865	\$	293,907	\$	-
Net change in cash		11,133		(10,970)		151,703		142,042		157,838		451,745
<b>ENDING CASH</b>	<b>\$</b>	<b>11,133</b>	<b>\$</b>	<b>163</b>	<b>\$</b>	<b>151,865</b>	<b>\$</b>	<b>293,907</b>	<b>\$</b>	<b>451,745</b>	<b>\$</b>	<b>451,745</b>



Impact 2000 Inc.  
 Mike Wolowich, President

*Nov 23/12*  
 Date

**IMPACT 2000 INC.**  
**Notes to Projected Cash Flow Statement**  
**For the period of November 3, 2012 to March 29, 2013 (the "Forecast Period")**  
**(in CDN dollars)**

**Notes and Assumptions:**

- A** Rental receipts of approximately \$680,000 over the course of the Forecast Period relates to the rental of certain oil field service equipment that Impact owns and intends to rent out to two reputable customers during the Forecast Period.
- B** Damage deposit of approximately \$62,000 relating to 50% of one month contract rentals collected as a security deposit that will be held in trust with Impact's counsel and not used during the rental period.
- C** Seismic data receipts of approximately \$200,000 being Impact's 50% share of the sale of certain seismic data owned by Impact to two oil and gas companies.
- D** Non-core/redundant assets relate to the sale of miscellaneous small tools and furniture of approximately \$12,000.
- E** GST on the various receipts collected during the Forecast Period of approximately \$47,000.
- F** Management and contractor fees of approximately \$123,000 relates to fees expected to be paid to six individuals over the Forecast Period for management, advisory, accounting and mechanical related services required to operate Impact.
- G** Moving fees and costs of approximately \$10,000 relating to moving and storage cost of its office furniture from its office space.
- H** Fleet registration costs of approximately \$5,000 relate to annual vehicle and equipment registration costs with the Province of Alberta for all of Impact's equipment.
- I** Rent expense of approximately \$27,500 relates to lease space required to store Impact's equipment. Rent is expected to be \$5,000 per month with an additional \$2,500 to be paid for a half-months rent in November 2012.
- J** Equipment maintenance and repair costs of approximately \$5,000 relating to potential costs that may be incurred to get certain of Impact's equipment in a "rental ready" state.
- K** Insurance costs of approximately \$20,000 relates to insurance for Impact's equipment. Impact is currently finalizing a new insurance policy over its equipment and it is estimated to cost approximately \$20,000 per annum. Customers that are renting equipment from Impact are required to insure the equipment they are renting at full replacement value as part of the rental agreement.
- L** Interest costs of approximately \$32,500 relating to monthly interest payments to Impact's secured lender.
- M** Seismic data sales commission relate to commission charge by an agent to sell Impact's data licenses of approximately \$30,000.
- N** Appraisal costs of approximately \$8,500 associated with the formal appraisals being conducted by Maynards Appraisals Ltd. on Impact's equipment and office furniture.
- O** Professional fees and costs of approximately \$175,000 relate to estimated costs to be paid by Impact during the first five (5) months of the proceedings. The timing and amount of these costs are uncertain and the allocation in the forecast is based on the weekly cash flow of company.
- P** Miscellaneous and contingency costs approximately \$3,000 relate to potential unanticipated costs that may occur over the Forecast Period.
- Q** Estimated GST paid on Impact's disbursements of approximately \$20,000 over the Forecast Period.
- R** GST forecast to be paid to CRA in relation to the GST collected on its receipts.
- S** Opening cash balance on November 2, 2012 was \$NIL.

**IMPACT 2000 INC.**

Per: \_\_\_\_\_

Mike Wolowich  
 President

Date: \_\_\_\_\_

NOV 23/12

# APPENDIX D



November 7, 2012

**To the Creditors of Impact 2000 Inc.:**

On November 2, 2012, Impact 2000 Inc. (“Impact”) filed a Notice of Intention to Make a Proposal (the “NOI”) with the Office of the Superintendent of Bankruptcy Canada pursuant to the *Bankruptcy and Insolvency Act* (“BIA”). Alvarez & Marsal Canada Inc. was also appointed trustee under the NOI of Impact (the “Trustee”).

Enclosed are the following documents:

1. NOI;
2. List of Creditors and the amount of their claims;
3. Certificate of Filing of a NOI; and
4. Consent to Act as Trustee under the NOI

The following explanation is provided as a courtesy to assist you in understanding this type of filing under the BIA. The NOI provisions of the BIA are more extensive than outlined below and you should contact a lawyer if you require more detailed information.

All claims against Impact as at November 2, 2012 are stayed pursuant to the BIA. Impact has thirty-days (30) from the date of filing the NOI to lodge a Proposal with the Trustee; however, this time period is subject to extension with Court approval.

Impact intends to carry on its business affairs during the period following the filing of the NOI (the “Period”). While the Trustee monitors Impact’s financial affairs during the Period, the Trustee has no control or oversight of Impact’s actions whatsoever.

The amounts included in the List of Creditors were obtained from Impact’s records and may be incorrect. If you disagree with the amount listed, it is NOT NECESSARY to advise us at this time. A Proof of Claim form (which requires supporting documentation) will be mailed to you in due course.

Should you have any general questions, please contact the undersigned or Jill Strueby of the Trustee’s office by email at [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com) and [jstrueby@alvarezandmarsal.com](mailto:jstrueby@alvarezandmarsal.com) , respectively.

Copies of the materials filed in the Division I Proposal proceedings may be obtained from the Proposal Trustee’s website at [www.amcanadadocs.com/impact](http://www.amcanadadocs.com/impact) .

**Alvarez & Marsal Canada Inc.**

The Trustee acting in re: the Notice of Intention to  
Make a Proposal of Impact 2000 Inc.  
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Orest Konowalchuk'.

Orest Konowalchuk, CA•CIRP  
Senior Manager



**Industry Canada**

**Office of the Superintendent  
of Bankruptcy Canada**

District of ALBERTA  
Division No. 02 - Calgary  
Court No. 25-094321  
Estate No. 25-094321

**Industrie Canada**

**Bureau du surintendant  
des faillites Canada**

In the Matter of the Notice of Intention  
to make a proposal of:

Impact 2000 Inc.  
Insolvent Person

ALVAREZ & MARSAL CANADA INC.  
Trustee

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Date of the Notice of Intention: November 2, 2012

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4(1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

TAMARA HOLLAND

Official Receiver

Standard Life Tower, 510-639-5th Ave., SW, Calgary, ALBERTA, T2P 0M9, 877/376-9902

FORM 33  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

TAKE NOTICE THAT:

1. I, **IMPACT 2000 INC.**, an insolvent person, state, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act (Canada)*, that I intend to make a proposal to my creditors.
2. Alvarez & Marsal Canada Inc., of Bow Valley Square I, Suite 570, 202-6<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 2R9, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of the filing of this notice with the official receiver in my locality.

Dated at Calgary, Alberta, this 2<sup>nd</sup> day of November, 2012.



Mike Wolowich, President  
Impact 2000 Inc.

To be completed by the Official Receiver:

Filing Date \_\_\_\_\_

\_\_\_\_\_  
Official Receiver

NOTE: If a copy of this Notice is sent electronically by means such as email, the name of the contact information of the sender, prescribed in Form 1.1, must be added at the end of the document.

Impact 2000 Inc.  
 Creditor Listing (In \$CDN) - as at September 30, 2012

Name	Address	City	Province	Postal Code	Amount
396982 Alberta Ltd. O/A The 5th Ave. Bl	c/o MDC Property Services Ltd. Suite 200, 1029 - 17 Ave SW	Calgary	AB	T2T 0A9	\$ 14,840.22
Air Canada Cargo	PO Box 966	Winnipeg	MB	R3C 2V6	\$ 663.97
Air Liquide Canada	10020 56 Ave	Edmonton	AB	T6E 5Z2	\$ 160.78
Alberta Blue Cross	10009-108 Street NW	Edmonton	AB	T5J 3C5	\$ 8,993.82
Alberta Energy	9915-108 Street	Edmonton	AB	T5K2G8	\$ 255.14
Alf's Drilling & Supplies Ltd.	PO Box 452	Viking	AB	T0B 4N0	\$ 6,300.00
Alken Basin Drilling Ltd.	Box 47	Bentley	AB	T0C 0J0	\$ 4,389.00
Allied Supplies Sales & Services Ltd.	5501 1A Street SW	Calgary	AB	T2H 0E6	\$ 481.06
AltaLIS Ltd.	3825-93 Street	Edmonton	AB	T6E 5K5	\$ 157.50
Amperage Technology Industries	4-1222, 40 Ave NE	Calgary	AB	T2P 0J1	\$ 1,039.75
Apache Canada	1000-700, 9th Ave SW	Calgary	AB	T2P 3V4	\$ 525.00
Armstrong Water Well Drilling	Box 465 Attention: Allan DesRoche	Segewick	AB	T0B 4C0	\$ 1,917.30
Atlantic Drilling Ltd.	Site3, RR7, Box 6	Calgary	AB	T2P 2G7	\$ 93,296.28
Austin Powder Ltd.	PO Box 1230 Strn M	Calgary	AB	T2P 2K9	\$ 121,473.63
Bill Neimans Water Well Drilling	Box 5564	High River	AB	T1V 1M6	\$ 11,287.50
Blue J Electric Ltd.	4 Brighton Ave	Stony Plain	AB	T7Z 1G8	\$ 607.43
Blue Moose Natural Resources Ltd.	Box 2961	Buick Creek	BC	V0C 2R0	\$ 429.41
Britec Computer Systems Ltd.	204-1400 Kensington Rd NW	Calgary	AB	T2N 3P6	\$ 206.57
Burnet, Duckworth & Palmer LLP	2400 - 525, 8th Ave SW	Calgary	AB	T2P 1G1	\$ 6,866.82
C.J. Contracting	Box 131	Consort	AB	T0C 1B0	\$ 640.50
Calgary Flames Hockey Club	555 Saddledome Rise SE	Calgary	AB	T2G 2W1	\$ 10,514.22
Calmont	5475 53 Street SE	Calgary	AB	T2C 4P6	\$ 4,622.81
Calmont Leasing Ltd	14610 Yellowhead Trail	Edmonton	AB	T5L 3C5	\$ 78,852.20
Caltronics Communications Ltd.	4410 -50 Ave SE	Calgary	AB	T2B 3R4	\$ 6,095.75
Canada Revenue Agency - GST	875 Heron Road	Ottawa	ON	K1A 1B1	\$ 34,191.38
Canadian Western Bank	200, 606-4th Street SW	Calgary	AB	T2P 1T1	\$ 1,166,813.09
Canon Canada Inc.	PO Box 77271 RPO Courtney Park	Mississauga	ON	L5T 0A9	\$ 474.44
CBSC Capital Inc.	Suite 100, 1235 North Service Rd West	Oakville	ON	L6M 2W2	\$ 5,739.97
City Water International Inc.	A-834 Caledonia Road	Toronto	ON	M6B 3X9	\$ 283.02
Clements, Denise	Unknown	Unknown	Unknown	Unknown	\$ 1,729.25
CMS Real Estate Ltd.	200-136, 17 Ave NE	Calgary	AB	T2E 1L6	\$ 16,012.24
CN Argo Sales & Service Ltd.	204-41 Ave NE	Calgary	AB	T2E 2N3	\$ 339.18



ConocoPhillips Canada Resources Corp	PO Box 15007 Station A	Toronto	ON	M5W 1C1	\$ 155,568.27
Conserve Oil & Gas No. II Corp	520 - 340, 12 Ave SW	Calgary	AB	T2R 1L5	\$ 262.50
Cudworth Drilling Ltd.	Unknown	Cudworth	SK	S0K 1B0	\$ 14,700.00
D.J.'s Surveys Ltd.	Unknown	Unknown	Unknown	Unknown	\$ 9,240.00
D.W. Jensen Drilling Ltd.	8704 99 Street	Clairmont	AB	T0H 0W0	\$ 19,851.38
Data Shred	6607 - 34 Street SW	Calgary	AB	T3E 5M3	\$ 189.00
David Pitchon	Unknown	Unknown	Unknown	Unknown	\$ 26,663.24
Dinosaur Contracting Ltd.	Box 677, 605 Harmony DR	Duncan	AZ	85534	\$ 882.00
Dry Country Gas Co-Op Ltd.	Bag 4000	Oyen	AB	T0J 2J0	\$ 578.13
Eneform	5055-11th Street NE	Calgary	AB	T2E 8N4	\$ 231.00
EneRig Supply	Box 456	Bashaw	AB	T0B 0H0	\$ 5,987.11
Enterprise Rent a Car Canada	5821 6 St. SE	Calgary	AB	T2H 1M4	\$ 2,308.68
Envirosize Oilfield Services Ltd.	Box 196	Fairview	AB	T0H 1L0	\$ 4,620.00
Ewing Geomatics Ltd.	3506 - 66 Ave SE	Calgary	AB	T2C 1P3	Unknown
Fairfield Industries Incorporated	1111 Gillingham Land	Sugar Land	TX	77478	\$ 73,421.24
Federal Express	PO Box 4626	Toronto	ON	M5W 5B4	\$ 350.02
Fillion, Kate	Unknown	Unknown	Unknown	Unknown	\$ 31,791.87
Fin-Wall Site Services	112, 2850 107th Ave SE	Calgary	AB	T2Z 3R7	\$ 486.48
Fireball Express Courier	116, 738 3rd Ave SW	Calgary	AB	T2P 0G7	\$ 220.89
Fleming LLP Barristers & Solicitors	900 - 926 5th Ave SW	Calgary	AB	T2P 0N7	\$ 11,482.73
Fosheim, Todd	130 Rencnik Road	Moncton	NB	E1G 4X2	\$ 523.35
Geophysical Exploration & Development Corp	1200-815 8th Ave SW	Calgary	AB	T2P 3P2	\$ 9,817.50
Global Seismic Repairs Inc.	4405 A, 75th Ave SE	Calgary	AB	T2C 2K8	\$ 25,939.20
Great Plains Drilling Ltd.	200-3016, 5 Ave NE	Calgary	AB	T2A 6K4	\$ 136,698.45
Greg Dokken	63 Mission Rd SW	Calgary	AB	T2S 3A1	\$ 824.44
Greyhound Courier Express	Greyhound Courier Express Bag 2577	Calgary	AB	T2P 4N4	\$ 45.40
Helix Seismic Exploration Inc.	110-7445, 45 Ave Close	Red Deer	AB	T4P 4C2	\$ 51,760.80
Her Majesty the Queen In Right of Canada	Room 330, 220 - 4th Ave SE	Calgary	AB	T2G 0L1	\$ 332,504.95
Hunt Oil Company of Canada	BVS 3, 2700, 255 -- 5 Avenue S.W.	Calgary	AB	T2P 3G6	Unknown
IHS Energy (Canada) Ltd	PO Box 9101 Postal Stn M	Calgary	AB	T2P 5E1	\$ 2,094.75
Incyte Environmental Services Ltd.	Box 883	Gull Lake	SK	S0N 1A0	\$ 3,150.00
Inline Surveys Ltd	1B, 714 Willow Park Drive SE	Calgary	AB	T2J 0L8	\$ 6,483.75
IOS Financial Services	2300 Meadowvale Blvd, Suite 200	Mississauga	ON	L5N 5P9	Unknown
Iron Mountain	PO Box 3527 Stn A	Toronto	ON	M5W 3G4	\$ 2,441.87
Jim Moffat Construction	Box 318	Worsley	AB	T0H 3W0	\$ 4,935.00

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Jim's Drive Line & Mobile Repair	Box 286	Worsley	AB	T0H 3W0	\$	2,645.31
JW Locating II Ltd.	Box 1387	Rimbey	AB	T0C 2J0	\$	1,816.93
Kadean Oil Inc	5523 55A Street	Wetaskiwin	AB	T9A 2A7	\$	29,800.00
Kozun, Brian	Unknown	Unknown	Unknown	Unknown	\$	230.83
KTM Rentals & Sales Ltd	Box 443	Blackfalds	AB	T0M 0J0	\$	2,882.25
Loomis Express, a div of TFI Transport 22	2100 78 Ave NE	Calgary	AB	T2E 6W6	\$	45.68
Maxam Seismic Explosives, Inc	9705 Horton Rd SW Suite 101	Calgary	AB	T2V 2X5	\$	66,770.87
Melin Holdings Ltd.	115 Glenmore View Rd Suite 233	Calgary	AB	T1X 0H3	\$	4,677.75
Meyers Norrls Penny	300-622 5 Ave SW	Calgary	AB	T2P 0M6	\$	33,928.59
Michael West Geophysical Consulting Ltd	Attention: Michael West 950-441 5 Ave SW	Calgary	AB	T2P 2V1	\$	31,267.34
Miller Thompson LLP	Suite 3000 - 700, 9th Ave SW	Calgary	AB	T2P 3V4	\$	11,548.70
MindStone Consulting Ltd.	4635 Quentin St SW	Calgary	AB	T2T 6J1	\$	8,412.60
Minister of Finance - AB	Room 534, Oxbridge Place 9820 - 106 Street	Edmonton	AB	T5K 2J6	\$	40.00
Minlster of Finance - Alberta Registrations	Room 534, Oxbridge Place 9820 - 106 Street	Edmonton	AB	T5K 2J6	\$	156.19
Mjolsness Waterwell Drilling	5301 Norfolk Ave	Coronation	AB	T0C 1C0	\$	4,452.00
Money Mart	401 Garbally Road	Victoria	BC	V8T 5M3	\$	2,058.65
MWH Canada Inc	1010, 600 - 6 Ave SW	Calgary	AB	T2P 0S5	\$	5,038.29
Neopost	150 Steelcase Road West	Markham	ON	L3R 3J9	\$	789.75
Nickle's Energy Group	300, 999 - 8 Street SW	Calgary	AB	T2R 1N7	Unknown	
Northern Bald Eagle Enterprises Ltd	7-5125, North Nechako Rd	Prince George	BC	V2K 4V7	\$	3,388.89
Nuquest Pipe Locators	200 Mountain Circle	Airdrie	AB	T4A 1X4	\$	1,670.00
Old Fluid Power	10528 - 46 Street SE	Calgary	AB	T2C 1G1	\$	9,663.27
Patti G. Mountain	Sulte 200 - 3016 5th Ave NE	Calgary	AB	T2A 6K4	\$	305.39
Paul, Richard	Unknown	Unknown	Unknown	Unknown	\$	16,549.82
Petro - Canada	PO Box 8500	Don Mills	ON	M3C 3B2	\$	17,160.80
Petro - Tech Printing Ltd.	621 - 4th Ave SW	Calgary	AB	T2P 0K2	\$	206.07
Prolific Energy Services Ltd.	200 - 3016, 5 Ave NE	Calgary	AB	T2A 6K4	\$	390,575.00
Purolator Courier Ltd.	PO Box 1100	Etobicoke	ON	M9C 5K2	\$	1,023.62
Rainy Creek Powersports Ltd	Box 508	Eckville	AB	T0M 0X0	\$	568.02
Receiver General - GST	14002 Stn Main	Winnipeg	MB	R3C 3P8	\$	64,163.42
Receiver General - Payroll	875 Heron Road	Ottawa	ON	K1A 1B1	\$	1,468.13
Receiver General - Radios	Box 2330	Ottawa	ON	K1P 6K1	\$	182.00
Redcliff Stake & Lath (1995) Ltd.	Box 914	Medicine Hat	AB	T1A 7G8	\$	2,520.00
Regional Municipality of Wood Buffalo	9909 Franklin Ave	Fort McMurray	AB	T9H 2K4	Unknown	
Remote Medical Services	2621 - 26A Street SW	Calgary	AB	T3E 2C6	\$	25,370.51

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Remote Response Ltd.	PO Box 387	Wosley	AB	T0H 3W0	\$	3,675.00
Ricoh Canada Inc	5520 Explorer Drive, Suite 300	Mississauga	ON	L4W 5L1	\$	699.74
RM Trucking	Box 64205 5512 - 4th Street NW	Calgary	AB	T2K 6J1	\$	2,047.50
Roger Chapman Oilfield Services	Box 215	Carbon	AB	T0M 0L0	\$	22,894.20
Ron's Auto Service	Box 213	Worsley	AB	T0H 3W0	\$	471.66
Ronwood Ent. Ltd.	Box 600	Consort	AB	T0C 1B0	\$	504.00
Roynat Inc	Suite 1500, 4710 Kingsway St	Burnaby	BC	V5H 4M2	Unknown	
Saddle Sore Saloon	4914 - 49 Street	Rocky Mountain House	AB	T4T 1C2	\$	5,693.25
Safety Sync	250, 229 11th Ave SE	Calgary	AB	T2G 0Y1	\$	1,118.47
Seismic Equipment Solutions LP	PO Box 676865	Dallas	TX	75267-6865	\$	306,260.87
Sigma Explorations Inc	200-630, 6 Ave SW	Calgary	AB	T2P 0S8	\$	155,568.01
Silvertip Exploration Services Ltd	Suite 1550 633 - 6 Ave SW	Calgary	AB	T2P 2Y5	\$	55,416.37
Spatial Technologies Partnership	2-21 Highfield Circle SE	Calgary	AB	T2G 5N6	\$	3,369.98
Starburst Car & Truck Wash	2535, 7th Ave NE	Calgary	AB	T2A 7R2	\$	594.04
STARS Aviation Canada Inc.	Box 570, 1441 Aviation Park NE	Calgary	AB	T2E 8M7	\$	138.60
Superior Propane Inc	PO Box 2875 Station M	Calgary	AB	T2P 5G1	\$	97.05
Supreme Basics	PO Box 4318	Regina	SK	S4P 3W6	\$	1,058.21
Sustainable Resource Development	9915 - 108 Street	Edmonton	AB	T5K 2G8	\$	1,572.69
Talon Survey Solutions Inc	1255 38 Ave NE	Calgary	AB	T2E 6M2	\$	303.35
Taq North Ltd	2100, 308-4th Avenue, SW	Calgary	AB	T2P 0H7	\$	525.00
Telus	3030 2nd Avenue S.E	Calgary	AB	T2A 5N7	\$	2,522.94
Telus Mobility	3030 2nd Avenue S.E	Calgary	AB	T2A 5N7	\$	5,383.56
TeraGo Networks Inc	2256 29 Street N.E., Bay 90	Calgary	AB	T1Y 7G4	\$	1,477.35
The Cat Rental Store	11560 - 42 Street S.E.	Calgary	AB	T2Z 4E1	\$	15,803.07
The Harrison Energy Group Inc	10423 101st Ave	Fort St. John	BC	V1J 2B7	\$	25,101.31
Toole Peet & Co Limited	1135 17 Avenue SW	Calgary	AB	T2T 0B6	\$	157,486.27
Track Industries Ltd	5529 3rd St	Calgary	AB	T2H 1K1	Unknown	
Transamerica Life Canada	5000 Yonge St	Toronto	ON	M2N 7J8	\$	2,033.22
Tymstra, Cherie	PO Box 1283	Turner Valley	AB	T0L 2A0	\$	323.94
UFA Co-operative Limited	PO Box 2790 Station M	Calgary	AB	T2P 2M7	\$	17,001.00
Vector Communications	11213 - 97 Ave	Grand Prairie	AB	T8V 5N5	\$	123.54
Walton Enterprise Inc	9355 Enterprise Way SE	Calgary	AB	T3S 0A1	\$	9,555.00
Water Blast Manufacturing LP	3611 - 60 Ave SE	Calgary	AB	T2C 2E5	\$	445.34
WCB of Alberta	PO Box 2542 Stn M	Calgary	AB	T2P 5E7	Unknown	
Welclean Land Services	2306 - 52A Ave	Lloydminster	AB	T9V 2R5	\$	611,352.15

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Weldco	4339 Manhattan Road SE	Calgary	AB	T2G 4B1	\$ 9.00
Wells Fargo Equipment Finance Company	2550 Victoria Park Ave Ste 700	Toronto	ON	M2J 5A9	Unknown
Western Midland Communications Ltd.	8-3601, 19 Street NE	Calgary	AB	T2E 6S8	\$ 3,139.98
Windshield Surgeons	5203 - 82 Ave	Edmonton	AB	T6B 2J6	\$ 183.75
WM Marlatte Consulting	165 Sierra Vista Terrace SW c/o Osler, Hoskln & Harcourt	Calgary	AB	T3H 3C4	\$ 15,750.00
Wolowich, Mike	Suite 2500, TransCanada Tower, 450 1st SW c/o Osler, Hoskin & Harcourt	Calgary	AB	T2P 5H1	\$ 250,000.00
Wolowich, Patty	Suite 2500, TransCanada Tower, 450 1st SW	Calgary	AB	T2P 5H1	\$ 250,000.00
World Wide Customs Brokers Ltd.	PO Box 2338 Stn M	Calgary	AB	T2P 2M6	\$ 465.99
Worsley Gateway Inn	Box 409, 355 Secondary Hwy	Worsley	AB	T0H 3W0	\$ 42,013.21
					<u>\$ 5,249,808.51</u>

COURT FILE NUMBER [ ]

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

Clerk's Stamp

APPLICANTS IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS  
AMENDED

IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF IMPACT 2000 INC.

DOCUMENT **CONSENT TO ACT AS TRUSTEE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

ALVAREZ & MARSAL CANADA INC.  
Bow Valley Square I  
Suite 570, 202 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 2R9

Telephone: (403) 538-4756  
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Email: [treid@alvarezandmarsal.com](mailto:treid@alvarezandmarsal.com)

Attention: Tim H. Reid

We, Alvarez & Marsal Canada Inc. do hereby consent to our acting as Trustee under the Notice of Intention to Make a Proposal and under the Division I Proposal of Impact 2000 Inc., contemplated herein.

DATED at the City of Calgary, in the Province of Alberta, this 31<sup>st</sup> day of October, 2012.

Alvarez & Marsal Canada Inc.

Per: 

Tim Reid  
Senior Vice President

# APPENDIX E

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-094321  
Estate No. 25-094321

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

The President of Impact 2000 Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 8th day of November 2012, consisting of Projections for the 3 month period from November 2, 2012 to February 1, 2013.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Calgary in the Province of Alberta, this 8th day of November 2012.

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Impact 2000 Inc.  
Debtor



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Name and title of signing officer

MIKE WOLOWICH PRESIDENT  
Name and title of signing officer

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-094321  
Estate No. 25-094321

APPENDIX E

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

Purpose:

Please see Note A in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Projection Notes:

Please see the Note A in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Assumptions:

Please see Notes C-L in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Dated at the city of Calgary in the Province of Alberta, this 8th day of November 2012.

  
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Impact 2000 Inc.



District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-094321  
Estate No. 25-094321

-- FORM 29 --  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

The attached statement of projected cash flow of Impact 2000 Inc., as of the 8th day of November 2012, consisting of Projections for the 3 month period from November 2, 2012 to February 1, 2013, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by:  the management and employees of the insolvent person or  the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:  management or  the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Calgary in the Province of Alberta, this 8th day of November 2012.

Alvarez & Marsal Canada Inc. - Trustee

Per:



Tim Reid

Bow Valley Square I  
202 6th Avenue S.W.  
Calgary AB T2P 2R9  
Phone: (403) 538-4756 Fax: (403) 538-7511

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-094321  
Estate No. 25-094321

APPENDIX E

\_FORM 29\_ - Attachment  
Trustee's Report on Cash-flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

Purpose:

Please see Note A in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Projection Notes:

Please see the Note A in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Assumptions:

Please see Notes C-L in the Notes to Projected Cash Flow Statement attached to the Projected Cash Flow Statement

Dated at the city of Calgary in the Province of Alberta, this 8th day of November 2012.

Alvarez & Marsal Canada Inc. - Trustee

Per:




Tim Reid

Bow Valley Square I  
202 6th Avenue S.W.  
Calgary AB T2P 2R9  
Phone: (403) 538-4756 Fax: (403) 538-7511

**IMPACT 2000 INC.**  
**Projected Cash Flow Statement\***  
**For the period of November 3, 2012 to February 1, 2013 (the "Forecast Period")**  
**(in CDN dollars)**

	Notes	Week 1 to Week 4 Nov.3/12 to Nov.30/12	Week 5 to Week 8 Dec. 1/12 to Jan.4/13	Week 9 to Week 13 Dec.29/12 to Feb.1/13	Total
<b>RECEIPTS</b>					
Rental receipts	C	75,000	65,000	188,000	328,000
<b>Total receipts</b>		<b>75,000</b>	<b>65,000</b>	<b>188,000</b>	<b>328,000</b>
<b>DISBURSEMENTS</b>					
Management and contracting fees	D	27,400	25,960	20,960	74,320
Fleet registration costs	E	-	-	5,000	5,000
Rent	F	5,000	5,000	5,000	15,000
Equipment maintenance and repairs	G	2,500	2,500	-	5,000
Insurance	H	5,000	2,500	5,000	12,500
Interest charges	I	-	6,000	12,000	18,000
Professional fees and costs	J	35,000	20,000	70,000	125,000
Miscellaneous	K	-	1,000	1,000	2,000
<b>Total disbursements</b>		<b>74,900</b>	<b>62,960</b>	<b>118,960</b>	<b>256,820</b>
<b>NET CHANGE IN CASH</b>		<b>100</b>	<b>2,040</b>	<b>69,040</b>	<b>71,180</b>
<b>OPENING CASH</b>	L	-	100	2,140	-
Net change in cash		100	2,040	69,040	71,180
<b>ENDING CASH</b>		<b>100</b>	<b>2,140</b>	<b>71,180</b>	<b>71,180</b>

  
 Impact 2000 Inc.  
 Mike Wolowich, President

November 8, 2012  
 Date

This statement of projected cash flow of Impact 2000 Inc. has been prepared in accordance with s.50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash-Flow Statement dated the 8th day of November 2012.

  
 Timothy Reid, Trustee  
 Alvarez & Marsal Inc.

November 8, 2012  
 Date

**IMPACT 2000 INC.**  
**Notes to Projected Cash Flow Statement**  
**For the period of November 3, 2012 to February 1, 2013**  
**(in CDN dollars)**

**Notes and Assumptions:**

**A** The cash-flow statement is to be read in conjunction with the attached Form 29 - Trustee's Report on Cash-Flow Statement and Form 30 - Report on Cash Flow Statement by the Person Making the Proposal.

The projection has been prepared solely for the purpose of determining the ability of Impact 2000 Inc. ("Impact") to fund its operations as set out herein.

Readers are cautioned that it may not be appropriate for their purposes.

**B** The Cash-Flow Statement is presented on a monthly basis from November 3, 2012 to February 1, 2013 (the "Forecast Period") and represents Impact's best estimates of the results of its financial affairs during the Forecast Period.

**C** Rental receipts of approximately \$328,000 over the course of the Forecast Period relates to the rental of certain oil field service equipment that Impact owns and intends to rent out to several customers for a five (5) month period ending of March 31, 2013.

**D** Management and contractor fees of approximately \$75,000 relates to fees expected to be paid to six individuals over the Forecast Period for management, advisory, accounting and mechanical related services required to operate Impact.

**E** Fleet registration costs of approximately \$5,000 relate to annual vehicle and equipment registration costs with the Province of Alberta for all of Impact's equipment.

**F** Rent expense of approximately \$15,000 relates to lease space required to store Impact's equipment. Rent is expected to cost \$5,000 per month.

**G** Equipment maintenance and repairs of approximately \$5,000 relates to certain product required (oil, tools, etc) for its maintenance staff to maintain and/or repair Impact's heavy equipment over the winter season.

**H** Insurance costs of approximately \$12,500 relates to monthly insurance payments for Impact's equipment. Impact is currently finalizing a new insurance policy over its equipment and it is estimated to cost approximately \$25,000 per annum. Customers that are renting equipment from Impact are required to insure the equipment they are renting at full replacement value as part of the rental agreement.

**I** Interest costs of approximately \$18,000 relating to monthly interest payments to Impact's secured lender.

**J** Professional fees and costs of approximately \$125,000 relate to estimated costs to be paid by Impact during the first three (3) months of the proceedings. These costs are uncertain and may not be the total professional costs incurred during the Forecast Period. It is expected that the Trustee and Impact's legal counsel may be seeking an administration charge for its fees against Impact.


**K** Miscellaneous costs approximately \$2,000 relate to potential unanticipated costs that may occur over the Forecast Period.

**L** Opening cash balance on November 2, 2012 was \$NIL.


**IMPACT 2000 INC.**

**Alvarez & Marsal Inc., the Trustee acting in re: the  
Notice of Intention to Make a Proposal of  
Impact 2000 Inc.**

Per:

  
\_\_\_\_\_  
Mike Wolowich  
President

Per:

  
\_\_\_\_\_  
Timothy Reid, CA-CIRP  
Senior Vice-President

Date: November 8, 2012

Date: November 8, 2012