

**FORM 49**  
[RULE 13.19]

CLERK'S STAMP

COURT FILE NUMBER 25-2681862  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY*  
*AND INSOLVENCY ACT*, RSC 1985, C. B-3,  
AS AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
NEWSCO INTERNATIONAL ENERGY  
SERVICES INC.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Dylan Gibbs  
Telephone No.: 403-298-4485 / 3449  
Fax No.: 403-265-7219  
Client File No.: 88912.3

**AFFIDAVIT NO. 5 OF WILLIAM MELVILLE**

**Sworn on March 1, 2021**

I, William Melville, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Chief Executive Officer of Newsco International Energy Services Inc. ("**Newsco**") and, as such, I have personal knowledge of the matters hereinafter deposed to except where

stated to be based on information and belief, in which case I believe those matters to be true. I have previously sworn Affidavits on the following dates in these proceedings:

- (a) November 9, 2020 (the "**Melville Affidavit No. 1**");
- (b) December 7, 2020 (the "**Melville Affidavit No. 2**");
- (c) January 11, 2021 (the "**Melville Affidavit No. 3**"); and
- (d) February 1, 2021 (the "**Melville Affidavit No. 4**");

(collectively, the "Melville Affidavits"). Where I refer to capitalized terms that are not defined in this Affidavit, I intend them to bear their meanings as defined in the Melville Affidavits.

2. Newsco filed a Notice of Intention to make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* on October 20, 2020. The NOI appointed BDO Canada Limited as the trustee of the proceedings (the "**Proposal Trustee**").
3. On November 19, 2020, this Honourable Court granted an Order:
  - (a) extending the time within which Newsco must file a proposal to its creditors, to and including December 23, 2020;
  - (b) granting an Administrative Charge in the amount of \$150,000; and
  - (c) authorizing Newsco to pay certain Critical Suppliers, and employees and contractors, including for arrears pre-dating the NOI.
4. The Court subsequently granted further extension orders and the period in which Newsco must file a proposal to its creditors currently expires on March 8, 2021.

#### Update on Newsco's Business and Operations

5. Newsco's Indian Operations continue to be maintained, and generate revenue.

6. Attached as **Exhibit "1"** to this Affidavit is a true copy of Newsco's updated 13-week cash flow statement, which has been prepared with the assistance of the Proposal Trustee.
7. On February 10, 2021, this Honourable Court approved the Asset Purchase Agreement entered into between Newsco, Sawafi Newsco USA, LLC (the "**Purchaser**") and other parties (the "**Asset Purchase Agreement**").
8. On February 22, 2021, Newsco and the Purchaser closed the purchase and sale transaction contemplated by the Asset Purchase Agreement and Newsco received the purchase proceeds. The proceeds are being held in trust by Newsco's counsel. It is anticipated that Newsco will use the proceeds to pay professional fees that are secured by the Administration Charge and amounts owed to employees as authorized by the Court's November 19, 2020 Order, and the balance will be used to form the basis of Newsco's proposal to its creditors (the "**Proposal**").

Newsco's Efforts to Prepare a Proposal

9. Since filing the NOI, Newsco has worked diligently and in good faith with a view to ultimately presenting a proposal to its creditors. Newsco has fully cooperated with the Proposal Trustee and has diligently complied with the Proposal Trustee's requests. Newsco has, among other things:
  - (a) worked with the Proposal Trustee on the updated 13-week cash-flow statement attached as **Exhibit "1"** to this Affidavit;
  - (b) now that the purchase and sale transaction has closed, Newsco is, with the assistance of the Proposal Trustee, preparing the Proposal;
  - (c) coordinating with the Proposal Trustee to facilitate the Proposal Trustee engaging a confidential independent third-party appraisal of Newsco's remaining assets (principally those being utilized by the Indian Operations). I am advised by the Proposal Trustee and believe that the information it obtains in this appraisal is expected to assist it in opining on the Proposal;
  - (d) kept the Proposal Trustee apprised of Newsco's activities; and

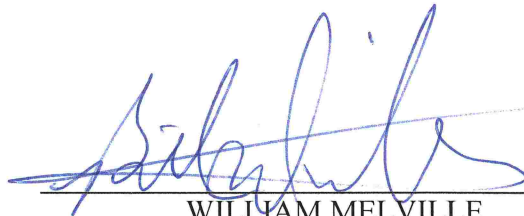
- (e) communicating with its suppliers to ensure the uninterrupted provision by them of goods and services for the Indian Operation.
- 10. Newsco's US subsidiary has completed its Chapter 11 restructuring. The US Bankruptcy Court confirmed its Chapter 11 Plan on January 26, 2021.
- 11. Newsco is seeking an extension of the time period in which to make its proposal, to April 19, 2021. The requested extension of time is necessary for Newsco to be able to generate a proposal to its creditors that is viable and practical from an economic standpoint.
- 12. I believe that Newsco is acting in good faith and with due diligence. I do not believe that the proposed extension will materially prejudice any of Newsco's creditors. The extension is necessary and, without such extension, Newsco will lose the opportunity to maximize value for its creditors.
- 13. I am advised by Newsco's counsel that the Proposal Trustee supports the proposed extension.
- 14. I make this Affidavit in support of Newsco's Application to extend the time for filing a Proposal, and for no other or improper purpose.

SWORN BEFORE ME  
at Calgary, Alberta, this  
1<sup>st</sup> day of March, 2021.



A Commissioner for Oaths  
in and for Alberta

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WILLIAM MELVILLE

**Emmett N. Larsen**  
Student-at-Law

THIS IS **EXHIBIT "1"** REFERRED TO  
IN THE AFFIDAVIT NO. 5 OF WILLIAM  
MELVILLE SWORN THE 1<sup>ST</sup> DAY OF  
MARCH, 2021.



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**Emmett N. Larsen**  
**Student-at-Law**

**NEWSCO CANADA**  
Cash Flow forecast  
For the 13 week period Feb 22 to May 21  
(Unaudited - prepared by management)

CAD

|   | 1                          | 2                        | 3                         | 4                          | 5                          | 6                         | 7                        | 8                          | 9                          | 10                         | 11                       | 12                         | 13                         | Total     |
|---|----------------------------|--------------------------|---------------------------|----------------------------|----------------------------|---------------------------|--------------------------|----------------------------|----------------------------|----------------------------|--------------------------|----------------------------|----------------------------|-----------|
|   | Week of<br>Feb 22 - Feb 26 | Week of<br>Mar 1 - Mar 5 | Week of<br>Mar 8 - Mar 12 | Week of<br>Mar 15 - Mar 19 | Week of<br>Mar 22 - Mar 26 | Week of<br>Mar 29 - Apr 2 | Week of<br>Apr 5 - Apr 9 | Week of<br>Apr 12 - Apr 16 | Week of<br>Apr 19 - Apr 23 | Week of<br>Apr 26 - Apr 30 | Week of<br>May 3 - May 7 | Week of<br>May 10 - May 14 | Week of<br>May 17 - May 21 |           |
| <b>Receipts</b>                               |                            |                          |                           |                            |                            |                           |                          |                            |                            |                            |                          |                            |                            |           |
| Intercompany shared services                  | -                          | -                        | -                         | -                          | -                          | -                         | -                        | -                          | -                          | -                          | -                        | -                          | -                          | -         |
| Accounts receivable                           | -                          | 108,100                  | 18,800                    | -                          | 44,600                     | 92,800                    | -                        | 21,100                     | -                          | 158,700                    | -                        | 45,900                     | 28,500                     | 519,300   |
| Interco Inerim loan                           | -                          | -                        | -                         | -                          | -                          | -                         | -                        | -                          | -                          | -                          | -                        | -                          | -                          | -         |
| Miscellaneous/ Wage Subsidy                   | 13,000                     | -                        | -                         | -                          | 13,000                     | -                         | -                        | -                          | 13,000                     | -                          | -                        | -                          | 13,000                     | 52,000    |
|   | 13,000                     | 108,100                  | 18,800                    | -                          | 57,600                     | 92,800                    | -                        | 21,100                     | 13,000                     | 158,700                    | -                        | 45,900                     | 41,500                     | 571,300   |
| <b>Disbursements</b>                          |                            |                          |                           |                            |                            |                           |                          |                            |                            |                            |                          |                            |                            |           |
| Wages (gross)                                 | 58,200                     | 6,200                    | 8,100                     | -                          | 65,000                     | -                         | -                        | -                          | 8,100                      | 76,200                     | -                        | -                          | 37,900                     | 257,700   |
| Benefits RWAM                                 | 5,900                      | -                        | 3,200                     | 2,700                      | 3,200                      | -                         | -                        | -                          | 2,700                      | 3,200                      | -                        | -                          | 2,700                      | 26,900    |
| Rent  | -                          | 6,300                    | 8,100                     | -                          | 8,100                      | 5,000                     | -                        | -                          | 8,100                      | 8,100                      | -                        | -                          | 8,100                      | 43,700    |
| Operating and Admtn                           | 14,200                     | -                        | 56,100                    | 2,400                      | 36,600                     | 53,600                    | 30,100                   | 20,800                     | 300                        | 69,600                     | 2,200                    | 37,500                     | 300                        | 325,700   |
| Repayment of Interco Inerim loan              | 16,700                     | -                        | -                         | -                          | -                          | -                         | 3,000                    | 3,900                      | -                          | -                          | -                        | -                          | -                          | 23,600    |
| Restructuring fees/ Asset Appraisal           | -                          | -                        | -                         | -                          | 7,000                      | -                         | -                        | -                          | -                          | -                          | -                        | -                          | -                          | 7,000     |
|   | 95,000                     | 12,500                   | 75,500                    | 5,100                      | 119,900                    | 68,600                    | 33,100                   | 24,700                     | 11,100                     | 157,100                    | 2,200                    | 48,600                     | 40,800                     | 654,500   |
| Net cash flow for period                      | (82,000)                   | 96,600                   | (56,800)                  | (6,100)                    | (62,300)                   | 34,200                    | (33,100)                 | (5,600)                    | 1,800                      | 1,600                      | (2,200)                  | (2,900)                    | 600                        | (113,200) |
| Cash/Operating line - beginning ( see Note B) | 116,300                    | 34,300                   | 130,900                   | 74,000                     | 68,900                     | 6,800                     | 40,800                   | 7,700                      | 4,100                      | 6,000                      | 7,600                    | 5,400                      | 2,500                      | 116,300   |
| Cash/Operating line - closing ( see Note B)   | 34,300                     | 130,900                  | 74,000                    | 68,900                     | 6,800                      | 40,800                    | 7,700                    | 4,100                      | 6,000                      | 7,600                      | 5,400                    | 2,500                      | 3,100                      | 3,100     |

**NEWSCO INTERNATIONAL SERVICES ENERGY INC.**

Per: **BISWAJIT MISHRA**  
PRESIDENT & CFO

March 1, 2021  
CALGARY, ALBERTA

**ASSUMPTIONS AND NOTES**

- Explanatory note in respect of each financial line item utilized above is given below.

**Notes:**

1. Intercompany- Some costs like IT Services, Insurance are shared between entities and there is reimbursement expected from those entities
2. India division has active jobs with long term contracts from where collection is expected
3. Wage subsidy- assumed at the applicable rates for the Canada division. We are already receiving it
4. Wages include Canada and India
5. Benefits- Existing employee benefits will continue to be paid for both divisions
6. Rent- Rent included for Canada office, yard, India office and workshop
7. General & Administrative services include IT services provided by external service provider, Insurance, utilities etc
8. It is assumed that 70% of available cash will be transferred from India division to Canada to fund operating expenses
8. Cash balance does not include proceeds from our approval sale of Cinastion assets being held in trust by legal counsel.