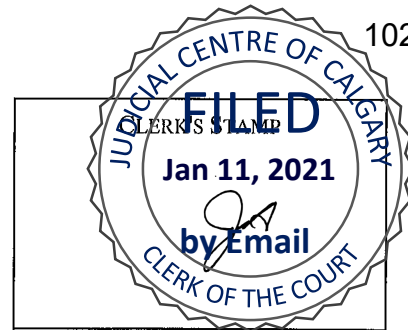


ENTERED

FORM 49
[RULE 13.19]



102369

COURT FILE NUMBER

B201 681862

25-2681862

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

COM
Jan 22, 2021
Justice Graesser

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. 3 OF WILLIAM MELVILLE

Sworn on January 11, 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. On November 9, 2020, I swore my first Affidavit in these proceedings (the "**Melville Affidavit No. 1**") and on December 7, 2021 I swore my second Affidavit in these proceedings (the "**Melville Affidavit No. 2**"). Where I use capitalized terms but do not define them in this Affidavit, I intend them to bear their meanings as defined in the Melville Affidavit No. 1 or the Melville Affidavit No. 2.

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. On December 18, 2020, this Honourable Court granted an Order extending the time within which Newsco must file a proposal to its creditors, to and including February 1, 2021.

Update on Newsco's Business and Operations

5. Since December 7, 2021, the date on which I swore the Melville Affidavit No. 2, although it has not been able to run at full capacity due to COVID-19 restrictions, the Indian Operations continue to be maintained. Newsco continues to have no active jobs in Canada.
6. Attached as **Exhibit "1"** to this Affidavit is a true copy of Newsco's current 13-week cash flow statement, which has been prepared with the assistance of the Proposal Trustee.

Newsco's Efforts to Prepare a Proposal

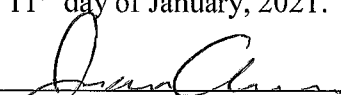
7. Since filing the NOI, Newsco has worked diligently and in good faith with a view to ultimately presenting a proposal to its creditors. Newsco has fully cooperated with the

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) coordinating with the Proposal Trustee to facilitate the Proposal Trustee engaging a confidential independent third-party appraisal of Newsco's assets, which has now occurred. I am advised by the Proposal Trustee and believe that it expects to receive this appraisal in the week of January 11;
- (c) co-operated promptly with the Canada Revenue Agency ("**CRA**") to allow it to complete the necessary fieldwork for a payroll audit. I am informed by the Proposal Trustee and believe that this is an ordinary course procedure during restructuring processes like these NOI proceedings;
- (d) kept the Proposal Trustee apprised of Newsco's activities;
- (e) communicating with its suppliers to ensure the uninterrupted provision by them of goods and services for the Indian Operation;
- (f) progressed its confidential discussions with the same arm's length third party referred to in the Melville Affidavit No. 1 and Melville Affidavit No. 2, regarding a transaction that could form the basis for a proposal to Newsco's creditors. More specifically:
 - (i) pursuant to a fully-executed non-binding Term Sheet, Newsco has continued to negotiate with the third party;
 - (ii) facilitated the third party's ongoing due diligence efforts; and
 - (iii) Newsco's legal counsel and the third party's legal counsel have held numerous discussions and drafts of definitive agreements have been exchanged, and are in the process of being negotiated. Newsco expects to execute definitive documents very soon; and

- (g) on November 23, 2020, Newsco's US subsidiary received conditional approval for its Disclosure Statement and Chapter 11 Plan from the US Bankruptcy Court. The hearing for final approval of its Disclosure Statement and confirmation of its Chapter 11 Plan was originally scheduled to be heard on December 22, 2020 but has been adjourned and is now scheduled to be heard on January 12, 2021.
8. Newsco is seeking an extension of the time period in which to make its proposal, to March 8, 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.
9. 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.
10. I am advised by Newsco's counsel that the Proposal Trustee supports the proposed extension.
11. 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
11th day of January, 2021.


A Commissioner for Oaths
in and for Alberta

Jason W. Arnason
Student-at-Law


WILLIAM MELVILLE

THIS IS **EXHIBIT "1"** REFERRED TO
IN THE AFFIDAVIT NO. 3 OF WILLIAM
MELVILLE SWORN THE 11TH DAY OF
JANUARY, 2021.



Jason W. Arnason
Student-at-Law

NEWSCO CANADA
Cash Flow forecast
For the 13 week period Jan 4 to Apr 2
(Unaudited - prepared by management)

	CAD													
	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	Week of	
	Jan 04-Jan10	Jan 11 - Jan 15	Jan 18 - Jan 22	Jan 25 - Jan 29	Feb 1 - Feb 5	Feb 8 - Feb 12	Feb 15 - Feb 19	Feb 22 - Feb 26	Mar 1 - Mar 5	Mar 8 - Mar 12	Mar 15 - Mar 19	Mar 22 - Mar 26	Mar 29 - Apr 2	
Receipts														
Intercompany shared services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	28,000	-	87,900	-	30,600	118,500	-	-	-	-	-	-	-
Interco inerim loan	3,500	-	-	-	-	-	-	-	-	19,100	100,600	31,900	-	-
Miscellaneous/ Wage Subsidy	-	-	-	12,600	-	-	-	-	-	-	-	-	-	-
	3,500	28,000	-	100,500	-	30,600	118,500	12,600	-	19,100	100,600	44,500	-	416,600
Disbursements														
Wages (gross)	-	25,500	36,700	45,900	8,700	10,500	73,700	-	-	8,700	73,700	-	8,700	292,100
Benefits RWAM	-	3,500	-	2,700	-	3,500	2,700	-	-	-	3,500	-	8,700	18,600
Rent	3,700	4,800	3,600	4,800	4,900	-	9,400	-	-	-	3,500	2,700	-	50,400
Operating and Admin	8,500	16,200	13,300	33,800	300	16,900	27,500	-	4,900	-	9,400	-	4,900	18,600
Repayment of Interco inerim loan	5,100	-	-	-	-	-	6,300	3,000	300	6,400	17,800	20,300	300	167,900
Restructuring fees/ Asset Appraisal	-	-	-	-	5,000	-	-	3,900	-	-	-	-	-	12,000
	17,300	50,000	53,600	87,200	18,900	30,900	116,300	10,200	5,200	15,100	104,400	23,000	13,900	546,000
Net cash flow for period	(13,800)	(22,000)	(53,600)	13,300	(18,900)	(300)	2,200	2,400	(5,200)	4,000	(3,800)	21,500	(13,900)	(88,100)
Cash/Operating line - beginning	102,200	88,400	66,400	12,800	26,100	7,200	6,900	9,100	11,500	6,300	10,300	6,500	28,000	102,200
Cash/Operating line - closing	88,400	66,400	12,800	26,100	7,200	6,900	9,100	11,500	6,300	10,300	6,500	28,000	14,100	14,100

NEWSCO INTERNATIONAL SERVICES ENERGY INC.

Per: BISWAJIT MISHRA
PRESIDENT & CFO

January 8, 2021
CALGARY, ALBERTA

ASSUMPTIONS AND NOTES

- Explanatory note in respect of each financial line item utilized above should be set out on a separate word document attachment.

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