Hearing Date: November 29, 2016 at 9:00 AM (CT)
Objection Deadline: November 21, 2016 at 4:00 PM (CT)

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	:	**Chapter 11**
CHC GROUP LTD. *et al.*,	:	**Case No. 16–31854 (BJH)**
Debtors.	:	**(Jointly Administered)**

DEBTORS' SECOND MOTION FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. § 1121(d) AND LOCAL RULE 3016-1 EXTENDING THE EXCLUSIVE PERIODS FOR THE FILING AND SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN

A HEARING WILL BE CONDUCTED ON THIS MATTER ON NOVEMBER 29, 2016 AT 9:00 A.M. (PREVAILING CENTRAL TIME) IN COURTROOM #2, 14TH FLOOR OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., DALLAS, TEXAS 75242-1496.

TO THE HONORABLE BARBARA J. HOUSER,
UNITED STATES BANKRUPTCY JUDGE:

CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"),[1] respectfully represent:

[1] A list of the Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, where applicable, is attached hereto as **Exhibit A**.

Preliminary Statement

1. As previously announced, on October 11, 2016, the Debtors entered into a Plan Support Agreement[2] with significant representatives of the Debtors' key creditor constituents. Entry into this agreement is an important turning point in these chapter 11 cases. It positions the Debtors to expeditiously emerge from chapter 11 having achieved the key objectives of securing an aircraft lease arrangement with Milestone that provides for improved economic terms and fleet flexibility, significantly reducing the company's balance sheet, and obtaining a substantial new capital investment to fund the Debtors' exit from chapter 11 and the reorganized company's future operations. With this agreement in place, the Debtors will soon file a plan and a disclosure statement that have the support of at least (i) holders representing or holding approximately 67.56% of the Debtors' 9.25% Senior Secured Notes due 2020 (the "**Senior Secured Notes**"), (ii) holders representing or holding approximately 73.56% of the Debtors' 9.375% Senior Notes due 2021 (the "**Unsecured Notes**"), (iii) the Official Committee of Unsecured Creditors (the "**Creditors' Committee**"), and (iv) one of the Debtors' significant lessors, The Milestone Aviation Group Limited ("**Milestone**," and together with certain of its affiliates, the "**Milestone Parties**").

2. The Debtors are committed to move quickly through the confirmation process, with the goal of emerging early next year. Given the significant progress the Debtors have made with their creditors to reach broad consensus on a viable plan of reorganization, it is reasonable and appropriate to afford the Debtors the exclusive right to proceed toward confirmation of this plan. This is only the Debtors' second extension request and, if granted, aligns with the Debtors' anticipated plan confirmation timeline. Enabling the Debtors to

[2] Capitalized terms are defined below.

maintain the protection of exclusivity will provide the Debtors with a fair opportunity to see their plan – which is both feasible and value-maximizing – succeed, to the benefit of all stakeholders.

Relief Requested

3. Section 1121(b) of title 11 of the United States Code (the "**Bankruptcy Code**") provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to file a chapter 11 plan (the "**Exclusive Filing Period**"). Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan within the initial Exclusive Filing Period, it has an exclusive period of 180 days from the commencement date to obtain acceptances of its plan (the "**Exclusive Solicitation Period**" and, together with the Exclusive Filing Period, the "**Exclusive Periods**"). Currently, the Exclusive Periods expire on December 1, 2016 and January 30, 2017, respectively.

4. By this motion (the "**Motion**"), and pursuant to section 1121(d) of the Bankruptcy Code and Rule 3016-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the "**Local Rules**"), the Debtors request a further extension of the Exclusive Filing Period through and including February 17, 2017 (which is approximately 80 days after the expiration of the Exclusive Filing Period) and of the Exclusive Solicitation Period through and including April 18, 2017 (which is 60 days after the last day of the requested extension of the Exclusive Filing Period), without prejudice to the Debtors' right to seek additional extensions of such periods.

5. A proposed form of order approving the relief requested herein is annexed hereto as **Exhibit B** (the "**Proposed Order**").

Jurisdiction and Venue

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

7. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code in this Court. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules.

9. On May 13, 2016, the United States Trustee for the Northern District of Texas (the "**U.S. Trustee**") appointed the Creditors' Committee.

The Debtors' Businesses

10. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter service company, primarily engaged in providing helicopter services to the offshore oil and gas industry. CHC also provides helicopter services for search and rescue and emergency medical services to various government agencies. In addition, CHC maintains the industry's largest independent helicopter maintenance, repair, and overhaul business, which services CHC's helicopter fleet as well as third-party customers. CHC manages its domestic and overseas businesses from Irving, Texas and its sales force from an office in Houston, Texas. CHC maintains one of its primary engine overhaul facilities in Fort Collins, Colorado. Only certain entities within CHC – primarily the issuers or guarantors of the

Debtors' funded debt – are Debtors in these chapter 11 proceedings. CHC's other entities, including certain operating entities, are not debtors in these cases and are continuing to conduct their businesses in the ordinary course.

11. Additional information about the Debtors' businesses, capital structure and the circumstances leading to the commencement of these chapter 11 cases can be found in the *Declaration of Robert A. Del Genio in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief* [Docket No. 13] (the "**First Day Declaration**"), filed on the Petition Date.

The Debtors' Plan Process

12. On July 29, 2016 the Debtors filed the *Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. § 1121(d) and Local Rule 3016-1 Extending the Exclusive Periods for the Filing and Solicitation of Acceptances of a Chapter 11 Plan* (the "**First Exclusivity Motion**") [Docket No. 697], which sought a 120 day extension of the Exclusive Periods. Upon consultation with the U.S. Trustee, the Creditors' Committee, and an ad hoc group of holders of Senior Secured Notes,[3] the Debtors voluntarily reduced their requested extension of the Exclusive Filing Period and the Exclusive Solicitation Period to 90 days (i.e. through and including December 1, 2016 and January 30, 2017, respectively), which request was granted by Order of this Court on September 1, 2016 [Docket No. 829].

13. On October 11, 2016 the Debtors filed the *Debtors' Motion for an Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6004 and 9019 Authorizing the Debtors to Enter Into and Approving Plan Support Agreement, Backstop Agreement and Milestone Term Sheet* [Docket No. 953, refiled as Docket No. 956] (the

[3] See the *Verified Statement of the Ad Hoc Noteholder Group Pursuant to Bankruptcy Rule 2019*, filed on May 24, 2016 [Docket No. 172], as well as the *First Supplemental Verified Statement of the Ad Hoc Noteholder Group Pursuant to Bankruptcy Rule 2019*, filed on September 8, 2016 [Docket No. 845].

"**Support Agreements Approval Motion**") which seeks, among other things, the Court's authorization for the Debtors to enter into and perform under (i) that certain Plan Support Agreement, dated as of October 11, 2016 (the "**Plan Support Agreement**"), among the Debtors and the Consenting Creditor Parties (as defined in the Support Agreements Approval Motion), (ii) that certain Backstop Agreement, dated as of October 11, 2016 (the "**Backstop Agreement**"), among the Debtors and the Backstop Parties (as defined in the Support Agreements Approval Motion), and (iii) a term sheet with the Milestone Parties (the "**Milestone Term Sheet**" and, together with the Plan Support Agreement, the Backstop Agreement, and all exhibits, schedules, and annexes, the "**Support Agreements**").

14. On October 27, 2016 the Debtors filed the *Debtors' Motion Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004 and 9019 for an Order Approving a Settlement Between the Debtors and the ABL Lender Parties* [Docket No. 1071] which seeks the Court's approval of a settlement agreement between certain of the Debtors obligated on the ABL Facility (as defined in the First Day Declaration) and certain of the agents and lenders party thereto (collectively, the "**ABL Lenders**"). Subject to Court approval, this settlement provides for a restructured ABL Facility and the consensual return of certain aircraft serving as collateral for this facility. In addition, it provides that the ABL Lenders will support, and vote their claims in favor of, a plan that implements the terms of their settlement.

15. Pursuant to the terms of the Plan Support Agreement, the Debtors and the Consenting Creditor Parties agreed to the terms of a chapter 11 plan of reorganization (the "**CHC Plan**"), including the treatment of claims and the settlement of certain disputes regarding claim amounts and value allocations. The CHC Plan also contemplates a $300 million rights

offering, backstopped by certain investors pursuant to the Backstop Agreement. The Plan Support Agreement also includes certain milestone dates that the Debtors are obligated to meet, including filing the CHC Plan and a related disclosure statement (the "**CHC Disclosure Statement**") by November 4, 2016, and receiving entry of a final order confirming the CHC Plan by no later than March 3, 2017. The Debtors are thus close to filing the CHC Plan and the CHC Disclosure Statement and hereby seek an extension of the Exclusive Periods in order to file, solicit, and confirm the CHC Plan without the distraction of competing plan proposals.

Basis for Relief Requested

16. Under section 1121(d) of the Bankruptcy Code, the Court may extend the Exclusive Periods for cause:

> Subject to paragraph (2),[4] on request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

11 U.S.C. § 1121(d).

17. The Bankruptcy Code neither defines the term "cause" for purposes of section 1121(d) nor establishes formal criteria for an extension. The legislative history of section 1121 indicates, however, that it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors. *See* H.R. Rep. No. 95–595, at 231–32 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5963 (noting that Congress intended to give Bankruptcy Courts great flexibility to protect a debtor's interests by allowing a debtor an unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest); s*ee also, In re Timbers of Inwood Forest Assoc., Ltd.*, 808 F.2d 363, 372 (5th Cir. 1987) ("Any bankruptcy court

[4] Paragraph (2) states that the Exclusive Periods may not be extended beyond 18 and 20 months, respectively, after the petition date. Those periods are not relevant in the context of the extension requested by this Motion.

involved in an assessment of whether 'cause' exists should be mindful of the legislative goal behind § 1121.").

18. The broad discretion conferred on the Court in these circumstances enables the Court to consider a variety of factors to assess the totality of circumstances in each case. *See In re Borders Group, Inc.*, 460 B.R. 818, 821–22 (Bankr. S.D.N.Y. 2011) ("The determination of cause under section 1121(d) is a fact-specific inquiry and the court has broad discretion in extending or terminating exclusivity."); *In re Adelphia Communications Corp.*, 352 B.R. 578, 587 (Bankr. S.D.N.Y. 2006) (identifying objective factors courts historically have considered in determining whether cause exists to extend or terminate exclusivity); *In re Friedman's, Inc.*, 336 B.R. 884, 888 (Bankr. S.D. Ga. 2005) (identifying the factors used by courts to determine whether cause exists to extend exclusivity); *In re Hoffinger Indus., Inc.*, 292 B.R. 639, 643–44 (B.A.P. 8th Cir. 2003) (same); *In re Express One Int'l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (same).

19. Those factors are not exclusive and include:

(i) the size and complexity of the debtor's case;

(ii) the necessity for sufficient time to permit the debtor to negotiate a chapter 11 plan and prepare adequate information;

(iii) the existence of good faith progress towards reorganization;

(iv) the fact that the debtor is paying its bills as they become due;

(v) whether the debtor has demonstrated reasonable prospects for filing a viable plan;

(vi) whether the debtor has made progress in negotiations with its creditors;

(vii) the amount of time which has elapsed in the case;

(viii) whether the debtor is seeking an extension of exclusivity in order to pressure creditors to submit to the debtor's reorganization demands; and

(ix) whether an unresolved contingency exists.

See, e.g., *Adelphia Communications*, 352 B.R. at 587 (noting that the nine factors listed above are "objective factors which courts historically have considered in making determinations of this character"); *see also Borders Group*, 460 B.R. at 822 (evaluating the nine factors set forth in *Adelphia Communications* to hold that debtor established cause to extend exclusivity).

20. Not all factors are relevant to every case and courts tend to use a relevant subset of the above factors in determining whether cause exists to grant an exclusivity extension in a particular chapter 11 case. *See, e.g.*, *Hoffinger Indus.*, 292 B.R. at 644 ("It is within the discretion of the bankruptcy court to decide which factors are relevant and give the appropriate weight to each."); *In re Serv. Merch. Co.*, Inc., 256 B.R. 744, 751-54 (Bankr. M.D. Tenn. 2000) (finding cause to extend where the debtors established six of the aforementioned factors); *Express One Int'l.*, 194 B.R. at 100 (identifying four of the factors as relevant in determining whether "cause" exists to extend exclusivity); *see also In re Dow Corning Corp.*, 208 B.R. 661, 670 (Bankr. E.D. Mich. 1997) ("When the Court is determining whether to terminate a debtor's exclusivity, the primary consideration should be whether or not doing so would facilitate moving the case forward. And that is a practical call that can override a mere toting up of the factors.").

21. As set forth below, an extension of the Exclusive Periods in these chapter 11 cases as requested is appropriate, in the best interest of the Debtors' stakeholders, and consistent with the intent and purpose of chapter 11 of the Bankruptcy Code.

22. The requested extension of the Exclusive Periods will enable the Debtors to propose and pursue the CHC Plan, which is supported by the Debtors' major creditor constituents. The Exclusive Periods established by Congress were incorporated in the

Bankruptcy Code to afford a full and fair opportunity for a debtor to propose a chapter 11 plan and solicit acceptances of such plan without the deterioration and disruption of a debtor's business that might be caused by the filing of multiple competing plans. Indeed, the primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a chapter 11 plan, ideally one, like the CHC Plan, that will have the input and support of the debtors' key stakeholders. Granting the Debtors' requested extension will allow the Debtors to achieve this objective and effectuate a restructuring that will benefit all stakeholders. Application of the above factors to the facts of these chapter 11 cases demonstrates that ample cause exists to grant the reasonable extension of the Exclusive Periods set forth herein.

A. The Debtors Have Made Significant Progress With Creditors Towards A Viable Reorganization Plan

23. Having stabilized their businesses, reaffirmed relationships with customers and vendors, rejected numerous aircraft leases, and developed a go forward business plan, the Debtors are now moving into the next important phase of these chapter 11 cases: the plan confirmation process. The Debtors have worked hard and in good faith with their creditors toward this end, culminating in the execution and filing of the Support Agreements. These agreements include not only the framework for a largely consensual, viable chapter 11 plan, coupled with a substantial capital investment, but also a significant lease deal that provides the Debtors with the cost savings and fleet flexibility necessary to successfully restructure. The Debtors are now prepared to move forward to obtain Court approval of these agreements and to file and prosecute the related CHC Plan and CHC Disclosure Statement. On a parallel basis, ongoing negotiations are proceeding with many of the Debtors' other creditors, in certain circumstances (such as with the ABL Lenders) resulting in further consensus. It is important that the Debtors maintain this momentum and that this progress not be interrupted and inhibited by

parties filing competing plan proposals. On these bases alone, the requested exclusivity extensions are warranted. *See Adelphia Communications*, 352 B.R. at 588 (viewing the good faith factor "as one of the more important factors" in the analysis).

B. The Debtors' Cases Are Large and Uniquely Complex

24. The scale and complexity of CHC's businesses and corporate structure have complicated the Debtors' reorganization efforts and further substantiate the need for an extension of the Exclusive Periods. *See In re Texaco Inc.*, 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987) ("The large size of a debtor and the consequent difficulty in formulating a plan of reorganization for a huge debtor with a complex financial structure are important factors which generally constitute cause for extending the exclusivity periods."). Nevertheless, as noted above (and as described in more detail in the Support Agreements Approval Motion), the Debtors have been able to work through the multitude of complex issues they face in this restructuring and build consensus with many of their key stakeholders. This has resulted in resolution of (i) the amount, value, and treatment of claims against the Debtors; (ii) the validity, extent and priority of the liens securing the Senior Secured Notes; (iii) the value of the Debtors' unencumbered assets; (iv) the resolution of any potential adequate protection or diminution in value claim by holders of Senior Secured Notes; (v) the resolution of any potential claim to surcharge collateral under section 506(c) of the Bankruptcy Code; (vi) the Plan Equity Value (as defined in the Plan Support Agreement) and the total enterprise value of the Debtors; (vii) the size of Milestone's allowed general unsecured claim, as well as other key economic and operational concessions; and (viii) a restructuring of the ABL Facility, including certain agreed collateral abandonments. There is still more work to be done, but things are moving in the right direction. Allowing the Exclusive Filing Period to end on December 1, 2016 could undermine the significant progress achieved in these complex cases.

C. The Debtors Are Making Administrative Expense Payments and Have the Ability to Continue to Do So

25. Courts considering an extension of exclusivity also assess a debtor's liquidity. *See In re Texaco Inc.*, 76 B.R. 322 (Bankr. S.D.N.Y. 1987). Here, the Debtors have commenced these chapter 11 cases to effect a restructuring that they are funding using their existing cash. The Debtors have paid all ongoing, ordinary course expenses and remain focused on assuring that all future administrative expenses are paid on time, to ensure a successful emergence as a reorganized and profitable enterprise. The Debtors continue to closely monitor their liquidity, and are confident that sufficient funding will be available during the requested extension of the Exclusivity Periods. *See Seventh Interim Order (I) Authorizing the Debtors to Utilize Cash Collateral; (II) Granting Adequate Protection to the Prepetition Secured Parties pursuant to Section 105, 361, 362, 363, and 507 of the Bankruptcy Code; and (III) Scheduling Final Hearing pursuant to Bankruptcy Rule 4001(b)* and **Exhibit A** (Forecast) thereto, entered October 20, 2016 [Docket No. 1045].

D. The Requested Extension Is In the Best Interest of the Debtors' Estates

26. The Debtors have filed, with the support of a significant portion of their creditors, the Support Agreements Approval Motion, in furtherance of the Debtors' forthcoming CHC Plan. The Debtors also have the commitment of the ABL Lenders to support a plan that implements the terms of their deal if it is approved. The Debtors require the requested extension of the Exclusive Periods in order to propose and solicit votes on the CHC Plan, in furtherance of these agreements. In view of these circumstances, the termination of the Exclusive Periods at this stage of the chapter 11 cases likely would impair the Debtors' ability to efficiently and effectively move forward with this process, to the detriment of the Debtors and their creditors, employees and other stakeholders. The Debtors commenced these chapter 11 cases with a goal

to reorganize their operations and their balance sheet, and have been successful in developing the framework for a comprehensive and largely consensual plan of reorganization. They are now requesting the extension of the Exclusive Periods to allow themselves sufficient time to effect that reorganization.

27. Based on the foregoing, there are ample facts to support a finding of "cause" to extend the Exclusive Periods. The Debtors are proceeding with their chapter 11 cases in an orderly and expeditious fashion. Given the reasonable extensions requested under the circumstances, the intent and purpose of section 1121 of the Bankruptcy Code will be squarely met if the Court grants the relief requested herein.

Additional Information Required by Local Rule 3016-1

28. As discussed above, the Debtors have been diligently working with various stakeholders, including, without limitation, holders of Senior Secured Notes, holders of Unsecured Notes, the Creditors' Committee, the Milestone Parties, and other secured creditors and lessors to keep stakeholders updated on the Debtors' progress in these chapter 11 cases and the steps that the Debtors are taking to emerge as reorganized entities. The Debtors continue to work diligently toward streamlining their businesses and proposing the CHC Plan, and will use their best efforts to propose and solicit acceptances of the CHC Plan before the expiration of the Exclusive Periods.

Notice

29. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion shall be given to: (i) the Office of the United States Trustee for the Northern District of Texas; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.) and Gardere Sewell Wynne LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas

75201, (Attn: Marcus Helt, Esq.), counsel to the Official Committee of Unsecured Creditors; (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020; (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to HSBC Bank Plc as Administrative Agent under the Revolving Credit Agreement; (v) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement; (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020; (vii) Law Debenture Trust Company of New York, 400 Madison Avenue, Suite 4D, New York, NY 10017, in its capacity as indenture trustee under the 9.375% Senior Notes due 2021; (viii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: Glenn E. Siegel, Esq. and Rachel Jaffe Mauceri, Esq.), counsel to the indenture trustee under the 9.250% Senior Secured Notes due 2020; (ix) Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019 (Attn: Christy L. Rivera, Esq. and Marian Baldwin Fuerst, Esq.), counsel to the indenture trustee under the 9.375% Senior Notes due 2021; (x) the Board of Equalization, P.O. Box 942879, Sacramento, CA 94279; (xi) the Securities and Exchange Commission; (xii) the Office of the United States Attorney, 1100 Commerce Street, 3rd Floor, Dallas, TX 75242; (xiii) the Internal Revenue Service; (xiv) Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Michael G. Burke Esq.), counsel to Milestone and its affiliates; and (xv) all parties who have

requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice of this Motion is required.

Conclusion

30. The Debtors' chapter 11 cases are pivoting toward a successful conclusion, and the Debtors are diligently pursuing all efforts to achieve this. The requested extensions of the Exclusive Periods will allow this process to continue in a rational manner, preserve enterprise value, and provide the Debtors with a fair and reasonable opportunity to propose, file, and solicit acceptances of a chapter 11 plan.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: October 28, 2016
Dallas, Texas

/s/ *Stephen A. Youngman*
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Attorneys for Debtors and Debtors in Possession

EXHIBIT A

Debtors

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Group Ltd.	7405
6922767 Holding SARL	8004
Capital Aviation Services B.V.	2415
CHC Cayman ABL Borrower Ltd.	5051
CHC Cayman ABL Holdings Ltd.	4835
CHC Cayman Investments I Ltd.	8558
CHC Den Helder B.V.	2455
CHC Global Operations (2008) ULC	7214
CHC Global Operations Canada (2008) ULC	6979
CHC Global Operations International ULC	8751
CHC Helicopter (1) S.à r.l.	8914
CHC Helicopter (2) S.à r.l.	9088
CHC Helicopter (3) S.à r.l.	9297
CHC Helicopter (4) S.à r.l.	9655
CHC Helicopter (5) S.à r.l.	9897
CHC Helicopter Australia Pty Ltd	2402
CHC Helicopter Holding S.à r.l.	0907
CHC Helicopter S.A.	6821
CHC Helicopters (Barbados) Limited	7985
CHC Helicopters (Barbados) SRL	N/A
CHC Holding (UK) Limited	2198
CHC Holding NL B.V.	6801

Debtor	Last Four Digits of Federal Tax I.D. No.
CHC Hoofddorp B.V.	2413
CHC Leasing (Ireland) Limited	8230
CHC Netherlands B.V.	2409
CHC Norway Acquisition Co AS	6777
Heli-One (Netherlands) B.V.	2414
Heli-One (Norway) AS	2437
Heli-One (U.S.) Inc.	9617
Heli-One (UK) Limited	2451
Heli-One Canada ULC	8735
Heli-One Holdings (UK) Limited	6780
Heli-One Leasing (Norway) AS	2441
Heli-One Leasing ULC	N/A
Heli-One USA Inc.	3691
Heliworld Leasing Limited	2464
Integra Leasing AS	2439
Lloyd Bass Strait Helicopters Pty. Ltd.	2398
Lloyd Helicopter Services Limited	6781
Lloyd Helicopter Services Pty. Ltd.	2394
Lloyd Helicopters International Pty. Ltd.	2400
Lloyd Helicopters Pty. Ltd.	2393
Management Aviation Limited	2135

EXHIBIT B

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

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In re:	:	**Chapter 11**
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CHC GROUP LTD. *et al.*,	:	**Case No. 16–31854 (BJH)**
	:	
	:	
Debtors.	:	**(Jointly Administered)**
	:	
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ORDER PURSUANT TO 11 U.S.C. § 1121(d)
EXTENDING EXCLUSIVE PERIODS FOR THE FILING AND
SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN

Upon the Motion, dated October 28, 2016 (the "**Motion**"),[1] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for an order pursuant to section 1121(d) of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rule 3016-1 of the Local Bankruptcy Rules of the United States

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Bankruptcy Court for the Northern District of Texas for entry of an order extending the Debtors' exclusive periods in which to file a chapter 11 plan (the "**Exclusive Filing Period**") and solicit acceptances thereof (the "**Exclusive Solicitation Period**" and**,** together with the Exclusive Filing Period, the "**Exclusive Periods**"), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee for the Northern District of Texas (the "**U.S. Trustee**"), (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, Esq.) and Gardere Sewell Wynne LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201, (Attn: Marcus Helt, Esq.), counsel to the Official Committee of Unsecured Creditors, (iii) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, Bank of America Tower, New York, NY 10036 (Attn: Michael S. Stamer, Esq.), counsel to an informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020, (iv) Norton Rose Fulbright, 2200 Ross Avenue, Suite 3600, Dallas, TX 75201 (Attn: Louis R. Strubeck, Jr., Esq. and Richard P. Borden, Esq.), counsel to HSBC Bank Plc as Administrative Agent under the Revolving Credit Agreement, (v) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166 (Attn: Leslie A. Plaskon, Esq. and Andrew V. Tenzer, Esq.), counsel to the administrative agent under the ABL Credit Agreement, (vi) The Bank of New York Mellon, 101 Barclay Street, Floor 4 East, New York, NY 10286 (Attn: International Corporate Trust), in its capacity as indenture trustee under the 9.250% Senior Secured Notes due 2020, (vii) Law Debenture Trust Company of New York, 400

Madison Avenue, Suite 4D, New York, NY 10017, in its capacity as indenture trustee under the 9.375% Senior Notes due 2021, (viii) Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: Glenn E. Siegel, Esq. and Rachel Jaffe Mauceri, Esq.), counsel to the indenture trustee under the 9.250% Senior Secured Notes due 2020, (ix) Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019 (Attn: Christy L. Rivera, Esq. and Marian Baldwin Fuerst, Esq.), counsel to the indenture trustee under the 9.375% Senior Notes due 2021, (x) the Board of Equalization, P.O. Box 942879, Sacramento, CA 94279, (xi) the Securities and Exchange Commission, (xii) the Office of the United States Attorney, 1100 Commerce Street, 3rd Floor, Dallas, TX 75242, (xiii) the Internal Revenue Service, (xiv) Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Michael G. Burke Esq.), counsel to Milestone and its affiliates, and (xv) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and it appearing that no other or further notice is required; and a hearing having been held to consider the relief requested in the Motion (the "**Hearing**"); and upon the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein.

2. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors' Exclusive Filing Period in which to file a chapter 11 plan is extended to and including February 17, 2017.

3. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors' Exclusive Solicitation Period in which to solicit acceptances of its chapter 11 plan is extended to and including April 18, 2017.

4. The extensions of the Exclusive Periods granted herein are without prejudice to such further requests that may be made pursuant to section 1121(d) of the Bankruptcy Code by the Debtors or any party in interest, for cause shown, upon notice and a hearing.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

###END OF ORDER###

Respectfully Submitted,

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-and-

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Attorneys for Debtors and Debtors in Possession