VANCOUVER
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SUPREME COURT SCHEDULING

Date Filed: 11/5/2016

This is the 2nd affidavit of
P. King in this case and was
made on November 5, 2016

No. S-169079
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C36, AS AMENDED

AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS WITH RESPECT TO THE COMPANIES LISTED ON SCHEDULE "A" HERETO

APPLICATION OF CHC GROUP LTD
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AFFIDAVIT

I, Paul King, businessman, of 4740 Agar Drive, Richmond, British Columbia, SWEAR THAT:

1. I am the Senior Vice President and Chief Information Officer of CHC Helicopter and as such I have personal knowledge of the matters deposed to in this Affidavit except where I depose to a matter based on information from an informant I identify, in which case, I believe that both the information from the informant and the resulting statement are true.

2. This Affidavit provides an update with respect to the status of the lease for the Company's Boundary Bay facility located in Delta, British Columbia as previously discussed in my Affidavit #1 sworn in this proceeding on September 29, 2016.

3. Capitalized terms not otherwise defined in this Affidavit have the meaning ascribed to them in my Affidavit #1.

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Developments with the Boundary Bay Lease

4. Since I swore my Affidavit #1, representatives of the Company have corresponded with and attended an in-person meeting with representatives of the Landlord to discuss the potential for a negotiated restructuring of the terms of the Boundary Bay Lease. The meeting in question was held "without prejudice" and I will therefore not discuss any contents of that discussion here other than to say that it was not successful.

5. Absent a restructuring of the Boundary Bay Lease on the timeline contemplated in my Affidavit #1, the Company has had no viable alternative but to locate new premises for Heli-One Canada ULC's operations and to commence vacating its Boundary Bay facility in order to allow for an orderly transition to new premises. The Company has now entered into a lease for new smaller premises at a base rent of substantially less than CAN $1 million per year. The process for vacating the Boundary Bay facility has begun. The Company will continue to pay the rent due under the Boundary Bay Lease until it has fully vacated the Boundary Bay facility, which it anticipates will take until the end of the year.

6. The premises the Company is replacing the Boundary Bay facility with, also located in Delta, are more suitable for Heli-One's present operations and provide for more financially sustainable rent given the Company's present circumstances. Specifically, the new premises will (i) provide for a more flexible five year term (compared to the 19 year term remaining under the Boundary Bay Lease); (ii) comprise approximately 72,000 square feet of space (compared to the approximately 240,000 square feet comprising the Boundary Bay facility); and (iii) require an average base rent of approximately CAN $3 million less per year than the current base rent payable under the Boundary Bay Lease.

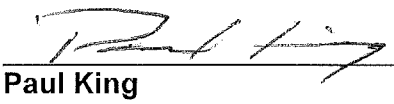
7. I have been personally involved in canvasing the market for alternative premises for Heli-One Canada ULC's operations in British Columbia since the summer of 2016, when the Company first approached the Landlord about the possibility of renegotiating the terms of the Boundary Bay Lease and approaches did not result in any discussions.

8. The Boundary Bay facility is approximately 240,000 square feet in size. The Company, as indicated in my Affidavit #1, requires less space for its current operations. Accordingly, our market review focused on premises that ranged between 40,000 and 80,000 square feet in area. Over the course of our market review it became clear that there was a

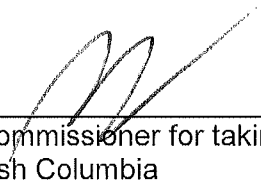
limited amount of industrial leasing opportunities in Delta and Richmond. The premises that the Company identified as falling within its search criteria were generally asking for rent in a range from $10 per square foot to $19 per square foot.

9. One additional consideration the Company had was whether or not it was feasible to sublet a significant portion of the Boundary Bay facility. That proved not to be tenable for a variety of reasons. However, I formed the view that the market price for the premises subject to the Boundary Bay Lease would be in the range of $10 - $14 per square foot if we had decided to try to sublet.

SWORN BEFORE ME at the City of Vancouver in the Province of British Columbia on November 5, 2016)



Paul King



A Commissioner for taking affidavits for British Columbia)

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SCHEDULE "A"

LIST OF COMPANIES

CHC Group Ltd.

6922767 Holding SARL

Capital Aviation Services B.V.

CHC Cayman ABL Borrower Ltd.

CHC Cayman ABL Holdings Ltd.

CHC Cayman Investments I Ltd.

CHC Den Helder B.V.

CHC Global Operations (2008) ULC

CHC Global Operations Canada (2008) ULC

CHC Global Operations International ULC

CHC Helicopter (1) S.á.r.l.

CHC Helicopter (2) S.á.r.l.

CHC Helicopter (3) S.á.r.l.

CHC Helicopter (4) S.á.r.l.

CHC Helicopter (5) S.á.r.l.

CHC Helicopter Australia Pty Ltd

CHC Helicopter Holding S.á.r.l.

CHC Helicopter S.A.

CHC Helicopters (Barbados) Limited

CHC Helicopters (Barbados) SRL

CHC Holding (UK) Limited

CHC Holding NL B.V.

CHC Hoofddorp B.V.

CHC Leasing (Ireland) Limited

CHC Netherlands B.V.

CHC Norway Acquisition Co AS

Heli-One (Netherlands) B.V.

Heli-One (Norway) AS

Heli-One (U.S.) Inc.

Heli-One (UK) Limited

Heli-One Canada ULC

Heli-One Holdings (UK) Limited

Heli-One Leasing (Norway) AS

Heli-One Leasing ULC

Heli-One USA Inc.

Heliworld Leasing Limited

Integra Leasing AS

Lloyd Bass Strait Helicopters Pty. Ltd.

Lloyd Helicopter Services Limited

Lloyd Helicopter Services Pty. Ltd.

Lloyd Helicopters International Pty. Ltd.

Lloyd Helicopters Pty. Ltd.

Management Aviation Limited