

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

NOTICE OF APPLICATION

Name of Applicant: CHC Group Ltd.

TAKE NOTICE that an application will be made by CHC Group Ltd. ("**CHC Group**" or the "**Applicant**") to the presiding judge at the courthouse at 800 Smithe Street, Vancouver, British Columbia on January 13, 2017 at 10 a.m. for the order set out in Part 1 below.

Capitalized terms not otherwise defined in this Notice of Application have the meanings ascribed to them in Affidavit #3 of Robert Del Genio sworn December 22, 2016.

Part 1: ORDER SOUGHT

1. The Applicant, in its capacity as the foreign representative of the Debtors (as defined below), seeks an Order substantially in the form attached as **Schedule "B"**:

   (a) granting recognition, and giving full force and effect in all provinces and territories of Canada, to certain orders entered by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "**U.S. Bankruptcy Court**") in the context of the Debtors' Chapter 11 Proceedings (as defined below); and

   (b) granting such further and other relief as counsel may advise and this Honourable Court deems to be just and appropriate.

Part 2: FACTUAL BASIS

1. On October 13, 2016, upon the application of CHC Group, in its capacity as foreign representative of CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008)



ULC, CHC Global Operations International ULC, Heli-One Canada ULC, Heli-One Leasing ULC (collectively, the "**Canadian Debtors**") and the affiliated companies listed on Schedule "A" hereto (together with the Canadian Debtors, the "**Debtors**" and, together with their non-Debtor affiliates, "**CHC**" or the "**Company**"), this Court granted an Initial Recognition Order (Foreign Main Proceeding) and a Supplemental Recognition Order (Foreign Main Proceeding) (together, the "**Recognition Orders**").

2. The Recognition Orders, among other things: (i) recognized the Debtors' voluntary reorganization proceedings (the "**Chapter 11 Proceedings**") in the U.S. Bankruptcy Court as a "foreign main proceeding"; (ii) recognized CHC Group as the "foreign representative" of the Debtors; (iii) stayed all proceedings against the Canadian Debtors and their directors; and (iv) recognized certain orders granted by the U.S. Bankruptcy Court in the Chapter 11 Proceedings.

3. In furtherance of their ongoing restructuring efforts, the Debtors have applied to the U.S. Bankruptcy Court from time to time for orders intended to preserve and maximize the potential value of their assets, and to this Court for orders giving the U.S. Bankruptcy Court's orders full force and effect in in all provinces and territories of Canada.

4. Since CHC Group's last application to this Court on December 9, 2016, the Debtors have either applied for or obtained the following orders from the U.S. Bankruptcy Court which they are seeking, or anticipate seeking, to have recognized by this Court:

(a) **Order Granting Debtors' Fourth Omnibus Motion to Reject Certain Equipment Leases and Subleases** – in which the U.S. Bankruptcy Court authorized the Debtors to reject leases and subleases for certain "Excess Equipment" and "Subleased Equipment" (as defined in the order);

(b) **Order Authorizing Assumption of Certain Nonresidential Real Property Leases** – in which the U.S. Bankruptcy Court authorized the Debtors to assume certain unexpired nonresidential real property leases;

(c) **Order Approving a Settlement Between the Debtors and the ABL Lender Parties** – in which the U.S. Bankruptcy Court approved a settlement memorialized in a "Settlement Term Sheet" between the "Debtor-Borrower" and certain of its affiliates, and the "ABL Lender Parties" (as defined in the order);

(d) **Final Cash Management Order** – in which the U.S. Bankruptcy Court is expected to update and finalize the relief granted in the Tenth Interim Cash Management Order to allow the Debtors to continue to utilize their Cash Management System and permit ongoing intercompany advances that are crucial to the operations of the Debtors;

(e) **Final Cash Collateral Order** – in which the U.S. Bankruptcy Court is expected to update and finalize the relief granted in the Tenth Interim Cash Collateral Order in order to allow the Debtors to continue to (i) use cash collateral and (ii) granted protections to certain Prepetition Secured Parties (as defined in the order) on the terms and conditions set forth in the Interim Cash Collateral Order;

(f) **Order Authorizing the Debtors to Enter into and Approving Plan Support Agreement, Backstop Agreement and Milestone Term Sheet** - in which the

U.S. Bankruptcy Court authorized the Debtors to enter into and perform under an omnibus restructuring deal, including a Plan Support Agreement, Backstop Agreement, and related term sheets; and

(g) **Order (I) Approving Proposed Disclosure Statement and Form and Manner of Notice of Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Establishing Rights Offering Procedures, (IV) Scheduling Confirmation Hearing And (V) Establishing Notice and Objection Procedure for Confirmation of the Proposed Plan** - in which the U.S. Bankruptcy Court (i) approved the Disclosure Statement (as defined in the Order) as containing adequate information regarding the Debtors' Joint Chapter 11 Plan to enable the Debtors' impaired creditors to make an informed decision on how to vote on the plan, (ii) approved the proposed solicitation procedures for the plan, (iii) approved the proposed Rights Offering Procedures (as defined in the order), (iv) scheduled certain relevant deadlines related to solicitation and confirmation of the plan.

(collectively, the "**U.S. Bankruptcy Court Orders**")

Part 3: LEGAL BASIS

1. This Court may, if it is satisfied that it is necessary for the protection of a debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate.

***CCAA*, §§49(1) and 50.**

2. Recognizing the U.S. Bankruptcy Court Orders will, among other things:

(a) enable the Company to continue to operate in the ordinary course during the Chapter 11 Proceedings by allowing the Canadian Debtors to utilize the Company's Cash Management System, including by maintaining existing accounts with Canadian banks, without disruption;

(b) provide the Canadian Debtors with the ability to reduce interim and long-term leasing costs in connection with the continued operation of the helicopters in the Company's fleet;

(c) facilitate the Company's ongoing reconfiguration of its helicopter fleet to improve operational efficiency;

(d) facilitate the Company's ongoing rationalization of its operational costs by eliminating or restructuring unnecessary or unduly burdensome financial obligations;

(e) enable the Company to continue operating its business on a post-petition basis in accordance with its restructuring business plan;

(f) establish the framework for a holistic financial and fleet restructuring of the Company's business through a Joint Chapter 11 Plan that has the support of the

Official Committee of Unsecured Creditors, as well as key creditors throughout the Debtors' capital structure, including from holders representing or holding over 67% of the Secured Notes, holders representing or holding over 73% of the Unsecured Notes, and Milestone (the Debtors' largest lessor); and

(g) establish the proper processes and the disclosure of adequate information to allow the Debtors' impaired creditors to make an informed judgment on whether to vote to accept or reject the Company's Joint Chapter 11 Plan.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Robert Del Genio, sworn September 29, 2016;

2. Affidavit #2 of Robert Del Genio, sworn November 7, 2016;

3. Affidavit #3 of Robert Del Genio, sworn December 22, 2016;

4. Affidavit #4 of Hoa Ung, sworn December 22, 2016; and

5. Affidavit #5 of Hoa Ung, to be filed.

6. Such further and other materials as counsel may advise and this Honourable Court may permit.

The Applicant estimates that the application will take 2 hours.

This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

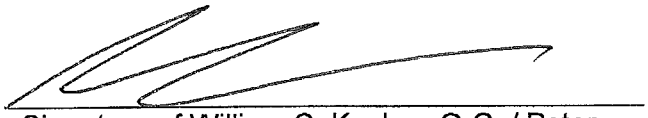
(a) file an application response in Form 33,
(b) file the original of every affidavit, and of every other document, that

    (i) you intend to refer to at the hearing of this application, and
    (ii) has not already been filed in the proceeding, and

(c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:

    (i) a copy of the filed application response;
    (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
    (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: January 5, 2017



Signature of William C. Kaplan, Q.C. / Peter Bychawski
Lawyers for the Applicant, CHC Group Ltd.

To be completed by the court only:

Order made

[ ] in the terms requested in paragraphs ..... of Part 1 of this notice of application

[ ] with the following variations and additional terms:

_____

_____

_____

Date:_____

_____
Signature of [ ] Judge [ ] Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

[ ] discovery: comply with demand for documents
[ ] discovery: production of additional documents
[ ] extend oral discovery
[ ] other matter concerning oral discovery
[ ] amend pleadings
[ ] add/change parties
[ ] summary judgment
[ ] summary trial
[ ] service
[ ] mediation
[ ] adjournments
[ ] proceedings at trial
[ ] case plan orders: amend
[ ] case plan orders: other
[ ] experts

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

SCHEDULE "B"

No. S-169079
Vancouver Registry

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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

ORDER MADE AFTER APPLICATION

(RECOGNITION OF U.S. BANKRUPTCY COURT ORDERS)

BEFORE THE HONOURABLE	)	_____, THE ____ DAY
JUSTICE MASUHARA	)	OF JANUARY, 2017.
	)	

UPON THE APPLICATION of CHC Group Ltd., in its capacity as the foreign representative (the "**Foreign Representative**") of CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Global Operations (2008) ULC, Heli-One Leasing ULC, and Heli-One Canada ULC (together, the "**Canadian Debtors**") and the other companies listed on **Schedule "A"** hereto (together with the Canadian Debtors, the "**Debtors**"), pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), coming on for hearing at Vancouver, British Columbia, on the 13th day of January, 2017, and on hearing _____, counsel for the Foreign Representative, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including Affidavits #1 - #3 of the Debtors' Chief Restructuring Officer, Robert A. Del Genio, and Affidavits #4 and #5 of Hoa Ung, each filed; AND UPON HEARING the submissions of counsel for the Foreign Representative, and counsel for those other parties listed on **Schedule "B"**;

THIS COURT ORDERS AND DECLARES that:

INITIAL RECOGNITION ORDER

1. Any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Order (Foreign Main Proceeding) dated October 13, 2016 (the "**Initial Recognition Order**") and the Supplemental Order (Foreign Main Proceeding) ("**Supplemental Recognition Order**") dated October 13, 2016.

2. The provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order and the Supplemental Recognition Order, provided that in the event of a conflict between the provisions of this Order and the provisions of the Initial Recognition Order, the Initial Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

3. The following orders of the U.S. Bankruptcy Court, made in the Foreign Proceeding, are hereby recognized and given full force and effect in all provinces and territories of Canada, provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property in Canada:

   (a) **Order Granting Debtors' Fourth Omnibus Motion to Reject Certain Equipment Leases and Subleases**, attached as **Schedule "C"**;

   (b) **Order Authorizing Assumption of Certain Nonresidential Real Property Leases**, attached as **Schedule "D"**;

   (c) **Order Approving a Settlement Between the Debtors and the ABL Lender Parties**, attached as **Schedule "E"**;

   (d) **Final Cash Management Order**, attached as **Schedule "F"**;

   (e) **Final Cash Collateral Order**, attached as **Schedule "G"**;

   (f) **Order Authorizing the Debtors to Enter into and Approving Plan Support Agreement, Backstop Agreement and Milestone Term Sheet**, attached as **Schedule "H"**; and

(g) **Order (I) Approving Proposed Disclosure Statement and Form and Manner of Notice of Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Establishing Rights Offering Procedures, (IV) Scheduling Confirmation Hearing And (V) Establishing Notice and Objection Procedure for Confirmation of the Proposed Plan**, attached as **Schedule "I"**.

GENERAL

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Debtors and the Foreign Representative, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and the Foreign Representative, as may be necessary or desirable to give effect to this Order, or to assist the Debtors and the Foreign Representative, and their respective agents, in carrying out the terms of this Order.

5. Each of the Debtors and the Foreign Representative be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

6. Any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

7. Approval of this Order as to form by counsel appearing on this application, other than counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Peter Bychawski
Lawyers for the petitioner, CHC Group Ltd.

BY THE COURT

REGISTRAR