

This is the 4th affidavit of
Robert A. Del Genio in this case
and was made on January 27, 2017

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, Robert A. Del Genio, restructuring advisor, of 20 - 650 Fifth Avenue, New York, New York, SWEAR THAT:

1. I am the Chief Restructuring Officer ("**CRO**") of the petitioner, CHC Group Ltd. ("**CHC Group**" or the "**Petitioner**"), and each of the debtors listed on **Schedule "A"** to my Affidavit (collectively, the "**Debtors**" and, together with their non-Debtor affiliates, "**CHC**" or the "**Company**"), 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 Debtors' Chapter 11 Proceedings and the status of the Company's restructuring efforts in accordance with this Court's Supplemental Recognition Order (Foreign Main Proceeding) made on October 13, 2016.

3. In preparing this report, CDG has relied solely on information and documents provided by the Debtors and their counsel. CDG has not audited, reviewed or otherwise



attempted to independently verify the accuracy of completeness of this information. Accordingly, CDG expresses no opinion or other form of assurance on the information contained herein.

4. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

5. Capitalized terms not otherwise defined in this Affidavit have the meaning ascribed to them in my Affidavits #1, #2 and #3 sworn in this proceeding on September 29, 2016, November 7, 2016, and December 22, 2016, respectively.

Solicitation of the Plan

6. As noted in my Affidavit #3, upon the U.S. Bankruptcy Court's entry of an order approving the Disclosure Statement Motion, on or about December 28, 2016, the Debtors commenced solicitation of votes with respect to the Plan and launched the fully backstopped $300 million rights offering for new, second lien convertible notes. The deadline for creditors to vote on the Plan and subscribe to the rights offering is February 2, 2017, and any objections to the Plan from creditors have to be received by that date. A hearing on the Plan has been scheduled before the U.S. Bankruptcy Court for February 13-15, 2017.

7. If the U.S. Bankruptcy Court enters an order confirming the Plan, CHC Group intends to apply to this Court for an order recognizing and giving full force and effect in Canada to the U.S. Bankruptcy Court's order.

Commencement of an Ancillary Proceeding in the Cayman Islands

8. On December 6, 2016, the Debtors filed a motion requesting entry of an order authorizing a Debtors affiliate to commence an ancillary proceeding in the Cayman Islands with respect to CHC Group Ltd., which is a Cayman Islands exempted company (the "**Cayman Islands Motion**"). On January 5, 2017, the U.S. Bankruptcy Court entered an order authorizing the commencement of the ancillary proceeding in the Cayman Islands, and on January 9, 2017, the Debtors commenced the ancillary proceeding in the Cayman Islands with respect to CHC Group Ltd. On January 10, 2017, the Grand Court of the Cayman Islands Financial Services Division signed an order appointing joint provisional liquidators of CHC Group Ltd.

9. The Debtors' proposed plan of reorganization contemplates the transfer of assets from CHC Group Ltd. to a newly formed Cayman entity and the assumption of claims by CHC Group Ltd. from CHC Helicopter S.A. The initiation of a proceeding in the Cayman Islands with respect to CHC Group Ltd. is part of the Debtors' overall restructuring plan. The purpose of these ancillary proceedings is to request that the Cayman Court recognize any approved plan in the chapter 11 proceeding and help effectuate its provisions in the Cayman Islands. The next step in that proceeding will be to request that the Court enter an order validating the various transactions to occur in order to implement the chapter 11 Plan. A hearing for a validation order has been scheduled for February 8, 2017. Copies of the Cayman Islands Motion and the order granting the Cayman Islands Motion are attached as **Exhibits "A"** and **"B"** respectively, to Affidavit #6 of Hoa Ung.

Boundary Bay

10. As noted in my Affidavit #3, on November 30, 2016, the Company filed a Motion for Entry of an Order Authorizing the Debtors to Reject a Certain Unexpired Lease Pursuant to Section 365 of the Bankruptcy Code (the "**Boundary Bay Motion**"). The U.S. Bankruptcy Court granted the Boundary Bay Motion on January 25, 2017 (the "**Boundary Bay Order**"), and the Company rejected the Lease on the date thereof.

11. The Boundary Bay Order reserved the rights of the Company and the Landlord to dispute the nature and extent of their respective interests in certain property, fixtures, chattels, and other items associated with the Boundary Bay Facility (the "**Property Ownership Dispute**"). The Boundary Bay Order further provided that, to the extent not otherwise consensually resolved as between the Debtors and the Landlord, the Debtors and the Landlord (i) agree to bring the Property Ownership Dispute in this Court, (ii) consent to this Court making a final ruling on the Property Ownership Dispute, and (iii) agree not to challenge or otherwise contest this Court's ruling in the U.S. Bankruptcy Court or any other Court, except for any rights of appeal or review by a higher court in Canada as may be applicable.

Recognition of Additional Orders Entered by the U.S. Bankruptcy Court

12. In furtherance of their ongoing restructuring efforts the Debtors have applied to the U.S. Bankruptcy Court from time to time for orders required to preserve and maximize potential value of their assets for the benefit of creditors and other stakeholders. Since this

Court granted the Supplemental Recognition Order on January 13, 2017, the Debtors have obtained the following orders from the U.S. Bankruptcy Court which they are seeking to have recognized by this Court:

(a) **Boundary Bay Order** – in which the U.S. Bankruptcy Court authorized the Debtors rejection of the Lease for the Boundary Bay Facility. A copy of the Boundary Bay Order is attached as **Exhibit "C"**, to Affidavit #6 of Hoa Ung;

(b) **Order Granting Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code (the "Lease Rejection Order")** – 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 Lease Rejection Order). The relief sought by the Debtors in the Lease Rejection Order is part of the Debtors' ongoing focus on reconfiguring their helicopter fleet to improve operational efficiency. Copies of the Debtors' motion for the Lease Rejection Order and the Lease Rejection Order are attached as **Exhibits "D"** and **"E"** respectively, to Affidavit #6 of Hoa Ung.

The Company's Current Cash Flow Statement

13. A copy of the Debtors' Notice of Filing of Revised Forecast dated December 16, 2016, enclosing the Debtors' cash flow projections through March 31, 2017, is attached as **Exhibit "F"** to Affidavit #6 of Hoa Ung.

SWORN BEFORE ME at the City of New York, in the State of New York, United States of America on January 27, 2017

Notary Public, State of New York, United States of America

Robert A. Del Genio

Robert A. Del Genio

SHARON H. WON
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01WO6352185
Qualified in New York County
Commission Expires Dec. 19, 2020

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