


This is the 6th affidavit of
H. Ung 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, Hoa Ung, of Suite 2600, 595 Burrard Street, Three Bentall Centre, Vancouver, B.C., V7X 1L3, Legal Administrative Assistant, SWEAR THAT:

1. I am a legal administrative assistant at Blake, Cassels & Graydon LLP, counsel for CHC Group Ltd., 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. Attached hereto and marked as **Exhibits "A", "B", "C", "D", "E"** and **"F"** respectively, are copies of the following documents filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division:

(a) Motion of Debtors for Entry of an Order Authorizing a Debtor Affiliate to Commence a Foreign Proceeding with Respect to CHC Group Ltd.'s Estate Pursuant to 11 U.S.C. ss. 362 and 1505;



(b) Order Authorizing a Debtor Affiliate to Commence a Foreign Proceeding with Respect to CHC Group Ltd.'s Estate Pursuant to 11 U.S.C. ss. 362 and 1505;

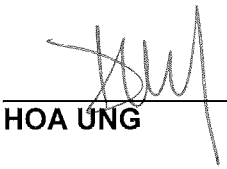
(c) Order Granting Debtors' Motion to Reject a Certain Nonresidential Real Property Lease Pursuant to Section 365 of the Bankruptcy Code filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division;

(d) Debtors' Sixth Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code;

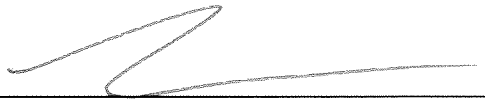
(e) Order Granting Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code; and

(f) Notice of Filing of Revised Forecast filed in the U.S. Bankruptcy Court.

SWORN BEFORE ME at Vancouver, British Columbia on January 27, 2017 )



**HOA UNG**



A Commissioner for taking Affidavits for British Columbia )

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

## 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

This is Exhibit **"A"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

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Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

*Attorneys for Debtors and Debtors in Possession*

**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)** |

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER AUTHORIZING A DEBTOR AFFILIATE TO COMMENCE A FOREIGN PROCEEDING WITH RESPECT TO CHC GROUP LTD.'S ESTATE PURSUANT TO 11 U.S.C. §§ 362 and 1505**

**NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE BANKRUPTCY COURT BEFORE 4:00 P.M. (CT) ON FRIDAY, DECEMBER 30, 2016, WHICH IS AT LEAST 24 DAYS FROM THE DATE OF SERVICE HEREOF.**

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-FOUR (24) DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING (BY 4:00 P.M. (CT) ON FRIDAY, DECEMBER 30, 2016). YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THIS NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

**IF AN OBJECTION IS FILED, A HEARING WILL BE CONDUCTED ON THIS MATTER ON FRIDAY, JANUARY 6, 2017 AT 9:00 A.M. (CT) 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.**

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

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

## Relief Requested

1. Pursuant to sections 362 and 1505 of title 11 of the United States Code (the "**Bankruptcy Code**"), the Debtors request that Cayman Investments I, 6922767 Holding S.à.r.l., CHC Helicopter S.A., Heli-One Canada ULC, and/or CHC Leasing (Ireland) Limited (collectively, the "**Debtor Affiliates**"),[2] as creditors of CHC Parent, be authorized to commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and to seek any other appropriate relief from the Grand Court of the Cayman Islands (the "**Cayman Court**") that is just and proper in furtherance of the reorganization of the Debtors' estates.

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

## Jurisdiction and Venue

3. 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.

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[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**.

[2] The Debtor Affiliates are intercompany creditors of CHC Parent. As explained more fully below, under the law of the Cayman Islands, each of the Debtor Affiliates are qualified to commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate.

## Background

4. 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.

5. 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 (the "**Bankruptcy Rules**") and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the "**Local Rules**").

## The Debtors' Businesses

6. 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 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.

7. 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* (the "**Del Genio Declaration**") [Docket No. 13], filed on the Petition Date.

**Appointment of Foreign Representative**

8. As more fully described in the Del Genio Declaration, CHC is a global enterprise that, among other things, (i) conducts business in numerous foreign jurisdictions, (ii) includes entities which are incorporated under the laws of various foreign jurisdictions, (iii) has many key contracts that are governed by the laws of foreign jurisdictions, (iv) has many foreign creditors, and (v) has a global customer base. As a result of CHC's global operations and the anticipated need to pursue ancillary proceedings in foreign jurisdictions to effectuate the Debtors' reorganization, the Debtors sought and received an order authorizing CHC Parent to act as foreign representative on behalf of the Debtors' estates in any "foreign jurisdiction in which the Debtors determine it is necessary to commence an ancillary proceeding." *Order Authorizing CHC Group Ltd. to Act as Foreign Representative of the Debtors' Estates Pursuant to 11 U.S.C. § 1505* [Docket No. 884] (the "**Foreign Representative Order**").

9. CHC Parent and certain other Debtors[3] are incorporated under the laws of the Cayman Islands. As disclosed in the *Proposed Disclosure Statement for the Joint Chapter 11 Plan of CHC Group Ltd. And Its Affiliated Debtors* (the "**Proposed Disclosure Statement**") [Docket No. 1172], filed on November 11, 2016, the Debtors anticipate that it will be necessary to pursue ancillary proceedings in the Cayman Islands to effectuate their chapter 11 plan. *See*

[3] The Debtors incorporated under the laws of the Cayman Islands are CHC Parent, CHC ABL Borrower Ltd., CHC ABL Holdings Ltd., and CHC Cayman Investments I Ltd.

Proposed Disclosure Statement at 24. The purpose of these ancillary proceedings (the "**Cayman Proceedings**") is to request that the Cayman Court recognize any approved plan in the chapter 11 proceeding and/or authorize any actions necessary in the Cayman Islands to implement or facilitate the Debtors' restructuring through any approved plan in the chapter 11 proceeding. The Cayman Proceedings likely will include a petition by a Debtor Affiliate, which entity has a claim against CHC Parent, to wind-up CHC Parent and a further application, made by either CHC Parent itself (acting by its directors) or, if necessary, a Debtor Affiliate, as a creditor of CHC Parent, for the appointment of provisional liquidators to CHC Parent in the Cayman Islands. Following the appointment of the provisional liquidators, it is anticipated that CHC Parent (acting by its directors) and/or the provisional liquidators will seek an order of the Cayman Court sanctioning or rendering valid certain transactions (including asset transfers) necessary to implement the Debtors' restructuring pursuant to (and contingent upon confirmation of) their chapter 11 plan. The use of a provisional liquidation within a winding-up proceeding is a common means of implementing a cross-border restructuring in the Cayman Islands.

10. Pursuant to recent Cayman Islands case law, it appears that CHC Parent cannot petition for its own winding up. In the circumstances, to enable CHC Parent to seek relief before the Cayman Court to assist with the implementation of the chapter 11 plan, it is intended that an intercompany creditor of CHC Parent will commence the winding-up proceeding, after which CHC Parent (acting by its directors) will apply for the appointment of joint provisional liquidators within the creditor-commenced proceeding. As the Cayman Proceedings are ancillary to the chapter 11 cases, CHC Parent will request that the provisional liquidators are appointed with "soft touch" powers allowing the directors of CHC Parent to continue in their positions. Among other things, the role of the provisional liquidators will be to (i) monitor the

chapter 11 cases, (ii) provide written reports to the Cayman Court on the progress of the chapter 11 cases, (iii) review and advise CHC Parent upon the development and implementation of its proposed plan, and (iv) seek the sanction of the Cayman Court to CHC Parent's proposed plan and/or seek, or support an application for, an order validating the transfer of CHC Parent's assets if and to the extent such transfer forms part of the implementation of CHC Parent's proposed plan. The relief sought in this Motion is, therefore, the first step in a process designed to ensure that CHC Parent's chapter 11 plan, or (at least) that aspect of it which involves the transfer of its assets and the distribution to its creditors of the consideration received, has the approval of the Cayman Court and will not, once confirmed, be open to challenge before the Cayman Court.

11. If authorized, a Debtor Affiliate will shortly seek ancillary relief in the Cayman Islands by commencing winding-up proceedings against CHC Parent pursuant to section 94 of the Cayman Companies Law (2016 Revision) in the Cayman Court. Thereafter, CHC Parent will apply for the appointment of provisional liquidators pursuant to section 104(3) of the Cayman Companies Law (2016 Revision).[4]

**Relief Requested**

12. By this Motion, the Debtors seek entry of an order, pursuant to sections 362 and 1505 of the Bankruptcy Code, permitting a Debtor Affiliate, as a creditor of CHC Parent, to commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent's estate.

[4] Section 104(3) provides that: "An application for the appointment of a provisional liquidator may be made under subsection (1) by the company ex-parte on the grounds that- (a) the company is or is likely to become unable to pay its debts within the meaning of section 93; and (b) the company intends to present a compromise or arrangement to its creditors."

**Basis for Relief Requested**

13. Pursuant to section 1505 of the Bankruptcy Code, the Court may authorize a debtor in possession to act as a foreign representative on behalf of an estate. Specifically, section 1505 of the Bankruptcy Code provides that:

> A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

11 U.S.C. § 1505.

14. Authorizing a Debtor Affiliate, as a creditor of CHC Parent, to commence the Cayman Proceeding will facilitate a process by which there can be a degree of coordination of these chapter 11 cases and the Cayman Proceeding and provide an effective mechanism to protect and maximize the value of the Debtors' assets and estates and to implement or otherwise facilitate an approved plan of reorganization. As Debtors in these chapter 11 cases and creditor of CHC Parent, the Debtor Affiliates are well-positioned to commence the ancillary proceeding in the Cayman Islands.

15. Pursuant to section 362(a) of the Bankruptcy Code, the filing of a petition under chapter 11 of the Bankruptcy Code operates as an automatic stay(the "**Automatic Stay**") of, among other things, "the commencement . . . of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title" and "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a) (1), (3). Though the Debtors submit that the Foreign Representative Order provides sufficient authority for the Debtors to commence foreign proceedings "in any other foreign jurisdiction in which the Debtors determine it is necessary to commence an ancillary

proceeding,"[5] in an abundance of caution, by this Motion, the Debtors also seek approval, under section 362(d) of the Bankruptcy Code, of the modification of the Automatic Stay to the extent necessary to authorize a Debtor Affiliate, as a creditor of CHC Parent, to commence the winding-up proceeding with respect to CHC Parent.

16. Section 362(d)(1) of the Bankruptcy Code provides that "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay . . . such as by terminating, annulling, modifying, or conditioning such stay - (1) for cause..." 11 U.S.C. § 362(d)(1). The Bankruptcy Code does not define the term "cause." The Debtors submit that cause exists in this case to modify the stay for the limited purpose of allowing a Debtor Affiliate, as a creditor of CHC Parent, to commence the winding-up proceeding. As mentioned above, the Cayman Proceeding will provide an effective mechanism to protect and maximize the value of the Debtors' assets and estates and to implement an approved plan of reorganization.

**Notice**

17. 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., Anupama Yerramalli, Esq., and Rachael Ringer, Esq.) and Gardere Wynne Sewell LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, TX 75201, (Attn: Marcus A. Helt, Esq. and Mark C. Moore, 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. and Jason P. Rubin, Esq.), 1333 New Hampshire Ave. N.W., Washington D.C. 20036 (Attn: James

[5] Foreign Representative Order ¶ 2.

Savin, 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. Bordcn, Esq.), counscl 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., Andrew V. Tenzer, Esq., and Michael E. Comerford, 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; (xv) the Debtors' Cayman Islands creditors; and (xvi) 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.

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**No Previous Request**

18. Apart from the *Motion of Debtors for Entry of an Order Authorizing CHC Group Ltd. to Act as Foreign Representative on Behalf of the Debtors Estates Pursuant to 11 U.S.C. § 1505* [Docket No. 776], no previous request for the relief sought herein has been made by the Debtors to this or any other court.

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: December 6, 2016
Dallas, Texas

*/s/ Stephen A. Youngman*
WEIL, GOTSHAL & MANGES LLP

Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Email: kelly.diblasi@weil.com

*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 Form of Order**

**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)** |

**ORDER AUTHORIZING A DEBTOR AFFILIATE TO COMMENCE A FOREIGN PROCEEDING WITH RESPECT TO CHC GROUP LTD.'S ESTATE PURSUANT TO 11 U.S.C. §§ 362 and 1505**

Upon the motion, dated December 6, 2016 (the "**Motion**"),[1] of CHC Group Ltd. ("**CHC Parent**") and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for an order pursuant to section 1505 of title 11 of the United States Code (the "**Bankruptcy Code**"), authorizing Cayman Investments I, 6922767 Holding S.à.r.l., CHC Helicopter S.A., Heli-One Canada ULC, and/or CHC Leasing (Ireland) Limited (collectively, the "**Debtor Affiliates**"), as creditors of CHC Parent, to commence the Cayman Proceedings, as more fully described in the Motion; and the Court having jurisdiction to consider

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

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; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq., Anupama Yerramalli, Esq., and Rachael Ringer, Esq.) and Gardere Wynne Sewell LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, TX 75201, (Attn: Marcus A. Helt, Esq. and Mark C. Moore, 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. and Jason P. Rubin, Esq.), 1333 New Hampshire Ave. N.W., Washington D.C. 20036 (Attn: James Savin, 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., Andrew V. Tenzer, Esq., and Michael E. Comerford, 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; (xv) the Debtors' Cayman Islands creditors; and (xvi) 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 need be provided; 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. The Debtor Affiliates are authorized, pursuant to section 1505 of the Bankruptcy Code, as creditors of CHC Parent, to (i) commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and (ii) to seek any other appropriate relief from the Cayman Court that the Debtors deem just and proper in furtherance of the reorganization of the Debtors' estates.

3. The automatic stay imposed by section 362 of the Bankruptcy Code is hereby modified to permit the Debtor Affiliates, as creditors of CHC Parent, to (i) file an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and (ii) seek any other appropriate relief from the Cayman Court that the Debtors deem just and proper.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

###END OF ORDER###

Respectfully Submitted,

**WEIL, GOTSHAL & MANGES LLP**

*/s/ Stephen A. Youngman*

Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Email: kelly.diblasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

This is Exhibit **"B"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
**ENTERED**
THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

20

**The following constitutes the ruling of the court and has the force and effect therein described.**

**Signed January 4, 2017**

Barbara J. Houser
**United States Bankruptcy Judge**

---

**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)** |

**ORDER AUTHORIZING A DEBTOR AFFILIATE TO COMMENCE A FOREIGN PROCEEDING WITH RESPECT TO CHC GROUP LTD.'S ESTATE PURSUANT TO 11 U.S.C. §§ 362 AND 1505**

Upon the motion, dated December 6, 2016 (the "**Motion**"),[1] of CHC Group Ltd. ("**CHC Parent**") and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for an order pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing Cayman Investments I, 6922767

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

Holding S.à.r.l., CHC Helicopter S.A., Heli-One Canada ULC, and/or CHC Leasing (Ireland) Limited (collectively, the "**Debtor Affiliates**"), as creditors of CHC Parent, to commence the Cayman Proceedings, 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; (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq., Anupama Yerramalli, Esq., and Rachael Ringer, Esq.) and Gardere Wynne Sewell LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, TX 75201, (Attn: Marcus A. Helt, Esq. and Mark C. Moore, 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. and Jason P. Rubin, Esq.), 1333 New Hampshire Ave. N.W., Washington D.C. 20036 (Attn: James Savin, 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 Plaskon, Esq., Andrew V. Tenzer, Esq., and Michael E. Comerford, 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; (xv) the Debtors' Cayman Islands creditors; and (xvi) 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 need be provided; 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. The Debtor Affiliates are authorized, pursuant to section 1505 of the Bankruptcy Code, as creditors of CHC Parent, to (i) commence an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and (ii) to seek any other appropriate

relief from the Cayman Court that the Debtors deem just and proper in furtherance of the reorganization of the Debtors' estates.

3. The automatic stay imposed by section 362 of the Bankruptcy Code is hereby modified to permit the Debtor Affiliates, as creditors of CHC Parent, to (i) file an ancillary proceeding in the Cayman Islands with respect to CHC Parent and its estate and (ii) seek any other appropriate relief from the Cayman Court that the Debtors deem just and proper.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

###END OF ORDER###

Respectfully Submitted,

**WEIL, GOTSHAL & MANGES LLP**

*/s/ Stephen A. Youngman*
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Email: kelly.diblasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

This is Exhibit **"C"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

Docket #1542 Date Filed: 01/25/2017

CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

26

**The following constitutes the ruling of the court and has the force and effect therein described.**

**Signed January 24, 2017**

Barbara J. Houser
**United States Bankruptcy Judge**

---

**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)** |

**ORDER GRANTING DEBTORS' MOTION TO REJECT A CERTAIN NONRESIDENTIAL REAL PROPERTY LEASE PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE**

Upon the motion dated November 30, 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 sections 105(a) and 365(a) of title 11 of the United States

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

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Code (the "**Bankruptcy Code**") and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") for entry of an order (this "**Order**") authorizing the Debtors to reject a certain unexpired nonresidential real property lease (the "**Lease**"), 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 in 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; (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 Scwell 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; (xv) the Landlord; and (xvi) 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 need be provided; 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 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, the Debtors are authorized to reject the Lease related to the Boundary Bay Facility, including Debtor 6922767 Holding S.a.r.l.'s Guaranty Obligation.

3. Upon entry of this Order, the Debtors' rejection of the Lease, including Debtor 6922767 Holding S.a.r.l.'s Guaranty Obligation, shall be effective as of the date hereof.

4. Claims arising out of any rejection effected pursuant to this Order must be timely filed in accordance with the Order Pursuant to Section 502(b)(9) of the Bankruptcy Code, Fed. R. Bankr. P. 2002 and 3003(c)(3), and Local Rule 2002-1(a) Establishing the Deadline for Filing Proofs of Claim and Procedures Related Thereto and Approving the Form and Manner of Notice Thereof (the "**Bar Date Order**") on or before **4:00 p.m. (Pacific Time)** on the date that is **thirty (30) days** after the date of entry of this Order. Any claim not timely filed will be irrevocably barred.

5. The Debtors and the Landlord reserve all rights, including, without limitation, all arguments, rights, claims, and causes of action, whether arising in law or equity, 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"). 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 the ancillary proceedings commenced before the Canadian Court, (ii) consent to the Canadian Court making a final ruling on the Property Ownership Dispute, and (iii) agree not to challenge or otherwise contest the Canadian Court's ruling in this or other any Court, except for any rights of appeal or review by a higher court in Canada as may be applicable.

6. Except as specifically provided for herein, all rights of the Landlord and the Debtors regarding any other issue or dispute that may arise are expressly reserved.

7. Notice of the Motion as provided herein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 4001(d) and 6004(a) are waived.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. Except as provided herein, this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

###END OF ORDER###

Respectfully Submitted,

**WEIL, GOTSHAL & MANGES LLP**

/s/ Stephen A. Youngman
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Email: kelly.diblasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

This is Exhibit **"D"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

**Objection Deadline: December 30, 2016 at 4:00 p.m. (CT)**

Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

*Attorneys for Debtors and Debtors in Possession*

Jasmine Ball (*pro hac vice*)
Richard F. Hahn (*pro hac vice*)
DEBEVOISE & PLIMPTON LLP
919 Third Avenue
New York, New York 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836

*Special Aircraft Attorneys for Debtors and Debtors in Possession*

33

**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)** |

**This Omnibus Motion seeks, in part, to reject certain executory contracts and unexpired leases. If you have received this Motion and are a contract-counterparty to an agreement with the Debtors, please review Schedules 1 and 2 to the proposed order attached hereto, to determine if this Motion affects your agreement and your rights thereunder.**

# DEBTORS' SIXTH OMNIBUS MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

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**A HEARING WILL BE CONDUCTED ON THIS MATTER ON JANUARY 6, 2017 AT 9:00 A.M. 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.**

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:

## Relief Requested

1. The Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as Exhibit B (the "**Order**"), pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h) and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to reject certain equipment leases (the "**Leases**") for helicopters and other related equipment identified on Schedule 1 to the Order that the Debtors no longer need in the operation of their business (collectively, the "**Excess Equipment**") and certain sublease agreements identified on Schedule 2 to the Order (the "**Subleases**") relating to the Excess Equipment (the "**Subleased Equipment**").

## Jurisdiction and Venue

2. 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.

---

[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.

## Background

3. On May 5, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the Bankruptcy Code. 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.

4. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas [Docket No. 52].

## The Debtors' Businesses

5. The Debtors, together with their non-debtor affiliates (collectively, "**CHC**"), comprise a global commercial helicopter services 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 (such business, an "**MRO**"), which services helicopter fleets for both CHC as well as third-party customers. CHC manages its domestic and overseas businesses from its headquarters in 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 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.

6. 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* (the "**Del Genio Declaration**")[Docket No. 13].

**Basis for Relief**

7. In connection with the commencement of its chapter 11 cases, CHC has undertaken to formulate a revised business plan to address the high cost/weakened revenue environment. As an ongoing component of that plan and of the chapter 11 process, CHC has identified cost savings to be achieved through a significant reduction in their fleet by eliminating helicopters and other related equipment that are not, or soon will not be, used to generate revenue in CHC's businesses. In addition, CHC is in the process of reducing the complexity of its fleet, which will decrease costs associated with crew training, inventory and maintenance. This reduction and rationalization of CHC's fleet will create a significant surplus of helicopters and other related equipment owned and leased by CHC.

8. As of the Petition Date, CHC maintained a fleet of approximately 230 helicopters comprised of the medium variant (8 to 15 passengers) and heavy variant (16 to 26 passengers) collectively (the "**CHC Fleet**"). A significant portion of the CHC Fleet is comprised of new technology helicopters which have greater range, passenger capacity, enhanced safety systems, and the ability to operate in variable conditions. Of the 230 helicopters in the CHC Fleet as of the Petition Date, CHC owned 67 helicopters and leased the remainder from various third-party lessors. In most cases, CHC subleases aircraft to affiliated operating entities. These leasing structures provide maximum regulatory and business flexibility.

9. Based on current market conditions, a significant reduction in the Debtors leased fleet size and related expenses is required to improve the Debtors' financial position and flexibility and position the Debtors to take advantage of opportunities that may arise out of the current industry downturn.

10. The Debtors have undertaken to accelerate their fleet replacement strategy in exiting from non-revenue generating aircraft and five older technology helicopter types, in order to first meet their customers' demands for newer technology helicopters and then reduce the number of different helicopters types in their fleet. The Debtors expect to reduce their fleet by approximately 100 aircraft at or before emergence. Since the Petition Date, the Court has approved the rejection of 74 helicopters. *See* Docket Nos. 273, 427, 428, 565, 833, 1042 and 1145.

11. In accordance with this analysis, CHC has decided to retire or has already retired from its fleet the helicopters and related equipment identified on Schedules 1 and 2 to the Order. The Excess Equipment is not necessary for CHC's continued operation or successful reorganization. Accordingly, CHC seeks to eliminate the costs associated with retaining such Excess Equipment.

12. The requested relief will (i) allow for immediate rejection of the Leases and the Subleases and eliminate unnecessary obligations of the Debtors; (ii) establish an orderly, efficient process for the surrender and return of the Excess Equipment and related documentation; (iii) preserve the uninterrupted operation of CHC's business; and (iv) reduce the very substantial costs and disruptions that otherwise would be incurred in connection with replacing engines currently installed on rejected helicopters with the originally installed engines. The requested relief will also ensure that the lessors under the rejected Leases (the "**Lessors**") are provided with procedures for the documentation of title to the helicopters and related equipment that are surrendered and returned to them through the surrender and return process. As part of CHC's revised business plan, CHC has been in the process of reducing its fleet by approximately 90 helicopters in the aggregate in the near term. CHC will continue to analyze its

fleet and, as a result of this ongoing analysis, CHC believes that additional helicopters and related equipment may be retired in the future.

**Replacement of Helicopter Parts and Equipment**

13. The process of rejecting the Leases is extremely complicated, particularly when rejecting and returning approximately 90 helicopters in a very short period of time. One of the difficult aspects of this process is addressing the standard practice in the helicopter industry of "pooling" of helicopter parts, including engines, across an operator's helicopter fleet as well as with third-party MROs and such MROs' customers' helicopter fleets.

14. All helicopters need regular maintenance. Many helicopter parts, including engines, are "time-limited" in that they are installed on a helicopter and permitted to be operated on the helicopter for a fixed interval of flight hours, cycles or calendar time that is specific to the type of part. At the end of the applicable interval, the part is "run-out", and the operator must remove it from the helicopter and install on the helicopter another "fresh" part of the same type with all or a portion of the applicable interval remaining in order to continue operating the helicopter. Helicopter parts may also be removed from a helicopter and replaced because they are damaged or otherwise unserviceable and require testing or repair. For some types of helicopter parts, when they are run-out or unserviceable, they are removed from the helicopter and discarded. For other types of helicopter parts, including engines, when they are run-out or unserviceable, they are removed from the helicopter and sent to an MRO for scheduled maintenance to replenish the applicable interval of the run-out part or for testing and repair of the unserviceable part, as applicable.

15. Scheduled maintenance, testing and repair services performed by an MRO are detailed, time-consuming processes. In addition, MROs are not in all the same locations as

their customers' helicopter bases, which are located all over the world, including in remote areas, and accordingly transporting run-out and unserviceable parts from a helicopter base to an MRO and back again can take considerable time and expense. Accordingly, to avoid frequent and lengthy disruptions in helicopter operation schedules due to scheduled maintenance, testing and repair of helicopter parts that become run-out or unserviceable during the course of each helicopter's operation, it is standard in the helicopter industry for an MRO, on an ongoing basis, both to receive run-out and unserviceable parts from all of its different customers and to provide these customers with a supply of other fresh or serviceable parts of the same type for installation and use on such customers' helicopters. When an MRO has finished its maintenance, testing and repair processes such that a run-out or unserviceable part is fresh or serviceable, as applicable, that fresh or serviceable part goes into the same parts pool that supplies all of the MRO's customers. To facilitate this kind of MRO parts pooling arrangement (an "**MRO Pooling Arrangement**"), the MRO's arrangements with its different customers typically will contemplate that title to run-out or unserviceable parts that the customer sends to the MRO will vest in the MRO, and title to the supply of fresh or serviceable parts that the MRO sends to a customer will vest in the customer or in the owner/lessor of the aircraft on which such fresh or serviceable part is installed. Accordingly, the parts that a customer receives from an MRO and installs on a helicopter are often not the same parts that were originally installed on the helicopter, and in many cases will be a part originally installed on a helicopter operated by a different customer.

16. The engines in CHC's helicopter fleet are maintained, tested and repaired under MRO Pooling Arrangements by both CHC's own MRO as well as third-party MROs. Accordingly, due to these MRO Pooling Arrangements and given the large size of CHC's

helicopter fleet and its continued operation for many years, on any given day, a significant portion of the helicopters in CHC's fleet will not have installed on them those engines that were originally installed on the helicopter at the commencement of the applicable lease (the "**Original Equipment**"), and given the breadth of CHC's worldwide operations, much of such Original Equipment will be located in different parts of the world than the applicable helicopter subject to such lease and, in fact, may be installed on the helicopters of third-party operators or owned and possessed by an MRO and used in such MRO's shared pool.

17. Replacement of engines and other parts will occur multiple times for each helicopter during the term of the applicable lease and during the life of a helicopter. Typically, helicopter leases identify the Original Equipment and other parts by serial number. As the Original Equipment or other parts become run-out or unserviceable in the course of the helicopter's operation, the operator will remove and replace such parts with other fresh or serviceable parts during the term of the applicable lease. Moreover, as it is in the interest of the lessors that the helicopter is in an operating condition during the lease term, helicopter leases typically require the lessee to remove run-out or unserviceable parts and replace them with other parts that have time remaining in the applicable interval and are serviceable, and many leases will require that at lease expiry the helicopter is returned to the applicable lessor with minimum flight hours, cycles or calendar days, as the case may be, before scheduled removal of specific parts.

18. To accommodate this standard and necessary practice, helicopter leases and mortgages typically include provisions contemplating the removal and replacement of engines under certain circumstances. Thus, in the case of a helicopter lease, the substitution provisions would contemplate that the lessee cause title to a replacement engine to be conveyed

to the lessor and contemporaneously the lessor relinquish title to the engine being replaced. Similarly, in the case of a helicopter mortgage, the substitution provisions would contemplate that the mortgagor subject a replacement engine to the mortgage and contemporaneously the secured party relinquish its lien on the engine being replaced.

19. Substantially all of CHC's helicopter leases include provisions contemplating the removal and replacement of engines and parts under the applicable lease, including provisions permitting CHC to "substitute" other engines under the lease under certain circumstances. In addition, many of CHC's leases follow CHC's general policy of not permitting filings or registrations of the applicable Lessor's interest in any particular engines then subject to the lease, as CHC views such filings or registrations as inconsistent with or hampering the ordinary course replacement of engines in CHC's helicopter fleet and MRO Pooling Arrangements.

20. Requiring CHC to return with each helicopter the Original Equipment would be monumentally burdensome, expensive and disruptive to CHC's business, inasmuch as this process would require CHC to ground and remove all affected helicopters from revenue generating operations much earlier than would otherwise be necessary in order to remove the then affixed engines, transport each removed engine to the location of the helicopter subject to the applicable lease, and replace each removed engine with the engine identified in the applicable lease, assuming such engine is even currently in CHC's possession as part of CHC's engine pool. Thus, the operations and maintenance schedules for each affected helicopter would be disrupted, thereby adding to the complexity, burden, expense and loss of revenue. In addition, with respect to any Original Equipment installed on a helicopter that is no longer in CHC's fleet or is now part of an MRO's engine pool, it may not be possible for CHC to reacquire such

Original Equipment to return to the applicable Lessor, since such engine may be installed and operating in the fleet of another operator and title to such engine would have been conveyed by an original equipment manufacturer ("**OEM**") or MRO, as the case may be, to such operator. The burden, expense and disruption to CHC's business and fleet operation would be multiplied significantly given, in addition to the return of these helicopters, the Debtors are seeking to return 74 helicopters under prior rejection orders (*see* Docket Nos. 273, 427, 428, 565, 833, 1042 and 1145) and additional helicopters under pending motions. In addition, more helicopters may be surrendered and returned in the medium term as CHC continues to review its fleet needs.

21. Moreover, in order to accomplish this task absent the relief requested, CHC might need to establish one or more maintenance lines at each helicopter base and at its MRO maintenance locations dedicated solely to replacing engines or contract the work to outside repair companies or MROs. As a result, CHC would need to hire additional maintenance workers, pay significant overtime expenses and incur significant outside contractor expenses to coordinate and perform engine replacements in connection with Excess Equipment returns. The cost of this incremental labor and these operations would be significant and particularly onerous for CHC at a time when CHC is taking every possible measure to preserve cash and limit unnecessary costs.

22. Furthermore, given the number of helicopters that would have to be taken out of service, the engine replacements could lead to lengthy disruptions in service to CHC's customers, which may cause CHC's customers to cancel their contracts or assess penalties against CHC that would impact revenues to the detriment of the estates and all parties in interest.

23. Each helicopter model has specific types of rotor blades, engines and other parts approved for use with such helicopter model. All engines of a specific model and version

are the same. The only difference in value of two engines of the same model and version is a function of the differences in the condition and remaining maintenance cycle interval as between the two engines. Most leases provide that a lessor is entitled to receive an engine with the condition and remaining maintenance cycle interval specified in the lease. It is standard practice in the industry that when an engine is removed and sent to an MRO for overhaul and repair, the MRO will provide to the operator for installation on the helicopter an overhauled and repaired engine that would be in better condition than the engine removed from the helicopter. Therefore, upon installation of the replacement engine from the MRO, the lessor for that helicopter receives a more valuable part than the part removed.

24. Additional information about CHC's fleet operations and the standard maintenance and pooling practices in the helicopter industry can be found in the *Declaration of Michael B. Cox in Support of the Debtors' Sixth Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code* (the "**Cox Declaration**"), filed contemporaneously herewith.

25. Upon return of leased helicopters, if not already completed during the term of the lease, CHC will facilitate bills of sale and title transfers on replacement engines. Given the large number of helicopters being returned by CHC, a streamlined procedure is needed to allow for the efficient return of each helicopter.

26. CHC proposes that the procedures set forth below create a reasonable, cost-effective, orderly process for the nearly contemporaneous return of Excess Equipment and related documentation.

**Procedures**

27. The Debtors ask that the Court approve the following procedures regarding the Leases, Subleases and Excess Equipment that are the subject of this motion ("**Procedures**"), which are consistent with the procedures approved by the Court in connection with the Debtors' previous omnibus rejection motions, set forth at Docket Numbers 427, 428, 565, 1042 and 1145.

**A. Filing Proofs of Claim**

28. The Debtors propose that any claims arising out of any rejection effected pursuant to these Procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date or (ii) 30 days after the Effective Date (as indicated on Schedule 1 to the Order) with respect to the item of Excess Equipment or with respect to the Subleases to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

**B. Provision of Records and Documents**

29. Upon effectiveness of rejection or as soon as reasonably practicable thereafter, the Debtors shall make available to the applicable Lessors or their designees records and documents relating to such Excess Equipment that are in the Debtors' possession or control (whether hard copy or in electronic form). If such Excess Equipment is Replacement Equipment (as defined below), the Debtors shall make available to the applicable Lessors or their designees all records and documents that are in the Debtors' possession or control relating to such Replacement Equipment instead of those relating to any equipment previously installed (but no longer installed) on the helicopter in accordance with the foregoing. If such records and

documentation are in the possession of the Debtors' non-debtor affiliates, the Debtors will cause their non-debtor affiliates to make available such records and documentation to the applicable Lessors or their designees. If such records and documentation are in the possession of third parties, the Debtors will use their commercially reasonable efforts to cause such third parties to make available such records and documentation to the applicable Lessors or their designees, provided that such applicable Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such third-party records and documentation requests. From and after the Effective Date, the Debtors will respond reasonably promptly to reasonable inquiries from the applicable Lessors regarding such records and documents related to such Lessors' Excess Equipment.

**C. Return and Retrieval of the Helicopters**

30. The Debtors have provided information on the schedules and exhibits attached hereto that will assist the Lessors in retrieving the Excess Equipment.

31. If any of the engines (the "**Replacement Equipment**") installed on or returned with the helicopter (the "**Affected Equipment**") at the time of surrender and return by the Debtors have not been previously substituted pursuant to the terms of the relevant Lease, the following guidelines shall apply:

a. If requested, and subject to paragraphs (b) through (e) below, the Debtors shall formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the relevant Lessor free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through the Lessor (or the Lessor's lenders and financing parties under related aircraft financings)) by providing a bill of sale to the Lessor of such Replacement Equipment.

b. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not a permitted lien under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to substitute equipment designated by the Debtors and having a value and utility at least equal to the Replacement Equipment (the "**Substitute Equipment**"), (ii) the Debtors shall cause the lifting and release of such lien or mortgage on such Replacement Equipment, or (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version having at least the same value and utility, including being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)); in the case of (iii), the Debtors may remove the Replacement Equipment from the Affected Equipment.

c. If the transfer documentation contemplated herein was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings).

d. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor (and for equipment subject to security interests also with the same secured party) or by the same beneficial owner and leased to the Debtors under separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in

lieu of the Original Equipment. The Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

e. In lieu of providing Replacement Equipment pursuant to these Procedures, the Debtors may, in their sole discretion, make the Original Equipment (to the extent such Original Equipment is in the Debtors' possession) available to an affected Lessor at the location where such Original Equipment is situated, whether or not such Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment (having the same value and utility to the otherwise required Replacement Equipment) available to the affected Lessor at the location where the Affected Equipment is situated by installing such Substitute Equipment on the Affected Equipment. In these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

32. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in these Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

33. The Debtors will provide to the Official Committee of Unsecured Creditors (the "**Committee**"), by and through its advisors, and to counsel to the informal group

of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020, with a bi-weekly report of all transfers of, and liens on, Original Equipment, Replacement Equipment or Substitute Equipment made pursuant to these Procedures.

34. Unless otherwise mutually agreed to with the Lessor, to preserve the value of the Excess Equipment before the Lessor takes possession, the Debtors (i) shall maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) (y) with respect to Excess Equipment located in jurisdictions other than Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the thirtieth (30th) day after the later of the date of entry of the Order and the relevant Effective Date and (z) with respect to Excess Equipment located in Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the forty-fifth (45th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter, shall cease insuring and maintaining such Excess Equipment; provided that upon request from the appropriate Lessor and agreement by such Lessor to pay all related out-of-pocket costs, the Debtors shall (A) continue the current insurance coverage and existing storage and related storage maintenance, if any, for Excess Equipment not yet in the possession of such Lessor for up to forty-five (45) days beyond the date determined in accordance with clause (i)(a) of this paragraph, and (B) provide (without adversely affecting the Debtors' business operations) reasonable assistance to such affected Lessor to prepare the Excess Equipment for return shipment to the Lessor by air freight or sea freight (where applicable), including through reasonable assistance provided by the Debtors local personnel, the use of the Debtors' facilities (whether owned or leased), and tooling available at the locations for the recovery of any Excess

Equipment. Thereafter, however, the Debtors shall cease insuring and maintaining the Excess Equipment.

35. The Debtors also ask that the Order provide that if the Lessor affected by the rejection of a Lease does not retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 to the Order by the date determined pursuant to clause (i)(a) of the immediately preceding paragraph or such later date for which the Lessor has agreed to pay in accordance with the proviso to the immediately preceding paragraph (the "**Outside Pick-Up Date**") such Lessor shall be responsible to the Debtors for the subsequent costs of, and all risks attendant to, storing such equipment and for other attendant costs as determined by the Debtors, including costs of insuring the Excess Equipment; provided that the Debtors and the applicable Lessor may agree in writing that the Excess Equipment will be returned to or surrendered at another location(s) or according to other return procedures ("**Agreed Arrangements**"); and provided further that the Debtors shall, as soon as reasonably practicable after entry of this Order, provide to such Lessor reasonable access to such Excess Equipment. Unless otherwise agreed by the Debtors and a Lessor, each Lessor shall be responsible to the Debtors for all reasonable costs (as determined by the Debtors) of storing, maintaining, and insuring such Lessor's Excess Equipment (and for other attendant risks) after the Outside Pick-Up Date (such costs, "**Subsequent Costs**"), and such Lessor shall not be entitled to assert an administrative expense claim for such Subsequent Costs. If the Lessor does not remove the Excess Equipment by the Outside Pick-up Date or such other date set forth in the Agreed Arrangements, or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation

all legal fees. For the avoidance of doubt, the Debtors shall not be required to insure or store Excess Equipment after the Outside Pick-Up Date, unless mutually agreed upon by the Debtors and the applicable Lessor.

**D. Debtors' Cooperation in Making Related Aviation Authority Filings**

36. Upon written request from an affected Lessor, the Debtors agree to cooperate reasonably with such Lessor with respect to the execution of, or provision of, information required for a lease termination document to be filed with the aviation authority in the applicable jurisdiction in connection with such Excess Equipment. In addition, the Debtors ask that the Order provide that once the affected Lessor retrieves or takes control of such Excess Equipment, such Lessor or the authorized party under an Irrevocable De-Registration and Export Request Authorization ("**IDERA**") or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on such aviation authority's register, or other authority's register. However, the affected Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such request or transfer.

**E. Debtors' Further Actions to Implement Approved Rejections**

37. The Debtors submit that the proposed actions and Procedures are reasonable, in the best interests of the estates, and should be approved by this Court. Accordingly, the Debtors seek authorization to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the Procedures.

38. Similarly, the Debtors hereby request, to the extent necessary, that the automatic stay provided by section 362 of the Bankruptcy Code be modified as to any and all of

the Debtors' estates to allow the parties to effectuate the provisions of the Order and to transfer, move and dispose of the rejected Excess Equipment and to exercise available rights of setoff, application and recoupment, if any, including without limitation with respect to available funds held on deposit or trust or otherwise that relate to any such Excess Equipment or applicable Lease (and any related financings), without further order of the Court, in accordance with applicable non-bankruptcy law and with respect to any such setoff, application and recoupment, solely to the extent such setoff, application and recoupment is permitted by, and in compliance with, the Bankruptcy Code (other than section 362 thereof).

**Rejection of the Leases and the Subleases Is in the Best Interests of the Debtors and Their Estates and Creditors, Is Supported By the Debtors' Business Judgment, and Should Be Approved By the Court**

39. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in-possession to use valuable property of the estate and to 'renounce title to and abandon burdensome property.'" *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993); *see also NLRB v. Bildisco & Bildisco*, 465 U.S. at 528 ("the authority to reject an executory contract is vital to the basic purpose of a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization."); *Matter of Murexco Petroleum, Inc.*, 15 F.3d 60, 62 (5th Cir. 1994) (noting that section 365 "allows a trustee to relieve the bankruptcy estate of burdensome agreements which have not been completely performed.")

40. The standard applied to determine whether the rejection of an unexpired lease should be authorized is the "business judgment" standard. *See NLRB v. Bildisco & Bildisco,* 465 U.S. at 523; *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Orion Pictures Corp.*, 4 F.3d at 1098-99; *In re Minges*, 602 F.2d 38, 42 (2d Cir. 1979); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); *In re Roman Crest Fruit, Inc.*, 35 B.R. 939, 949 (S.D.N.Y. 1983). Courts defer to a debtor's business judgment in rejecting an unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Minges*, 602 F.2d 38, 42-43 (2d Cir. 1979) (holding that the "business judgment" test is appropriate for determining when an executory contract can be rejected); *In re G Survivor Corp.*, 171 B.R. 755, 757 (Bankr. S.D.N.Y. 1994) (approving rejection of license by debtor because such rejection satisfied the "business judgment" test); *In re Child World, Inc.*, 142 B.R. 87, 89 (Bankr. S.D.N.Y. 1992) (stating that a debtor may assume or reject an unexpired lease under § 365(a) in the exercise of its "business judgment"); *In re Pilgrim's Pride Corp.*, 403 B.R. 413, 426 (Bankr. N.D. Tex. 2009) (holding that, absent public policy necessitating a more stringent standard, business judgment standard applies to a rejection decision under § 365(a)); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1307 (5th Cir. 1985) (applying business judgment standard to the determination of whether a rejection decision was proper under § 365).

41. The "business judgment" standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will

benefit the debtor's estate. *See In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757); *In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must 'establish that rejection will benefit the estate.'") (citation omitted). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summary affirmed unless it is the product of 'bad faith, or whim or caprice.'" *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001).

42. In addition, "unless a separate provision of the Bankruptcy Code provides a non-debtor party with specific protection, the debtor and its estate's interests are paramount; adverse effects on the non-debtor contract party arising from the decision to assume or reject are irrelevant." *In re The Great Atlantic & Pacific Tea Company*, 544 B.R. 43, 49 (Bankr. S.D.N.Y. 2016); *see also In re Sabine Oil and Gas Corp.*, 547 B.R. 66, 71 (Bankr. S.D.N.Y. 2016); *In re Noranda Aluminum, Inc.*, 549 B.R. 725, 729 (Bankr. E.D. Mo. 2016).

43. As part of their ongoing efforts to reduce costs and maximize fleet flexibility, the Debtors have identified Excess Equipment that no longer fits into the Debtors' business plan and, accordingly, will no longer be utilized by the Debtors and have no utility or value to the Debtors. The Debtors entered into the Leases and related agreements in a different economic climate than the one facing the Debtors' industry today. Today, with the ongoing downturn in the Debtors' industry, these same helicopters are no longer necessary to the Debtors' operations. As of the date hereof, the Debtors have taken or will take all of the Excess Equipment out of service. Consequently, the unused equipment is, or will be, languishing in

expensive storage space without generating any value for the Debtors' estates and the Excess Equipment is nothing more than a cash drain on the Debtors' businesses. Thus, the Excess Equipment is burdensome to the Debtors and is no longer beneficial to the Debtors or their estates. If the rejection of the Leases is approved, the Debtors will maintain sufficient helicopters to operate their businesses and meet their customers' needs.

44. With respect to the Subleased Equipment, in almost all cases upon termination of each related Lease, the Debtors and the parties operating the helicopters are required to terminate the applicable Subleases and return such helicopters to the Lessors. As the Debtors' structural cost-cutting measures contemplate the return of the Excess Equipment subject to the subleases, it is not economical for the Debtors to continue to lease the Subleased Equipment from the Lessor on terms that are burdensome to the Debtors and in turn sublease such equipment to the Sublessees on terms that are not overall beneficial to the Debtors or their estates, therefore the Subleases are burdensome to the Debtors and are no longer beneficial to the Debtors or their estates.

**Reservation of Rights**

45. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any party in interest's rights to dispute the amount of, basis for or validity of any claim of any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases under applicable nonbankruptcy law or (iii) a waiver of any claims or causes of action which may exist against any parties in interest to the Excess Equipment, Subleased Equipment, or Leases or Subleases. The Debtors are in the process of reviewing these matters and reserve all of their rights under the Bankruptcy Code.

**Rule 6004(h) Waiver**

46. The Debtors respectfully request that any order approving this Motion be effective immediately, thereby waiving the 14-day stay period imposed by Bankruptcy Rule 6004(h). Waiver of the stay period is necessary for the Motion and the Procedures to be implemented as expeditiously as possible.

**Notice**

47. 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.), 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 certain secured lenders under the Revolving Credit Agreement; (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (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 and under the 9.375% Senior Notes due 2021; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any; (x) in the case of the Subleases, the Sublessees; and (xi) all parties

who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. Due to the nature of the relief requested herein, the Debtors respectfully submit that no further notice of this Motion is required.

**No Prior Request**

48. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

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WHEREFORE, the Debtors respectfully request that the Court enter an order (a) authorizing the Debtors to reject the Leases and the Subleases as of the Effective Date and (b) granting such other and further relief as this Court may deem just and proper.

Dated: December 6, 2016
New York, New York

By: */s/ Jasmine Ball*

DEBEVOISE & PLIMPTON LLP
Jasmine Ball (*pro hac vice*)
Richard F. Hahn (*pro hac vice*)
919 Third Avenue
New York, New York 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836
Email: jball@debevoise.com
rfhahn@debevoise.com

*Special Aircraft Attorneys for Debtors and Debtors in Possession*

WEIL, GOTSHAL & MANGES LLP
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice)*
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Kelly.diblasi@weil.com

*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 Form of Order**

**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)** |

**ORDER GRANTING DEBTORS' SIXTH OMNIBUS MOTION TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE**

Upon the motion dated December 6, 2016 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rules 6004(h) and 6006 to reject the leases ("**Leases**") for helicopters and other related equipment identified on Schedule 1 to this Order (collectively, the "**Excess Equipment**") and the sublease agreements identified on Schedule 2 to this Order (the "**Subleases**") and relating to

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

certain Excess Equipment identified on Schedule 2 to this Order (the "**Subleased Equipment**"); and upon consideration of (i) the Declaration of Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date and (ii) the Declaration of Michael B. Cox in Support of the Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, 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 certain secured lenders under the Revolving Credit Agreement, (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (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 and under the 9.375% Senior Notes due 2021,

(vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any, (x) in the case of the Subleases, the Sublessees, and (xi) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted as and to the extent set forth herein.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (a) the rejection of the Leases of Excess Equipment listed on Schedule 1 attached to this Order is authorized and approved as of the later of (i) the date set forth next to each item of Excess Equipment on Schedule 1 attached to this Order or (ii) the date of entry of this Order (such later date, the "**Effective Date**") and (b) the rejection of each of the Subleases listed on Schedule 2 attached to this Order is authorized and approved as of the relevant Effective Date of the Leases underlying the Subleased Equipment. The Debtors shall make available to the

Lessors or their designees all Excess Equipment consistent with this order on and after the Effective Date.

3. The Debtors shall, upon the Effective Date, or as soon as reasonably practicable after the Effective Date, make available to the applicable Lessors or their designees all records and documents relating to such Lessors' Excess Equipment that are in the Debtors' possession or control (whether hard copy or in electronic form). If such Excess Equipment is Replacement Equipment, the Debtors shall make available to the applicable Lessors or their designees all records and documents that are in the Debtors' possession or control relating to such Replacement Equipment. If such records and documentation are in the possession of the Debtors' non-debtor affiliates, the Debtors shall cause their non-debtor affiliates to make available such records and documentation to the applicable Lessors or their designees. If such records and documentation are in the possession of third parties, the Debtors shall use their commercially reasonable efforts to cause such third parties to make available such records and documentation to the applicable Lessors or their designees, provided that such applicable Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such third-party records and documentation requests. From and after the Effective Date, the Debtors shall respond reasonably promptly to reasonable inquiries from the applicable Lessors regarding such records and documents related to such Lessors' Excess Equipment.

4. Upon written request from an affected Lessor, the Debtors shall cause, and shall procure that their non-debtor affiliates cause, the execution of, or provision of, information required for (y) a lease termination document or other documentation, as appropriate, to be filed with the aviation authority in the applicable jurisdiction, or any registry,

in connection with such Excess Equipment and (z) the customs status with available historical records and a copy of such import customs clearance, if applicable, provided that the affected Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with (a) such documentation and (b) the filing, if applicable, thereof with such relevant aviation authority or register.

5. Once the affected Lessor retrieves or takes control of its Excess Equipment, such Lessor or the authorized party under an IDERA or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on an aviation authority's register, or other authority's register, provided that the affected Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such request or transfer.

6. Unless otherwise mutually agreed to with the appropriate Lessor, the Debtors (i) shall maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) (y) with respect to Excess Equipment located in jurisdictions other than Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the thirtieth (30th) day after the later of the date of entry of the Order and the relevant Effective Date and (z) with respect to Excess Equipment located in Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the forty-fifth (45th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter, shall cease insuring and maintaining such Excess Equipment; provided that upon request from the appropriate Lessor and agreement by such

Lessor to pay all related out-of-pocket costs, the Debtors shall (A) continue the current insurance coverage and existing storage and related storage maintenance, if any, for Excess Equipment not yet in the possession of such Lessor for up to forty-five (45) days beyond the date determined in accordance with clause (i)(a) of this paragraph, and (B) provide (without adversely affecting the Debtors' business operations) reasonable assistance to such affected Lessor to prepare the Excess Equipment for return shipment to the Lessor by air freight or sea freight (where applicable), including through reasonable assistance provided by the Debtors local personnel, the use of the Debtors' facilities (whether owned or leased), and tooling available at the locations for the recovery of any Excess Equipment.

7. The Lessor affected by the rejection of a Lease shall retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 attached to this Order by the date determined pursuant to clause (i)(a) of the immediately preceding paragraph or such later date for which the Lessor has agreed to pay in accordance with the proviso to the immediately preceding paragraph (the "**Outside Pick-Up Date**"); provided that the Debtors and the applicable Lessor may agree in writing that the Excess Equipment will be returned to or surrendered at another location(s) or according to other return procedures ("**Agreed Arrangements**"); and provided further that the Debtors shall, as soon as reasonably practicable after entry of this Order, provide to such Lessor reasonable access to such Excess Equipment. Unless otherwise agreed by the Debtors and a Lessor, each Lessor shall be responsible to the Debtors for all reasonable costs (as determined by the Debtors) of storing, maintaining, and insuring such Lessor's Excess Equipment (and for other attendant risks) after the Outside Pick-Up Date (such costs, "**Subsequent Costs**"), and such Lessor shall not be

entitled to assert an administrative expense claim for such Subsequent Costs. If the Lessor does not remove the Excess Equipment by the Outside Pick-up Date or such other date set forth in the Agreed Arrangements, or otherwise contract with the Debtors or a third party for storage of the Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. For the avoidance of doubt, the Debtors shall not be required to insure or store Excess Equipment after the Outside Pick-Up Date, unless mutually agreed upon by the Debtors and the applicable Lessor.

8. Both (a) without limiting (i) obligations, if any, to return a full helicopter, including, without limitation, the airframe, engines and other parts and equipment (and component parts of any of the foregoing) under any rejected Lease for Excess Equipment, (ii) claims, if any, arising from the failure to return all such items, and (iii) claims, if any, arising from the failure to return all such items in one location and/or assembled, which, in the case of each of (i) through (iii), are subject to the reservation of rights contained in Paragraphs 19 and 20 hereof, and (b) without affecting the Effective Date for any rejected Lease (as provided herein), the helicopter to be made available with respect to each rejected Lease will include, at a minimum, two engines, and all gearboxes, blades, rotors and rotor assemblies appropriate for the model of such helicopter, with all such items being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)) and, to the extent requested, providing a bill of sale for such to the Lessor, in each case, in accordance with the procedures set forth herein with respect to Replacement Equipment or

Substitute Equipment; provided that, in certain circumstances, some of the Excess Equipment associated with a rejected Lease may be made available at a location other than such locations set forth in Schedule 1 for such Excess Equipment, in which case the Lessor (and other interested parties associated with such Excess Equipment (to the extent set forth on the schedules hereto)) will be promptly informed on and after the Effective Date of such rejection of such location and the equipment located at such other location. If any of the Excess Equipment was non-serviceable (as determined by reference to standards set by the relevant manufacturer and aviation authority) as of the Petition Date, the Debtors are under no obligation to repair such Excess Equipment to make it serviceable (as determined by reference to standards set by the relevant manufacturer and aviation authority), subject, however, to the reservation of rights provisions below regarding the assertion of administrative expense claims and general unsecured claims for damages and maintenance condition status. During the period commencing on the date of this Order and ending at the time the Lessor or its designee takes possession of the Excess Equipment, the Debtors shall not and shall not permit any of their affiliates or agents to remove or use any of the Excess Equipment (including any part or component thereof) except as expressly permitted by paragraphs 10 and 13 of this Order. The Debtors shall, or shall cause their affiliates or agents to, restore to the Excess Equipment any part or component that has been removed following the Petition Date or if such removed part or component is unavailable, a part or component having at least the same value and utility, including being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)).

9. Subject to ordered paragraphs 10 through 15, if any Replacement Equipment installed on, or returned with, the Affected Equipment has not been previously substituted pursuant to the terms of the relevant Lease, the Debtors shall, if requested by the affected Lessor, formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the Lessor free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)) by providing a bill of sale to the Lessor of such Replacement Equipment.

10. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not permitted under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to Substitute Equipment, (ii) the Debtors shall cause the lifting and release of such lien or mortgage on such Replacement Equipment, or (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version having at least the same value and utility, including being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)); in the case of (iii), the Debtors may remove the Replacement Equipment from the Affected Equipment.

11. If the transfer documentation contemplated in the Motion was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated

by the Debtors) free and clear of all liens, claims and encumbrances granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings).

12. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor (and for equipment subject to security interests also with the same secured party) or by the same beneficial owner and leased to the Debtors under separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment and the Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

13. In lieu of providing Replacement Equipment pursuant to this Order, the Debtors may, in the Debtors' sole discretion, make the Original Equipment (to the extent such Original Equipment is in the Debtors' possession) available to an affected Lessor at the location where such Original Equipment is situated, whether or not such Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment (having the same value and utility to the otherwise required Replacement Equipment) available to the affected Lessor at the location where the Affected Equipment is situated by installing such Substitute Equipment on the Affected Equipment, and in these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

14. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents, or if a secured party with a lien on Original Equipment or Replacement

Equipment does not deliver documents necessary to release its liens, each as required in the Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

15. For the avoidance of doubt, any Original Equipment, title to which was previously transferred to Turbomeca S.A. ("**Turbomeca**") pursuant to the terms of the Heli-One (Norway AS) Support By The Hour Agreement Standard Exchange Agreements between Heli-One and Turbomeca (the "**Standard Exchange Agreements**"), which was not otherwise transferred back to the Debtors pursuant to the terms of the Standard Exchange Agreements, shall not be transferred by the Debtors to any Lessor. For the avoidance of doubt, any such Original Equipment referenced in the prior sentence is not in the Debtors' possession or control and is not included on Schedule 1 attached to this Order. To the extent that Turbomeca provided Replacement Equipment to the Debtors that is on a helicopter being returned to the Lessor and the Debtors received clean title to the Replacement Equipment pursuant to the Standard Exchange Agreements, then title of the equipment of the Lessor provided to Turbomeca in exchange for the Replacement Equipment (the "**Exchange Equipment**") was free and clear of all liens, claims and encumbrances of the Lessor (or any of the Lessor's lenders and finance parties under related aircraft financings) at the time of such transfer.

16. The Debtors shall provide to the Committee, by and through its advisors, and to counsel to the informal group of certain unaffiliated holders of the 9.250% Senior Secured

Notes Due 2020, with a bi-weekly report of all transfers of, and liens on, Original Equipment, Replacement Equipment or Substitute Equipment made pursuant to this Order.

17. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby and comply with the provisions of this Order.

18. Claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date, or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

19. The entry of this Order is without prejudice to the ability of a Lessor or any other party in interest whose Excess Equipment is the subject of a lease that is rejected by the Motion and this Order to assert and file claims, if any, including a request for payment of an administrative expense claim (if any), for damages or other compensation arising under or in connection with the applicable Lease and/or section 503 of the Bankruptcy Code, including any failures, if any, by the Debtors to comply with any terms and conditions contained in the Lease, provided that this Order is without prejudice to the Debtors' or any other party in interest's defenses, offsets and objections to such claims and their asserted priority. Nothing set forth herein shall be deemed to determine the scope of the Debtors' return obligations with respect to the Excess Equipment and that this Order (including, without limitation, the Effective Dates set forth on Schedule 1 and Schedule 2) is without prejudice to the rights, if any, of (i) any Lessor or

party in interest in these transactions to assert a claim for damages for failure to comply or delay by the Debtors to satisfy all return provisions with respect to any portion of the Excess Equipment or for improper or inadequate record keeping with respect to the records or documents, under the applicable Lease, security agreement or other operative documents or under the Bankruptcy Code, including entitlement to rent, supplemental rent, debt service or damages, or an administrative expense claim with respect to rent, supplemental rent, debt service or damages, if any, or a claim for other contractual payments, including any indemnities, fees and expenses of the trustee, if any, stipulated loss value, termination value or payments under a tax indemnity agreement, if any and in all instances other than for Subsequent Costs, or (ii) the Debtors or any other party to object to any such claims or their asserted priority; provided, however, that to the extent there are Agreed Arrangements, with respect to specific matters delineated therein, unless otherwise agreed to by the parties to such Agreed Arrangements, after consultation with the UCC, the applicable Lessor shall not have any claim (whether prepetition or administrative) for damages relating to the Debtors' compliance with such Agreed Arrangements in lieu of the requirements for the applicable Lease or security agreement (but all other claims and priority rights (and defenses thereto) are fully preserved); provided, further, that if the Debtors and any Lessor have agreed to extend the Effective Date for related Excess Equipment beyond the Effective Date specified in the Motion, the Debtors shall not be subject to, and such Lessor shall not assert, any additional administrative expense claims as a result of such extension but all other bases for administrative claims (including, without limitation, any failure by the Debtors to return the Excess Equipment by the extended Effective Date) (as well as all rights to object thereto) are fully preserved and reserved. Nothing in this order will impair or

alter any right or entitlement of any Lessor or any other party in interest to recover insurance proceeds with respect to the Excess Equipment.

20. This Order shall neither abridge nor modify the rights and remedies, if any, of any party under the Convention on International Interests in Mobile Equipment (the "**Convention**") and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "**Protocol**"), if such Convention and Protocol is applicable.

21. To the extent necessary, the automatic stay provided by section 362 of the Bankruptcy Code is hereby modified as to any and all of the Debtors' estates to allow the parties to effectuate the provisions of this Order and to transfer, move and dispose of the rejected Excess Equipment and to exercise available rights of setoff, application and recoupment, if any, including without limitation with respect to available funds held on deposit or trust or otherwise that relate to any such Excess Equipment or applicable Lease (and any related financings), without further order of the Court, in accordance with applicable non-bankruptcy law and with respect to any such setoff, application and recoupment, solely to the extent such setoff, application and recoupment is permitted by, and in compliance with, the Bankruptcy Code (other than section 362 thereof).

22. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

23. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

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

### END OF ORDER ###

Respectfully Submitted,

*/s/ Jasmine Ball*

DEBEVOISE & PLIMPTON LLP
Jasmine Ball (*pro hac vice*)
Richard F. Hahn (*pro hac vice*)
919 Third Avenue
New York, New York 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836
Email: jball@debevoise.com
rfhahn@debevoise.com

*Special Aircraft Attorneys for Debtors and Debtors in Possession*

WEIL, GOTSHAL & MANGES LLP
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice)*
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com

*Attorneys for Debtors and Debtors in Possession*

**Alphabetical Index of Notice Parties Listed in Schedules 1 and 2**

| **Notice Parties: Schedule 1** | **Row(s)** |
|---|---|
| Clifford Chance, LLP | 1, 2 |
| Export Development Canada | 1, 2 |
| Lombard North Central Plc | 1, 2 |
| McGUIRE, CRADDOCK & STROTHER, P.C. | 1, 2 |
| RBS Aerospace Limited | 1, 2 |
| The Royal Bank of Scotland Plc | 1, 2 |
| VEDDER PRICE | 1, 2 |

| **Notice Parties: Schedule 2** | **Row(s):** |
|---|---|
| CHC Helicopters Canada Inc. | 1 |
| Thai Aviation Services Limited | 4 |

**Schedule 1**[1]

EXCESS EQUIPMENT

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| 1 | CHC Helicopters (Barbados) Limited | Lessor:<br>Lombard North Central Plc<br><br>Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS<br>United Kingdom<br><br>Head of Helicopter Finance, Lombard Specialist Finance<br>280 Bishopsgate<br>London EC2M 4RB<br>United Kingdom<br>Fax: +1 202 565 3558<br><br>Copy: | Manufacturer:<br>Sikorsky<br><br>Model:<br>S92A<br><br>Serial Number:<br>920127 | Hangar 3 - Unit 3, 4340 King Street, Delta, BC V4K 0A5, Canada | Manufacturer:<br>General Electric<br><br>Model:<br>CT7-8A<br><br>Serial Nos.:<br>None. | Date of entry of this Order. |

[1] For each helicopter and lease that is being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent in connection with any lease) also will be deemed part of this Schedule 1 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 1 that have already terminated or expired in accordance with the terms of such leases or contracts.

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | Jennifer DeMarco<br>Clifford Chance, LLP<br>31 West 52nd Street, New York, NY 10019-6131<br>Email: jennifer.demarco@cliffordchance.com<br><br>Lender:<br>Export Development Canada<br>Loan Portfolio Manager Asset Management Transportation<br>151 O'Connor Street<br>Ottawa, Ontario K1A 1K3 Canada<br>Fax: 613 598 3186<br><br>J. Mark Chevallier<br>McGUIRE, CRADDOCK & STROTHER, P.C.<br>2501 N. Harwood, Suite 1800<br>Dallas, TX 75201<br>(T): (214) 954-6800<br>(F): (214) 954-6858<br>Email: mchevallier@mcslaw.com<br><br>Douglas J. Lipke<br>VEDDER PRICE<br>222 North LaSalle Street<br>Chicago, IL 60601<br>(T): (312) 609-7646<br>(F): (312) 609-5005<br>Email: dlipke@vedderprice.com<br><br>Michael J. Edelman<br>VEDDER PRICE<br>1633 Broadway 47th Floor<br>New York, New York 10019 | | | | |

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | (T): (212) 407-6970<br>(F): (212) 407-7799<br>Email: mjedelman@vedderprice.com<br><br>Borrower:<br>The Royal Bank of Scotland Plc<br>Head of Finance<br>The Quadrangle, The Promenade, Cheltenham<br>GL50 1PX, United Kingdom<br>(F): 01242 233519<br><br>RBS Aerospace Limited<br>Head of Operations<br>3rd Floor, George's Quay Plaza, George's Quay,<br>Dublin 2 Ireland<br>(F): 353 1448 3390<br><br>RBS Aerospace Limited<br>Head of Operations<br>IFSC House, IFSC Dublin 1 Ireland<br>(F): 353 1859 9230 | | | | |
| 2 | Heli-One Leasing ULC | Lessor:<br>Lombard North Central Plc<br><br>Lombard House, The Waterfront, Elstree Road,<br>Elstree, Hertfordshire, WD6 3BS<br>United Kingdom<br><br>Head of Helicopter Finance, Lombard<br>Specialist Finance<br>280 Bishopsgate<br>London EC2M 4RB<br>United Kingdom | Manufacturer:<br>Sikorsky<br><br>Model:<br>S76C++<br><br>Serial Number:<br>760720 | Utapao-Rayong-Pataya International Airport, Ban Chang, Rayong, Thailand 21130 | Manufacturer:<br>Turbomeca<br><br>Model:<br>Arriel 2S2<br><br>Serial Nos.:<br>42168<br>42223 | Date of entry of this Order. |



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| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | Fax: +1 202 565 3558<br><br>Copy:<br>Jennifer DeMarco<br>Clifford Chance, LLP<br>31 West 52nd Street, New York, NY 10019-6131<br>Email: jennifer.demarco@cliffordchance.com<br><br>Lender:<br>Export Development Canada<br>Loan Portfolio Manager Asset Management Transportation<br>151 O'Connor Street<br>Ottawa, Ontario K1A 1K3 Canada<br>Fax: 613 598 3186<br><br>J. Mark Chevallier<br>McGUIRE, CRADDOCK & STROTHER, P.C.<br>2501 N. Harwood, Suite 1800<br>Dallas, TX 75201<br>(T): (214) 954-6800<br>(F): (214) 954-6858<br>Email: mchevallier@mcslaw.com<br><br>Douglas J. Lipke<br>VEDDER PRICE<br>222 North LaSalle Street<br>Chicago, IL 60601<br>(T): (312) 609-7646<br>(F): (312) 609-5005<br>Email: dlipke@vedderprice.com<br><br>Michael J. Edelman | | | | |

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | VEDDER PRICE<br>1633 Broadway 47th Floor<br>New York, New York 10019<br>(T): (212) 407-6970<br>(F): (212) 407-7799<br>Email: mjedelman@vedderprice.com<br><br>Borrower:<br>The Royal Bank of Scotland Plc<br>Head of Finance<br>The Quadrangle, The Promenade, Cheltenham<br>GL50 1PX, United Kingdom<br>(F): 01242 233519<br><br>RBS Aerospace Limited<br>Head of Operations<br>3rd Floor, George's Quay Plaza, George's Quay,<br>Dublin 2 Ireland<br>(F): 353 1448 3390<br><br>RBS Aerospace Limited<br>Head of Operations<br>IFSC House, IFSC Dublin 1 Ireland<br>(F): 353 1859 9230 | | | | |

**Schedule 2**[1]

| Row | Subleased Equipment (MSN) | Agreement | Sublessor (Party) | Sublessee (Party) | Effective Date of Rejection |
|---|---|---|---|---|---|
| 1 | 920127 | Sublease | CHC Helicopters (Barbados) Limited | CHC Helicopters Canada Inc. 799 Bames Drive, Goffs, Nova Scotia, B2T 1R8 Canada | Date of entry of this Order. |
| 2 | 760720 | Sublease | Heli-One Leasing ULC | CHC Leasing (Ireland) Limited | Date of entry of this Order. |
| 3 | 760720 | Sub-Sublease | CHC Leasing (Ireland) Limited | Heliworld Leasing Limited | Date of entry of this Order. |
| 4 | 760720 | Sub-Sub-Sublease | Heliworld Leasing Limited | Thai Aviation Services Limited 18 SCB park Plaza West, Building 2, 8th floor, Ratchadapiseh Road Bangkok, Thailand 10900 | Date of entry of this Order. |

[1] For each helicopter, lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

This is Exhibit **"E"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

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**The following constitutes the ruling of the court and has the force and effect therein described.**

**Signed January 17, 2017**

Barbara J. Houser
**United States Bankruptcy Judge**

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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)** |

# ORDER GRANTING DEBTORS' SIXTH OMNIBUS MOTION TO REJECT CERTAIN EQUIPMENT LEASES AND SUBLEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE

Upon the motion dated December 6, 2016 (the "**Motion**")[1] of CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), for authorization pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rules 6004(h) and 6006 to reject the leases ("**Leases**") for helicopters and other related

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

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equipment identified on Schedule 1 to this Order (collectively, the "**Excess Equipment**") and the sublease agreements identified on Schedule 2 to this Order (the "**Subleases**") and relating to certain Excess Equipment identified on Schedule 2 to this Order (the "**Subleased Equipment**"); and upon consideration of (i) the Declaration of Robert A. Del Genio in Support of First-Day Motions and Applications, dated as of the Petition Date and (ii) the Declaration of Michael B. Cox in Support of the Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b)(2); 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, (ii) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Douglas Mannal, Esq. and Anupama Yerramalli, 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 certain secured lenders under the Revolving Credit Agreement, (v) Paul Hastings LLP, 75 East 55th Street, New York, NY 10022 (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 and under the 9.375% Senior Notes due 2021, (vii) the Securities and Exchange Commission, (viii) the Internal Revenue Service, (ix) in the case of Excess Equipment, the Lessors, the beneficial owners of such equipment (if different and if known) and the Indenture Parties (if known), if any, (x) in the case of the Subleases, the Sublessees, and (xi) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing before the Court with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having considered the arguments of counsel made, and the evidence proffered and adduced, at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The relief requested in the Motion is hereby granted as and to the extent set forth herein.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (a) the rejection of the Leases of Excess Equipment listed on Schedule 1 attached to this Order is authorized and approved as of the later of (i) the date set forth next to each item of Excess Equipment on Schedule 1 attached to this Order or (ii) the date of entry of this Order (such later date, the "**Effective Date**") and (b) the rejection of each of the Subleases listed on Schedule 2 attached to this Order is authorized and approved as of the relevant Effective Date of the Leases underlying the Subleased Equipment. The Debtors shall make available to the

Lessors or their designees all Excess Equipment consistent with this order on and after the Effective Date.

3. The Debtors shall, upon the Effective Date, or as soon as reasonably practicable after the Effective Date, make available to the applicable Lessors or their designees all records and documents relating to such Lessors' Excess Equipment that are in the Debtors' possession or control (whether hard copy or in electronic form). If such Excess Equipment is Replacement Equipment, the Debtors shall make available to the applicable Lessors or their designees all records and documents that are in the Debtors' possession or control relating to such Replacement Equipment. If such records and documentation are in the possession of the Debtors' non-debtor affiliates, the Debtors shall cause their non-debtor affiliates to make available such records and documentation to the applicable Lessors or their designees. If such records and documentation are in the possession of third parties, the Debtors shall use their commercially reasonable efforts to cause such third parties to make available such records and documentation to the applicable Lessors or their designees, provided that such applicable Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such third-party records and documentation requests. From and after the Effective Date, the Debtors shall respond reasonably promptly to reasonable inquiries from the applicable Lessors regarding such records and documents related to such Lessors' Excess Equipment.

4. Upon written request from an affected Lessor, the Debtors shall cause, and shall procure that their non-debtor affiliates cause, the execution of, or provision of, information required for (y) a lease termination document or other documentation, as appropriate, to be filed with the aviation authority in the applicable jurisdiction, or any registry, in connection with such Excess Equipment and (z) the customs status with available historical

records and a copy of such import customs clearance, if applicable, provided that the affected Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with (a) such documentation and (b) the filing, if applicable, thereof with such relevant aviation authority or register.

5. Once the affected Lessor retrieves or takes control of its Excess Equipment, such Lessor or the authorized party under an IDERA or a power of attorney provided by the Debtors, if any, shall be permitted to request the cancellation, or transfer to a party designated by such Lessor, of such helicopter's registration on an aviation authority's register, or other authority's register, provided that the affected Lessor shall be solely responsible for all reasonable out-of-pocket costs associated with such request or transfer.

6. Unless otherwise mutually agreed to with the appropriate Lessor, the Debtors (i) shall maintain their current insurance coverage and continue the existing storage maintenance program applicable to each item of Excess Equipment until the earlier of (a) (y) with respect to Excess Equipment located in jurisdictions other than Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the thirtieth (30th) day after the later of the date of entry of the Order and the relevant Effective Date and (z) with respect to Excess Equipment located in Australia, Brazil, East Timor, Equatorial Guinea, Nigeria, South Africa and Uruguay, the forty-fifth (45th) day after the later of the date of entry of the Order and the relevant Effective Date and (b) the date on which the appropriate Lessor takes possession of such Excess Equipment and (ii) thereafter, shall cease insuring and maintaining such Excess Equipment; provided that upon request from the appropriate Lessor and agreement by such Lessor to pay all related out-of-pocket costs, the Debtors shall (A) continue the current insurance coverage and existing storage and related storage maintenance, if any, for Excess Equipment not

yet in the possession of such Lessor for up to forty-five (45) days beyond the date determined in accordance with clause (i)(a) of this paragraph, and (B) provide (without adversely affecting the Debtors' business operations) reasonable assistance to such affected Lessor to prepare the Excess Equipment for return shipment to the Lessor by air freight or sea freight (where applicable), including through reasonable assistance provided by the Debtors local personnel, the use of the Debtors' facilities (whether owned or leased), and tooling available at the locations for the recovery of any Excess Equipment.

7. The Lessor affected by the rejection of a Lease shall retrieve or otherwise take control of the relevant Excess Equipment from the locations provided on Schedule 1 attached to this Order by the date determined pursuant to clause (i)(a) of the immediately preceding paragraph or such later date for which the Lessor has agreed to pay in accordance with the proviso to the immediately preceding paragraph (the "**Outside Pick-Up Date**"); provided that the Debtors and the applicable Lessor may agree in writing that the Excess Equipment will be returned to or surrendered at another location(s) or according to other return procedures ("**Agreed Arrangements**"); and provided further that the Debtors shall, as soon as reasonably practicable after entry of this Order, provide to such Lessor reasonable access to such Excess Equipment. Unless otherwise agreed by the Debtors and a Lessor, each Lessor shall be responsible to the Debtors for all reasonable costs (as determined by the Debtors) of storing, maintaining, and insuring such Lessor's Excess Equipment (and for other attendant risks) after the Outside Pick-Up Date (such costs, "**Subsequent Costs**"), and such Lessor shall not be entitled to assert an administrative expense claim for such Subsequent Costs. If the Lessor does not remove the Excess Equipment by the Outside Pick-up Date or such other date set forth in the Agreed Arrangements, or otherwise contract with the Debtors or a third party for storage of the

Excess Equipment, the Debtors may file a motion to compel removal of the Excess Equipment and/or payment to the Debtors of storage and other attendant costs including without limitation all legal fees. For the avoidance of doubt, the Debtors shall not be required to insure or store Excess Equipment after the Outside Pick-Up Date, unless mutually agreed upon by the Debtors and the applicable Lessor.

8. Both (a) without limiting (i) obligations, if any, to return a full helicopter, including, without limitation, the airframe, engines and other parts and equipment (and component parts of any of the foregoing) under any rejected Lease for Excess Equipment, (ii) claims, if any, arising from the failure to return all such items, and (iii) claims, if any, arising from the failure to return all such items in one location and/or assembled, which, in the case of each of (i) through (iii), are subject to the reservation of rights contained in Paragraphs 19 and 20 hereof, and (b) without affecting the Effective Date for any rejected Lease (as provided herein), the helicopter to be made available with respect to each rejected Lease will include, at a minimum, two engines, and all gearboxes, blades, rotors and rotor assemblies appropriate for the model of such helicopter, with all such items being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)) and, to the extent requested, providing a bill of sale for such to the Lessor, in each case, in accordance with the procedures set forth herein with respect to Replacement Equipment or Substitute Equipment; provided that, in certain circumstances, some of the Excess Equipment associated with a rejected Lease may be made available at a location other than such locations set forth in Schedule 1 for such Excess Equipment, in which case the Lessor (and other interested parties associated with such Excess Equipment (to the extent set forth on the schedules hereto))

will be promptly informed on and after the Effective Date of such rejection of such location and the equipment located at such other location. If any of the Excess Equipment was non-serviceable (as determined by reference to standards set by the relevant manufacturer and aviation authority) as of the Petition Date, the Debtors are under no obligation to repair such Excess Equipment to make it serviceable (as determined by reference to standards set by the relevant manufacturer and aviation authority), subject, however, to the reservation of rights provisions below regarding the assertion of administrative expense claims and general unsecured claims for damages and maintenance condition status. During the period commencing on the date of this Order and ending at the time the Lessor or its designee takes possession of the Excess Equipment, the Debtors shall not and shall not permit any of their affiliates or agents to remove or use any of the Excess Equipment (including any part or component thereof) except as expressly permitted by paragraphs 10 and 13 of this Order. The Debtors shall, or shall cause their affiliates or agents to, restore to the Excess Equipment any part or component that has been removed following the Petition Date or if such removed part or component is unavailable, a part or component having at least the same value and utility, including being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)).

9. Subject to ordered paragraphs 10 through 15, if any Replacement Equipment installed on, or returned with, the Affected Equipment has not been previously substituted pursuant to the terms of the relevant Lease, the Debtors shall, if requested by the affected Lessor, formalize the transfer of the Debtors' right, title and interest in such Replacement Equipment to the Lessor free and clear of all liens, claims and encumbrances

(except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)) by providing a bill of sale to the Lessor of such Replacement Equipment.

10. If the Replacement Equipment is encumbered by a recorded lien or mortgage that is not permitted under the relevant Lease, at the Debtor's election: (i) such lien or mortgage shall be released from such Replacement Equipment and shall attach to Substitute Equipment, (ii) the Debtors shall cause the lifting and release of such lien or mortgage on such Replacement Equipment, or (iii) the Replacement Equipment shall be replaced with Substitute Equipment of the same model and version having at least the same value and utility, including being free and clear of all liens, claims and encumbrances (except for liens granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings)); in the case of (iii), the Debtors may remove the Replacement Equipment from the Affected Equipment.

11. If the transfer documentation contemplated in the Motion was not formalized at the time of the removal of the Original Equipment, the relevant Lessor shall simultaneously deliver, or cause to be delivered, to the Debtors a bill of sale for the Original Equipment, transferring such Original Equipment to the Debtors (or to a third party designated by the Debtors) free and clear of all liens, claims and encumbrances granted to or for the benefit of, or otherwise arising by or through, the Lessor (or the Lessor's lenders and finance parties under related aircraft financings).

12. If the Replacement Equipment and the Original Equipment are beneficially owned by the relevant Lessor (and for equipment subject to security interests also with the same secured party) or by the same beneficial owner and leased to the Debtors under

separate leases, then the Debtors may surrender such Replacement Equipment to the Lessor in lieu of the Original Equipment and the Replacement Equipment shall thereafter be released from the relevant Lease and any liens in favor of the secured party with respect to such Replacement Equipment, and the Original Equipment shall be subject to such lease or mortgage and any such liens.

13. In lieu of providing Replacement Equipment pursuant to this Order, the Debtors may, in the Debtors' sole discretion, make the Original Equipment (to the extent such Original Equipment is in the Debtors' possession) available to an affected Lessor at the location where such Original Equipment is situated, whether or not such Original Equipment is at the same location as the Affected Equipment, or make Substitute Equipment (having the same value and utility to the otherwise required Replacement Equipment) available to the affected Lessor at the location where the Affected Equipment is situated by installing such Substitute Equipment on the Affected Equipment, and in these circumstances, the Debtors may remove the Replacement Equipment from the Affected Equipment.

14. If a lessor of Original Equipment or Replacement Equipment does not deliver title documents, or if a secured party with a lien on Original Equipment or Replacement Equipment does not deliver documents necessary to release its liens, each as required in the Procedures, the Debtors shall be entitled to move for an Order to Show Cause to compel such lessor to transfer title to such equipment or to compel such secured party to release its liens. In such an instance, such lessor or such secured party, as the case may be, shall also be liable to the Debtors and the affected Lessor for any damages arising out of or in connection with such lessor's or such secured party's delay, including legal and other fees.

15. For the avoidance of doubt, any Original Equipment, title to which was previously transferred to Turbomeca S.A. ("**Turbomeca**") pursuant to the terms of the Heli-One (Norway AS) Support By The Hour Agreement Standard Exchange Agreements between Heli-One and Turbomeca (the "**Standard Exchange Agreements**"), which was not otherwise transferred back to the Debtors pursuant to the terms of the Standard Exchange Agreements, shall not be transferred by the Debtors to any Lessor. For the avoidance of doubt, any such Original Equipment referenced in the prior sentence is not in the Debtors' possession or control and is not included on Schedule 1 attached to this Order. To the extent that Turbomeca provided Replacement Equipment to the Debtors that is on a helicopter being returned to the Lessor and the Debtors received clean title to the Replacement Equipment pursuant to the Standard Exchange Agreements, then title of the equipment of the Lessor provided to Turbomeca in exchange for the Replacement Equipment (the "**Exchange Equipment**") was free and clear of all liens, claims and encumbrances of the Lessor (or any of the Lessor's lenders and finance parties under related aircraft financings) at the time of such transfer.

16. The Debtors shall provide to the Committee, by and through its advisors, and to counsel to the informal group of certain unaffiliated holders of the 9.250% Senior Secured Notes Due 2020, with a bi-weekly report of all transfers of, and liens on, Original Equipment, Replacement Equipment or Substitute Equipment made pursuant to this Order.

17. The Debtors are authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the rejections approved hereby and comply with the provisions of this Order.

18. Claims arising out of any rejection effected pursuant to these procedures must timely be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c)

establishing a deadline by which prepetition general unsecured claims must be filed (the "**Bar Date**"), on or before the later of (i) the Bar Date, or (ii) 30 days after the Effective Date with respect to the item of Excess Equipment or with respect to the Sublease to which such claim relates, as the case may be. Any claim not timely filed will be irrevocably barred.

19. The entry of this Order is without prejudice to the ability of a Lessor or any other party in interest whose Excess Equipment is the subject of a lease that is rejected by the Motion and this Order to assert and file claims, if any, including a request for payment of an administrative expense claim (if any), for damages or other compensation arising under or in connection with the applicable Lease and/or section 503 of the Bankruptcy Code, including any failures, if any, by the Debtors to comply with any terms and conditions contained in the Lease, provided that this Order is without prejudice to the Debtors' or any other party in interest's defenses, offsets and objections to such claims and their asserted priority. Nothing set forth herein shall be deemed to determine the scope of the Debtors' return obligations with respect to the Excess Equipment and that this Order (including, without limitation, the Effective Dates set forth on Schedule 1 and Schedule 2) is without prejudice to the rights, if any, of (i) any Lessor or party in interest in these transactions to assert a claim for damages for failure to comply or delay by the Debtors to satisfy all return provisions with respect to any portion of the Excess Equipment or for improper or inadequate record keeping with respect to the records or documents, under the applicable Lease, security agreement or other operative documents or under the Bankruptcy Code, including entitlement to rent, supplemental rent, debt service or damages, or an administrative expense claim with respect to rent, supplemental rent, debt service or damages, if any, or a claim for other contractual payments, including any indemnities, fees and expenses of the trustee, if any, stipulated loss value, termination value or payments under a

tax indemnity agreement, if any and in all instances other than for Subsequent Costs, or (ii) the Debtors or any other party to object to any such claims or their asserted priority; provided, however, that to the extent there are Agreed Arrangements, with respect to specific matters delineated therein, unless otherwise agreed to by the parties to such Agreed Arrangements, after consultation with the UCC, the applicable Lessor shall not have any claim (whether prepetition or administrative) for damages relating to the Debtors' compliance with such Agreed Arrangements in lieu of the requirements for the applicable Lease or security agreement (but all other claims and priority rights (and defenses thereto) are fully preserved); provided, further, that if the Debtors and any Lessor have agreed to extend the Effective Date for related Excess Equipment beyond the Effective Date specified in the Motion, the Debtors shall not be subject to, and such Lessor shall not assert, any additional administrative expense claims as a result of such extension but all other bases for administrative claims (including, without limitation, any failure by the Debtors to return the Excess Equipment by the extended Effective Date) (as well as all rights to object thereto) are fully preserved and reserved. Nothing in this order will impair or alter any right or entitlement of any Lessor or any other party in interest to recover insurance proceeds with respect to the Excess Equipment.

20. This Order shall neither abridge nor modify the rights and remedies, if any, of any party under the Convention on International Interests in Mobile Equipment (the "**Convention**") and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "**Protocol**"), if such Convention and Protocol is applicable.

21. To the extent necessary, the automatic stay provided by section 362 of the Bankruptcy Code is hereby modified as to any and all of the Debtors' estates to allow the parties

to effectuate the provisions of this Order and to transfer, move and dispose of the rejected Excess Equipment and to exercise available rights of setoff, application and recoupment, if any, including without limitation with respect to available funds held on deposit or trust or otherwise that relate to any such Excess Equipment or applicable Lease (and any related financings), without further order of the Court, in accordance with applicable non-bankruptcy law and with respect to any such setoff, application and recoupment, solely to the extent such setoff, application and recoupment is permitted by, and in compliance with, the Bankruptcy Code (other than section 362 thereof).

22. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

23. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6006, 6007 and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

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

### END OF ORDER ###

Respectfully Submitted,

*/s/ Jasmine Ball*

DEBEVOISE & PLIMPTON LLP
Jasmine Ball (*pro hac vice*)
Richard F. Hahn (*pro hac vice*)
919 Third Avenue
New York, New York 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836
Email: jball@debevoise.com
rfhahn@debevoise.com

*Special Aircraft Attorneys for Debtors and Debtors in Possession*

WEIL, GOTSHAL & MANGES LLP
Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice)*
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com

*Attorneys for Debtors and Debtors in Possession*

**Alphabetical Index of Notice Parties Listed in Schedules 1 and 2**

| **Notice Parties: Schedule 1** | **Row:** |
|---|---|
| Clifford Chance, LLP | 1 |
| Export Development Canada | 1 |
| Lombard North Central Plc | 1 |
| McGUIRE, CRADDOCK & STROTHER, P.C. | 1 |
| RBS Aerospace Limited | 1 |
| The Royal Bank of Scotland Plc | 1 |
| VEDDER PRICE | 1 |

| **Notice Parties: Schedule 2** | **Row:** |
|---|---|
| Thai Aviation Services Limited | 3 |

**Schedule 1**[1]

EXCESS EQUIPMENT

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| 1 | Heli-One Leasing ULC | Lessor:<br>Lombard North Central Plc<br><br>Lombard House, The Waterfront, Elstree Road, Elstree, Hertfordshire, WD6 3BS<br>United Kingdom<br><br>Head of Helicopter Finance,<br>Lombard Specialist Finance<br>280 Bishopsgate<br>London EC2M 4RB<br>United Kingdom<br>Fax: +1 202 565 3558<br><br>Copy:<br>Jennifer DeMarco<br>Clifford Chance, LLP<br>31 West 52nd Street, New York, NY 10019-6131<br>Email:<br>jennifer.demarco@cliffordchance.com | Manufacturer:<br>Sikorsky<br><br>Model:<br>S76C++<br><br>Serial Number:<br>760720 | Utapao-Rayong-Pataya International Airport, Ban Chang, Rayong, Thailand 21130 | Manufacturer:<br>Turbomeca<br><br>Model:<br>Arriel 2S2<br><br>Serial Nos.:<br>42168<br>42223 | Date of entry of this Order. |

[1] For each helicopter and lease that is being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent in connection with any lease) also will be deemed part of this Schedule 1 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 1 that have already terminated or expired in accordance with the terms of such leases or contracts.

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | Lender:<br>Export Development Canada<br>Loan Portfolio Manager<br>Asset Management<br>Transportation<br>151 O'Connor Street<br>Ottawa, Ontario K1A 1K3<br>Canada<br>Fax: 613 598 3186<br><br>J. Mark Chevallier<br>McGUIRE, CRADDOCK & STROTHER, P.C.<br>2501 N. Harwood, Suite 1800<br>Dallas, TX 75201<br>(T): (214) 954-6800<br>(F): (214) 954-6858<br>Email:<br>mchevallier@mcslaw.com<br><br>Douglas J. Lipke<br>VEDDER PRICE<br>222 North LaSalle Street<br>Chicago, IL 60601<br>(T): (312) 609-7646<br>(F): (312) 609-5005<br>Email:<br>dlipke@vedderprice.com<br><br>Michael J. Edelman<br>VEDDER PRICE<br>1633 Broadway 47th Floor<br>New York, New York 10019<br>(T): (212) 407-6970<br>(F): (212) 407-7799<br>Email:<br>mjedelman@vedderprice.com<br><br>Borrower:<br>The Royal Bank of Scotland Plc<br>Head of Finance<br>The Quadrangle, The Promenade, Cheltenham<br>GL50 1PX, United Kingdom<br>(F): 01242 233519 | | | | |

| Row | Debtor (Head Lessee) | Head Lessor/Notice Parties Contact Info | Helicopter Mfr., Model, Serial N. | Location of Helicopter and Engines | Associated Engines Mfr. Model and Serial Nos. | Effective Date of Rejection |
|---|---|---|---|---|---|---|
| | | RBS Aerospace Limited<br>Head of Operations<br>3rd Floor, George's Quay Plaza, George's Quay, Dublin 2 Ireland<br>(F): 353 1448 3390<br><br>RBS Aerospace Limited<br>Head of Operations<br>IFSC House, IFSC Dublin 1 Ireland<br>(F): 353 1859 9230 | | | | |

**Schedule 2**[3]

| Row | Subleased Equipment (MSN) | Agreement | Sublessor (Party) | Sublessee (Party) | Effective Date of Rejection |
|---|---|---|---|---|---|
| 1 | 760720 | Sublease | Heli-One Leasing ULC | CHC Leasing (Ireland) Limited | Date of entry of this Order. |
| 2 | 760720 | Sub-Sublease | CHC Leasing (Ireland) Limited | Heliworld Leasing Limited | Date of entry of this Order. |
| 3 | 760720 | Sub-Sub-Sublease | Heliworld Leasing Limited | Thai Aviation Services Limited 18 SCB park Plaza West, Building 2, 8th floor, Ratchadapiseh Road Bangkok, Thailand 10900 | Date of entry of this Order. |

[3] For each helicopter, lease, sublease and related agreements that are being rejected, each other related transaction document to which a Debtor is a party that is integral to such leasing transaction (including, without limitation, any lessee or sublessee consent to any transaction in connection with any lease) also will be deemed part of this Schedule 2 and shall be rejected with respect to such helicopter if the related helicopter lease is rejected. References to any agreement to be rejected are to the applicable agreement and other operative documents, as may have been amended, modified or supplemented from time to time and as is in effect as of the date hereof. As a matter of administrative convenience, in some cases the Debtors have listed the original parties to the documents without taking into account any succession of trustees or any other transfers from one party to another. The fact that the current parties to a particular agreement may not have been named in this Schedule is not intended to change the treatment of the documents. The current parties to the agreements are being noticed pursuant to this Notice. In addition, out of an abundance of caution, the Debtors have listed certain leases or contracts on this Schedule 2 that have already terminated or expired in accordance with the terms of such leases or contracts.

This is Exhibit **"F"** referred to in the Affidavit of Hoa Ung sworn before me at Vancouver, British Columbia this 27 day of January, 2017.

A Commissioner for Taking Affidavits
for British Columbia

PETER BYCHAWSKI
*Barrister & Solicitor*
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-4218

Stephen A. Youngman (22226600)
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

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*Attorneys for Debtors and Debtors in Possession*

**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)** |

**NOTICE OF FILING REVISED FORECAST**

**PLEASE TAKE NOTICE** that CHC Group Ltd. and its above-captioned debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), have filed the **Revised Forecast (as of December 16, 2016) and Variance Report** attached hereto as **Exhibit A** with the United States Bankruptcy Court for the Northern District of Texas, Earle Cabel Federal Building, 1100 Commerce Street, Dallas, Texas 75242.

[*Signature Page Follows*]

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Dated: December 19, 2016
Dallas, Texas

/s/ Stephen A. Youngman
WEIL, GOTSHAL & MANGES LLP

Stephen A. Youngman (22226600)
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone: (214) 746-7700
Facsimile: (214) 746-7777
Email: stephen.youngman@weil.com

-and-

Gary T. Holtzer (*pro hac vice*)
Kelly DiBlasi (*pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com
Email: kelly.diblasi@weil.com

*Attorneys for Debtors and Debtors in Possession*

**EXHIBIT A**

**Revised Forecast (as of December 16, 2016) and Variance Report**

**CHC Current Forecast**
*as of December 16, 2016*

| *($ in 000s)* | 1 Forecast 12/16/2016 | 2 Forecast 12/23/2016 | 3 Forecast 12/30/2016 | 4 Forecast 1/6/2017 | 5 Forecast 1/13/2017 | 6 Forecast 1/20/2017 | 7 Forecast 1/27/2017 | 8 Forecast 2/3/2017 | 9 Forecast 2/10/2017 | 10 Forecast 2/17/2017 | 11 Forecast 2/24/2017 | 12 Forecast 3/3/2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash** | **$ 237,981** | **$ 244,527** | **$ 226,598** | **$ 224,033** | **$ 211,629** | **$ 220,202** | **$ 185,355** | **$ 182,730** | **$ 156,362** | **$ 143,054** | **$ 136,283** | **$ 131,306** |
| Operating Receipts | $ 29,322 | $ 10,356 | $ 18,907 | $ 7,622 | $ 18,767 | $ 14,303 | $ 24,194 | $ 5,791 | $ 9,624 | $ 14,669 | $ 19,543 | $ 18,866 |
| Other Receipts | 349 | 587 | 1,363 | 144 | 426 | 449 | 1,168 | 1,504 | 1,237 | 1,033 | 434 | 3,358 |
| **Total Cash Receipts** | **$ 29,671** | **$ 10,943** | **$ 20,269** | **$ 7,766** | **$ 19,193** | **$ 14,753** | **$ 25,362** | **$ 7,295** | **$ 10,861** | **$ 15,702** | **$ 19,978** | **$ 22,224** |
| **Disbursements** | | | | | | | | | | | | |
| Payroll | $ 4,124 | $ 8,634 | $ 3,004 | $ 4,388 | $ 4,155 | $ 16,067 | $ 7,902 | $ 3,492 | $ 2,164 | $ 9,377 | $ 4,772 | $ 7,797 |
| Benefits | 318 | 495 | 547 | 245 | 351 | 543 | 540 | 252 | 250 | 518 | 538 | 245 |
| Pension | 219 | 1,542 | - | 142 | - | 361 | 1,288 | 142 | - | 361 | 1,631 | 142 |
| Aircraft Leases - Current | 2,857 | 3,284 | 1,825 | 904 | 329 | 1,809 | 2,501 | 13,496 | 349 | 383 | 3,951 | 4,198 |
| Aircraft Leases - Catch-Up | - | - | 590 | - | - | 15,164 | 636 | 4,543 | 6,401 | - | - | - |
| Aircraft Related Transactions | 3,451 | (2,327) | - | - | 488 | - | - | - | 488 | - | - | - |
| OEM | 4,993 | 3,930 | 5,459 | 5,973 | 4,180 | 6,753 | 4,430 | 5,644 | 4,180 | 4,430 | 3,930 | 3,930 |
| Debt Payments | - | - | - | 200 | - | - | - | 200 | - | - | - | 200 |
| FX / Fees | - | - | - | - | - | - | - | - | - | - | - | - |
| Freight & Customs | 119 | 2,615 | 541 | 62 | 138 | 2,640 | 554 | 51 | 116 | 137 | 2,551 | 524 |
| Taxes | (783) | 83 | 103 | (795) | (4,791) | (2) | 1,400 | (595) | (310) | 130 | (144) | (458) |
| Professional Fees | 4,450 | 1,900 | 5,795 | 4,660 | 2,235 | 2,489 | 3,215 | 2,582 | 4,660 | 3,000 | 3,015 | 2,800 |
| Insurance | 502 | - | (470) | - | - | 241 | 1,000 | - | 2,946 | 241 | - | - |
| Fuel | 838 | 787 | 553 | 553 | 942 | 929 | 816 | 861 | 605 | 838 | 1,052 | 799 |
| Training | 357 | 494 | 204 | 423 | 360 | 320 | 982 | 299 | 304 | 469 | 421 | 267 |
| Information Technology | 310 | 310 | 310 | 310 | 301 | 301 | 301 | 312 | 312 | 312 | 312 | 312 |
| Travel | 471 | 421 | 302 | 920 | 460 | 525 | 597 | 807 | 451 | 451 | 588 | 732 |
| Airport Fees | 204 | 297 | 363 | 1,048 | 570 | 686 | 461 | 570 | 618 | 829 | 745 | 570 |
| Building & PPE | 173 | 733 | 84 | 496 | 186 | 420 | 501 | 484 | 182 | 428 | 572 | 467 |
| Other Expenses | 523 | 5,675 | 3,624 | 643 | 714 | 356 | 863 | 523 | 451 | 571 | 1,021 | 4,523 |
| **Total Disbursements** | **$ 23,125** | **$ 28,872** | **$ 22,834** | **$ 20,171** | **$ 10,620** | **$ 49,600** | **$ 27,987** | **$ 33,663** | **$ 24,169** | **$ 22,472** | **$ 24,955** | **$ 27,048** |
| **Net Cash Flow** | **6,546** | **(17,929)** | **(2,564)** | **(12,405)** | **8,573** | **(34,847)** | **(2,625)** | **(26,368)** | **(13,308)** | **(6,770)** | **(4,977)** | **(4,824)** |
| **Ending Cash - Operating** | **$ 244,527** | **$ 226,598** | **$ 224,033** | **$ 211,629** | **$ 220,202** | **$ 185,355** | **$ 182,730** | **$ 156,362** | **$ 143,054** | **$ 136,283** | **$ 131,306** | **$ 126,483** |

Exhibit 1

**CHC Current Forecast**
*as of December 16, 2016*

| *($ in 000s)* | 13 Forecast 3/10/2017 | 14 Forecast 3/17/2017 | 15 Forecast 3/24/2017 | 16 Forecast 3/31/2017 | 16 Week Total |
|---|---|---|---|---|---|
| **Beginning Cash** | **$ 126,483** | **$ 122,653** | **$ 108,990** | **$ 109,796** | **$ 237,981** |
| Operating Receipts | $ 5,168 | $ 16,569 | $ 18,047 | $ 15,998 | $ 247,747 |
| Other Receipts | 1,883 | 2,010 | 5,692 | 481 | 22,118 |
| **Total Cash Receipts** | **$ 7,051** | **$ 18,579** | **$ 23,739** | **$ 16,479** | **$ 269,865** |
| **Disbursements** | | | | | |
| Payroll | $ 2,161 | $ 17,302 | $ 4,687 | $ 7,136 | $ 107,160 |
| Benefits | 211 | 367 | 175 | 751 | 6,344 |
| Pension | - | 361 | - | 1,320 | 7,508 |
| Aircraft Leases - Current | 633 | 2,028 | 3,455 | 1,387 | 43,392 |
| Aircraft Leases - Catch-Up | - | - | - | - | 27,334 |
| Aircraft Related Transactions | 488 | - | - | 4,316 | 6,905 |
| OEM | 3,930 | 3,930 | 3,930 | 3,930 | 73,550 |
| Debt Payments | - | - | - | - | 600 |
| FX / Fees | - | - | - | - | - |
| Freight & Customs | 114 | 135 | 2,549 | 549 | 13,393 |
| Taxes | (373) | (395) | 2,396 | 200 | (4,334) |
| Professional Fees | 1,000 | 4,660 | 1,000 | 3,715 | 51,176 |
| Insurance | - | 241 | - | 200 | 4,901 |
| Fuel | 513 | 793 | 1,022 | 327 | 12,230 |
| Training | 229 | 349 | 376 | 319 | 6,173 |
| Information Technology | 272 | 272 | 248 | 248 | 4,744 |
| Travel | 441 | 412 | 549 | 794 | 8,919 |
| Airport Fees | 618 | 718 | 717 | 685 | 9,699 |
| Building & PPE | 168 | 402 | 808 | 139 | 6,241 |
| Other Expenses | 476 | 667 | 1,021 | 525 | 22,176 |
| **Total Disbursements** | **$ 10,881** | **$ 32,243** | **$ 22,933** | **$ 26,539** | **$ 408,110** |
| **Net Cash Flow** | **(3,829)** | **(13,664)** | **807** | **(10,061)** | **(138,245)** |
| **Ending Cash - Operating** | **$ 122,653** | **$ 108,990** | **$ 109,796** | **$ 99,736** | **$ 99,736** |

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**Current vs. Prior Forecast**

| *($ in 000s)* | 1 Forecast 12/16/2016 | 2 Forecast 12/23/2016 | 3 Forecast 12/30/2016 | 4 Forecast 1/6/2017 | 5 Forecast 1/13/2017 | 6 Forecast 1/20/2017 | 7 Forecast 1/27/2017 | 8 Forecast 2/3/2017 | 9 Forecast 2/10/2017 | 10 Forecast 2/17/2017 | 11 Forecast 2/24/2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Beginning Cash** | **$ 16,468** | **$ 23,695** | **$ 25,903** | **$ 17,129** | **$ 21,221** | **$ 26,957** | **$ 15,483** | **$ 13,280** | **$ 10,965** | **$ 6,042** | **$ 7,423** |
| Operating Receipts | $ 12,035 | $ (14,028) | $ (3,474) | $ 1,809 | $ 269 | $ 3,208 | $ (344) | $ 31 | $ 940 | $ 1,856 | $ (46) |
| Other Receipts | (26) | (91) | 110 | 139 | (15) | (454) | (1) | (1,021) | (211) | (1,474) | (268) |
| **Total Cash Receipts** | **$ 12,008** | **$ (14,119)** | **$ (3,364)** | **$ 1,948** | **$ 254** | **$ 2,754** | **$ (345)** | **$ (990)** | **$ 730** | **$ 382** | **$ (314)** |
| **Disbursements** | | | | | | | | | | | |
| Payroll | $ 59 | $ 123 | $ 96 | $ (427) | $ 73 | $ 494 | $ 81 | $ 130 | $ 55 | $ 1,492 | $ 146 |
| Benefits | 7 | (60) | 19 | - | 0 | 7 | 19 | - | 0 | 6 | 19 |
| Pension | - | 1,277 | - | 16 | - | 16 | 42 | 16 | - | 16 | 35 |
| Aircraft Leases - Current | (971) | (209) | - | - | - | 0 | - | - | - | - | - |
| Aircraft Leases - Catch-Up | - | 14,192 | (238) | 2,884 | 5,242 | (14,192) | (352) | (2,884) | (5,242) | - | - |
| Aircraft Related Transactions | (3,451) | 2,327 | 488 | - | (488) | - | - | 488 | (488) | - | - |
| OEM | 408 | 203 | (418) | (147) | - | (794) | 34 | (1,164) | - | (500) | - |
| Debt Payments | - | - | - | - | - | - | - | - | - | - | - |
| FX / Fees | - | - | - | - | - | - | - | - | - | - | - |
| Freight & Customs | 2 | 13 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Taxes | 282 | 567 | (514) | (118) | (268) | 4 | (412) | 906 | 71 | 23 | (19) |
| Professional Fees | (1,886) | 100 | (2,100) | - | - | - | - | 1,218 | - | - | - |
| Insurance | 225 | (146) | (5) | - | 1,000 | - | (1,000) | - | - | - | - |
| Fuel | (26) | (26) | (28) | (34) | (34) | (34) | (34) | 10 | 10 | 10 | 10 |
| Training | (8) | (8) | (11) | (49) | (49) | (47) | (47) | (71) | (71) | (69) | (69) |
| Information Technology | - | - | - | - | - | - | - | - | - | - | - |
| Travel | 22 | 22 | 22 | (1) | (3) | (3) | (3) | 6 | 4 | 4 | 4 |
| Airport Fees | 400 | 108 | 8 | - | - | 8 | 8 | - | - | 8 | 8 |
| Building & PPE | 156 | (3) | 150 | 19 | 6 | 311 | (308) | 18 | 6 | 6 | (4) |
| Other Expenses | - | (2,152) | (2,882) | - | - | - | 111 | - | - | - | 3 |
| **Total Disbursements** | **$ (4,781)** | **$ 16,327** | **$ (5,410)** | **$ 2,144** | **$ 5,482** | **$ (14,228)** | **$ (1,858)** | **$ (1,325)** | **$ (5,653)** | **$ 999** | **$ 136** |
| **Net Cash Flow** | **7,227** | **2,208** | **(8,774)** | **4,092** | **5,736** | **(11,474)** | **(2,204)** | **(2,315)** | **(4,923)** | **1,381** | **(178)** |
| **Ending Cash - Operating** | **$ 23,695** | **$ 25,903** | **$ 17,129** | **$ 21,221** | **$ 26,957** | **$ 15,483** | **$ 13,280** | **$ 10,965** | **$ 6,042** | **$ 7,423** | **$ 7,245** |

****Incremental EC225 Impact on revenues, maintenance, insurance and crew costs are incorporated into regional submissions and included in the relevant cash flow items above.*

****Additional items not included in the regional submission were subsequently incorporated into the forecast above, including $7M of PBH contract buyouts and the cash impact of the current ABL lender deal.*

**Current vs. Prior Forecast**

| *($ in 000s)* | 12 Forecast 3/3/2017 | 12 Week Total | Notes |
|---|---|---|---|
| **Beginning Cash** | **$ 7,245** | **$ 16,468** | |
| Operating Receipts | $ (292) | $ 1,962 | Higher expected collection in WNS based on updated revenue forecast ($5M) offset by early collections in prior periods ($3M) |
| Other Receipts | (3,528) | (6,838) | Timing of collection in prior weeks ($2.5M) and shift in timing of revenue expected beyond forecast period ($4M) |
| **Total Cash Receipts** | **$ (3,820)** | **$ (4,876)** | |
| **Disbursements** | | | |
| Payroll | $ (419) | $ 1,904 | Favorable FX impact |
| Benefits | - | 18 | |
| Pension | 16 | 1,434 | Lower expected contributions due to headcount reduction in Norway |
| Aircraft Leases - Current | - | (1,180) | Timing ($200K) and additional overdue payments to be settled with lessors |
| Aircraft Leases - Catch-Up | - | (590) | Timing |
| Aircraft Related Transactions | 4,316 | 3,193 | Aircraft sale proceeds ($2.3M) and shift in timing of ABL related payments |
| OEM | - | (2,378) | Timing |
| Debt Payments | - | - | |
| FX / Fees | - | - | |
| Freight & Customs | - | 31 | |
| Taxes | (14) | 508 | Canadian GST refund catch-up from prior week |
| Professional Fees | - | (2,668) | Timing |
| Insurance | - | 74 | |
| Fuel | 30 | (144) | |
| Training | (20) | (518) | |
| Information Technology | - | - | |
| Travel | (59) | 18 | |
| Airport Fees | - | 546 | |
| Building & PPE | 17 | 373 | |
| Other Expenses | (4,000) | (8,920) | Timing of Generali collateral payment ($5M) and additional estimated PBH contract ($4M) |
| **Total Disbursements** | **$ (132)** | **$ (8,300)** | |
| **Net Cash Flow** | **(3,953)** | **(13,176)** | |
| **Ending Cash - Operating** | **$ 3,292** | **$ 3,292** | |