UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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In re:	Case No. 26-18325 (EJO)
POOLIN TECHNOLOGY PTE. LTD., *et al.*,[1]	Chapter 11
Debtors.	(Jointly Administered)
	Judge: Eamonn J. O'Hagan

STATEMENT OF RAPTOR BASIN LLC AND MESQUITE FALCON LLC IN SUPPORT OF ENTRY OF SALE APPROVAL ORDER AND APPROVAL OF SALE TO PURCHASERS

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtors' federal tax identification number, are: Poolin Technology Pte. Ltd., a Singapore Private Limited Company; Lonestar Dream Inc. (5105); and Lonestar Taproot LLC (4118). The location of the Debtors' service address for purposes of these Chapter 11 Cases is: c/o Michael DuFrayne, CRO, 2564 US Highway 1, PMB #16884166, Lawrence, NJ 08648.

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Raptor Basin LLC and Mesquite Falcon LLC, the Winning Bidders and proposed purchasers of the Tarbush Assets and Pyote Assets,[2] respectively, hereby submit this statement, by and through their undersigned counsel, in support of the entry of the Sale Approval Order approving the Sale to the Purchasers. Filed contemporaneously herewith, and incorporated herein by reference, is the *Declaration of Gregory Irwin in Support of Entry of Sale Approval Order and Approval of Sale to Purchasers* (the "Irwin Decl."). In support hereof, the Purchasers respectfully state as follows:

STATEMENT

1. The Purchasers are affiliates of Hut 8 Corp. ("Hut 8") formed for the purposes of acquiring the Tarbush Assets and Pyote Assets. Hut 8 is a leading energy infrastructure platform, integrating power, digital infrastructure, and compute at scale to fuel next-generation, energy-intensive technologies such as AI, high-performance computing, and ASIC compute. Hut 8 develops, commercializes, and operates industrial-scale energy and data center infrastructure through a power-first, innovation-driven approach. Hut 8 is a public company, and its common stock is listed on Nasdaq and the Toronto Stock Exchange under the symbol "HUT."

2. On July 28, 2026, within one (1) week of these filings, Hut 8 (through counsel) contacted the Debtors indicating its interest in participating in the Debtors' sale process. From there, in accordance with the Bid Procedures Order, Hut 8 executed a non-disclosure agreement and site access agreement, and undertook substantial diligence respecting the Tarbush Assets and Pyote Assets.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the *Order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (II) Authorizing the Debtors to Designate the Stalking Horse Bidder, (III) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (IV) Approving Procedures for the Assumption and Assignment of or Rejection of Designated Executory Contracts and Unexpired Leases, (V) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (VI) Granting Related Relief* [Docket No. 138] (the "Bid Procedures Order").

3. On August 28, 2026, as required under the Bid Procedures Order, Hut 8 timely submitted its indication of interest for both the Tarbush Assets and Pyote Assets to the Debtors and the Official Committee of Unsecured Creditors (the "Committee").

4. On September 8, 2026, as required under the Bid Procedures Order, Hut 8 timely submitted to the Debtors and Committee binding Qualified Bids for both the Tarbush Assets and the Pyote Assets, and thereafter, in accordance with the Bid Procedures Order, wired its initial good faith deposit to the Escrow Agent.

5. On September 10, 2026, Hut 8 attended the Auction and spent the entire day (well past 10:00 pm ET) participating in good faith in the process. The Purchasers were initially advised that they would be designated the "Back-Up Bidders" on the terms and conditions offered at the Auction.

6. On September 16, 2026, Thor CALAP LLC ("Thor"), the party that the Purchasers were advised would be designated the "Winning Bidder" at the Auction, filed a pre-emptive objection to the proposed Sale. [ECF No. 224].

7. On September 17, 2026, the Debtors (with the Committee copied) sent a written request to counsel for each of the Qualified Bidders for the Pyote Assets and Tarbush Assets (including Thor, the Purchasers, and all other Qualified Bidders), requesting certain revisions to the applicable asset purchase agreements to address, among other things, significant concerns that the Debtors had respecting: (i) their ability to satisfy the outside closing date under the APAs; (ii) certain unfettered consent rights that the buyers had in their "sole and absolute" discretion (which could provide a buyer with significant leverage to renegotiate the terms of the deal at a later time); and (iii) the amount of the good faith deposit provided by each of the bidders (particularly given

that the deposits funded prior to the Auction would become a very small fraction of the subsequent proposed purchase price).

8. Hut 8 appreciated the Debtors' (and Committee's) concerns. From the Debtors' (and Committee's) perspective, moving forward with a transaction that had an unattainable outside closing date made little commercial sense. Nor did moving forward with a transaction that would enable the buyer to potentially re-trade the deal (through unfettered consent rights) on the eve of closing, when the estates may be acutely vulnerable. And, requesting an additional good faith deposit to ensure that the buyer had sufficient "skin in the game" seemed commercially prudent.

9. Thor made clear in their Preemptive Sale Objection that they made the strategic decision to refuse to engage with the Debtors (and the Committee) to address these significant issues. The supplemental declaration of the Debtors' CRO, Mr. DuFrayne, confirms that Thor made the strategic decision (after multiple requests) to refuse any modifications to their APAs and their consent rights thereunder, refuse any modification to the closing schedule, and refuse to augment their deposit. *See Supplemental Declaration of Michael DuFrayne Regarding Auction Result and in Support of Approval of Sale of Substantially All of the Debtors' Assets* [ECF No. 24] (the "DuFrayne Decl."), ¶¶ 20-24, 28.

10. Thor contends that they were not obligated to do these things. That is, of course, true. But, having made its decision to refuse to address the Debtors' (and Committee's) reasonable concerns, it must now live with the consequences of that decision. In this case, the Debtors (and Committee) determined that Thor's proposal provided insufficient certainty to close and was far too risky. DuFrayne Decl. ¶ 25-27.

11. In contrast with Thor, the Purchasers immediately engaged with the Debtors to address their substantive concerns. The suggestion by Thor, FluidStack, and others that there was

an improper "secret" auction between the Debtors and the Purchasers is entirely false, unsupported by a single shred of evidence, and belied by the facts. Again, the Debtors (with the Committee) contacted every single Qualified Bidder seeking to engage on amendments and modifications to address their concerns with the sale transaction. The Purchasers chose to engage in good faith. Others apparently chose not to.

12. In a good faith effort to address the Debtors' concerns, the Purchasers responded to the Debtors' requests with revised APAs incorporating concessions intended to address the issues raised by the Debtors, including agreeing to multiple extensions of the closing date (at the Debtors' sole discretion) to March 15, 2027; agreeing to modify certain consent rights such that they are now subject to reasonable discretion (rather than "sole and absolute" discretion); and agreeing to increase the Purchasers' good faith deposit to 7.5% of the purchase price (which the Purchasers subsequently funded in full). Irwin Decl. ¶ 8.

13. As part of their response (and in addition to the concessions made under the revised APAs), the Purchasers offered the Debtors two compensation structures (subject to the terms and conditions of the APAs): (i) a Purchase Price of up to $180 million, consisting of $100 million paid at sale closing and an additional $80 million paid subject to the satisfaction of certain terms and conditions relating, primarily, to the commercialization of the Tarbush and/or Pyote sites; or (ii) a Purchase Price of $140 million paid at sale closing. Irwin Decl. ¶ 9.

14. Following good faith discussions among the Purchaser and the Debtors, the Purchasers were informed by the Debtors that they, in consultation with the Committee, selected the Purchasers' $140 million upfront proposal as the winning bid. Irwin Decl. ¶ 9.

15. On September 22, 2026 (as supplemented on September 23, 2026), the Debtors filed their *Notice of Auction Results (Winning Bidder and Backup Bidder)* in which the Debtors

formally designated the Purchasers as the "Winning Bidders" and the Purchasers' aforementioned Bids as the "Winning Bids." [ECF No. 237, 239].

16. The Purchasers remain committed to moving forward with the proposed Sale and are prepared to consummate the transactions contemplated by the APAs in accordance with their terms, and, if approved, will continue to work in good faith with the Debtors and the Committee—as they have done throughout the sale process—to close the Sale in accordance with the Sale Approval Order and APAs.

17. The Purchasers will briefly address certain of the objections made to the proposed Sale. Before doing so, it bears emphasizing that the Debtors (supported by the Committee)—the parties with fiduciary obligations to these estates, who represent the only parties with an economic interest in the proceeds of the Sale, and the parties that would bear all of the risk associated with denying approval of the proposed Sale—determined that the proposed Sale to the Purchasers was the best transaction for the estates.

18. The Debtors' sound business judgment weighs heavily, if not decisively, in favor of approval. *See In re Advanced Contracting Solutions, LLC*, 582 B.R. 285, 310 (Bankr. S.D.N.Y. 2018) ("The Court first finds that the business judgment standard is applicable in these cases and that the Debtor has shown that the sale transaction proposed is in the exercise of the Debtor's sound business judgment.").

19. The objectors offer no basis to overrule the Debtors' sound business judgment, and the Court should decline to do so. *In re Diplomat Construction, Inc.*, 481 B.R. 215 (Bankr. N.D. Ga. 2012) ("The evidence presented by the Trustee supports a determination that the proposed sale … satisfies the business judgment standard. The Trustee adequately presented his rationale and

considerations in determining that the [] offer represented the highest and best offer for the estate. The highest bid does not always equate to the best bid for the estate.").

20. Nor should the Court upend the Debtors' business judgment and defer ruling on the proposed Sale. *Id*. at 221 ("[T]he request for a continuance is not a sufficient basis for the court to override the business judgment of the Trustee.").

21. Turning to the objections. As an initial matter, the jurisprudence is clear that "disappointed prospective purchasers" lack standing to object to a proposed sale. *See Calpine Corp. v. O'Brien Environmental Energy, Inc. (In re O'Brien Environmental Energy, Inc.)*, 181 F.3d 527, 531 (3d Cir. 1999). A party "whose only connection with a bankruptcy case is that the party was an unsuccessful bidder at a bankruptcy sale, lacks standing to challenge the right of other bidders to consummate the sale." *In re Gulf States Steel, Inc. of Alabama*, 285 B.R. 739, 742 (2002) (collecting cases).

22. Disappointed bidders (such as the objecting parties here) lack a cognizable "pecuniary interest" in the outcome of a bankruptcy case and should not be permitted to delay a sale process and foist the attendant costs and risks onto the estates. *In re Cult Awareness Network, Inc.*, 151 F.3d 605, 607 (7th Cir. 1998) ("The purpose of the pecuniary interest rule is to insure that bankruptcy proceedings are not unreasonably delayed by protracted litigation by allowing only those persons whose interests are directly affected by a bankruptcy order to appeal.") (internal quotations omitted).

23. The objections filed by CES Acquisitions LLC [ECF No. 227, 251]—a party that ***failed*** to comply with the Bid Procedures Order, ***failed*** to submit a Qualified Bid, ***failed*** to complete diligence on the assets, ***failed*** to post a good faith deposit, ***failed*** to attend the Auction, and ***who is not and has never been a Qualified Bidder***—are particularly inappropriate. "[F]ew

things could more thoroughly undermine the sale process in bankruptcy than the prospect of strangers to the transaction having the ability to file papers to interfere or frustrate the sales process." *In re Quanalyze Oil & Gas Corp.*, 250 B.R. 83, 89 (2000).[3]

24. FluidStack, Inc., through its affiliate Pecos Industrial Development, LLC, argues that the Court should approve its materially lower "Back-Up Bid" for the Tarbush Assets because of purported "controversies" respecting the Auction. However, as detailed herein, there were no "controversies" respecting the Auction, let alone one that would justify denying approval of the Sale to the Purchasers.

25. "The Debtors' actions following the Auction, taken in consultation with the Committee, were entirely consistent with their fiduciary duties and their goal of maximizing value." *In re MTE Holdings, LLC*, Case No. 19-12269, 2021 WL 3743201, at *8 (Aug. 17, 2021) (Goldblatt, J.). Indeed, as is customary, the Bid Procedures Order: (i) permits the Debtors, in consultation with the Committee, to modify the Bidding Procedures "in their reasonable business judgment and in a manner consistent with the maximization of their estates in any manner that will best promote the goals of the bidding process"; and (ii) otherwise to take any action in furtherance of their fiduciary obligations. Bid Procedures Order, at 13, 16; s*ee id.* ("Chato's motion fails to grapple with the very substantial discretion that this bid procedures order gives to the debtors.").

26. Finally, Thor objects to the Sale asserting the same false contentions about a "secret" sale process, and requesting "an opportunity to match the price and negotiate the terms of the APA." [ECF No. 243, ¶ 24, 31]. Thor has had ample time and opportunity to engage with the Debtors (and the Committee) respecting their concerns with Thor's bid, and to submit a binding,

[3] CES Acquisitions' untimely, non-binding, speculative proposal is also materially deficient in several respects, including (among other things), it is not binding, it requests a twenty-one (21) day diligence period, and it contains additional material conditions to closing their transaction.

executable transaction that the Debtors (and Committee) had confidence would actually close. Thor chose not to do so.

27. Thor also fundamentally misunderstands the Bid Procedures Order. It is not a contract between the Debtors and the Qualified Bidders, it is a Court order that, by its terms, provides substantial discretion to the Debtors. *MTE Holdings*, 2021 WL 3743201, at *8 ("Chato's motion to enforce the order suffers from three basic analytic flaws. *First*, the premise of Chato's motion is that the bid procedures order is essentially a contract between the debtors and the participants at an auction…. That, however, is not the law. Rather, an order approving bid procedures is an order of the court…."). And, that discretion is intended to protect and inure to the benefit of the estates, not to Bidders. *Id*. ("Chato fails to appreciate that certain of the provisions it seeks to enforce, such as the requirement that the successful bidder increase its deposit to ten percent of the cash portion of its winning bid, are ones that are intended to protect the estate rather than to protect other bidders.").

[*Remainder of page intentionally left blank*.]

CONCLUSION

WHEREFORE, the Purchasers respectfully request that the Court overrule the Sale objections, enter the Sale Approval Order, and grant such other or further relief to the Purchasers as is just and proper.

Dated: September 28, 2026
New York, NY

/s/ Arthur J. Abramowitz

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