

August 22, 2017

To: All Known Creditors of BlendForce Energy Services Inc.

**BlendForce Energy Services Inc. – In Receivership (“BlendForce” or the “Debtor”)**

On August 18, 2017, FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all the assets, undertakings and properties of the Debtor pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Receivership Order**”). A copy of the Receivership Order and other public materials in respect of the receivership proceedings are available at the Receiver’s website:

<http://cfcanda.fticonsulting.com/Blendforce/>

Periodic updates on the progress of the receivership will be posted on the Receiver’s website. The Receiver may be contacted by email at [dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com) or by phone at 403-454-6032.

Enclosed is a copy of the Receiver’s Notice and Statement provided in accordance with Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*.

Yours very truly,



Deryck Helkaa, CIRP  
Senior Managing Director

FTI Consulting Canada Inc.,  
in its capacity as receiver of  
BlendForce Energy Services Inc.  
and not in its personal capacity

FORM 87

NOTICE AND STATEMENT OF THE RECEIVER

(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE RECEIVERSHIP OF

**BlendForce Energy Services Inc.**

The Receiver gives notice and declares that:

1. On the 18<sup>th</sup> day of August, 2017, we, FTI Consulting Canada Inc. became the Court-appointed receiver and manager (the "Receiver") in respect of the assets, undertakings and properties (the "Property") of **BlendForce Energy Services Inc.** (the "Debtor") which is described below.

Cash	\$0
Accounts receivable	\$0
Deposits and prepaid expenses	\$0
Property, plant and equipment	<u>\$2,032,000</u>
<b>Total Assets</b>	<b>\$2,032,000</b>

**Note:** the foregoing are the assets and book value as stated in the unaudited financial statements of the Debtor as at October 31, 2016. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy of the foregoing. The Receiver provides no comment on the realizable value of the assets.

2. We became the Receiver by having taken possession and control of the Property described above pursuant to the Order of the Court of Queen's Bench of Alberta granted August 18, 2017.
3. The undersigned took possession and control of the Property described above on the 18<sup>th</sup> day of August 2017.
4. The following information relates to the receivership.

- a) Address of the insolvent person: Suite 410, 396 – 11<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2R 0C5
- b) Principal line of business: Alberta midstream oil field services

- c) Location of business: Calgary based oil field services company with midstream assets near Swan Hills, Alberta
- d) As at August 18, 2017, the total amount owed to creditors who hold security on the Property described above was approximately:
- |                |           |
|----------------|-----------|
| Secured Lender | \$256,802 |
|----------------|-----------|
- e) The list of creditors and the amount due is listed in Schedule "A" attached hereto.
- f) The intended plan of action of the Receiver during the receivership is to realize on the Property with a view to maximizing recoveries for the creditors. The Receiver intends to launch the Sale and Investment Solicitation Procedures contemplated in Exhibit M to the Affidavit of Doug Bailey filed August 16, 2017 (the "Bailey Affidavit"). The Bailey Affidavit can be found on the Receiver's website at:

<http://cfcanada.fticonsulting.com/Blendforce/>

- g) Contact person for the Receiver:

Dustin Olver  
FTI Consulting Canada Inc.  
Suite 720, 440 – 2<sup>nd</sup> Avenue SW  
Calgary, AB  
T2P 5E9

Telephone: 403-454-6032  
Email: [dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com)

Dated at the City of Calgary in the Province of Alberta, this 22<sup>nd</sup> day of August, 2017.

**FTI Consulting Canada Inc. - Receiver**

  
Deryck Helkaa, CIRP  
Senior Managing Director