



No. S-169079
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C36, AS AMENDED**

**AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE
UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS
WITH RESPECT TO THE COMPANIES LISTED ON SCHEDULE "A" HERETO**

**APPLICATION OF CHC GROUP LTD.
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

NOTICE OF APPLICATION

Name of Applicant: CHC Group Ltd.

TAKE NOTICE that an application will be made by CHC Group Ltd. ("**CHC Group**" or the "**Applicant**") to Justice Masuhara at the courthouse at 800 Smithe Street, Vancouver, British Columbia on February 17, 2017 at 2 p.m. for the order set out in Part 1 below.

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Declaration of Robert A. Del Genio in Support of the Debtors' Memorandum of Law in Support of Confirmation of the Third Amended Joint Chapter 11 Plan of CHC Group Ltd. and its Affiliated Debtors, dated February 8, 2017 and attached as Exhibit "C" to Affidavit #7 of Hoa Ung, sworn in this proceeding on February 10, 2017.

Part 1: ORDER SOUGHT

1. The Applicant, in its capacity as the foreign representative of the Debtors (as defined below), seeks an Order substantially in the form attached as **Schedule "B"**:
 - (a) granting recognition, and giving full force and effect in all provinces and territories of Canada, to certain orders entered by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "**U.S. Bankruptcy Court**") in the context of the Debtors' Chapter 11 Proceedings (as defined below); and
 - (b) granting such further and other relief as counsel may advise and this Honourable Court deems to be just and appropriate.



Part 2: FACTUAL BASIS

Background

1. On October 13, 2016, upon the application of CHC Group, in its capacity as foreign representative of CHC Global Operations (2008) ULC, CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, Heli-One Canada ULC, Heli-One Leasing ULC (collectively, the "**Canadian Debtors**") and the affiliated companies listed on Schedule "A" hereto (together with the Canadian Debtors, the "**Debtors**" and, together with their non-Debtor affiliates, "**CHC**" or the "**Company**"), this Court granted an Initial Recognition Order (Foreign Main Proceeding) and a Supplemental Recognition Order (Foreign Main Proceeding) (together, the "**Recognition Orders**").
2. The Recognition Orders, among other things: (i) recognized the Debtors' voluntary reorganization proceedings (the "**Chapter 11 Proceedings**") in the U.S. Bankruptcy Court as a "foreign main proceeding"; (ii) recognized CHC Group as the "foreign representative" of the Debtors; (iii) stayed all proceedings against the Canadian Debtors and their directors; and (iv) recognized certain orders granted by the U.S. Bankruptcy Court in the Chapter 11 Proceedings.
3. In furtherance of their ongoing restructuring efforts, the Debtors have applied to the U.S. Bankruptcy Court from time to time for orders intended to preserve and maximize the potential value of their assets, and to this Court for orders giving the U.S. Bankruptcy Court's orders full force and effect in all provinces and territories of Canada.
4. In its last appearance before this Court on January 13, 2017, CHC Group, on its own behalf and on behalf of the Debtors, applied for and obtained an order which, among other things, recognized and gave full force and effect in Canada to the U.S. Bankruptcy Court's orders:
 - (a) authorizing the Debtors to enter into and perform under an omnibus restructuring deal intended to facilitate a comprehensive financial restructuring of the Debtors through a joint Plan in the Chapter 11 Proceedings, including a Plan Support Agreement, Backstop Agreement, and related term sheets (together, the "**Support Agreements**"); and
 - (b) establishing (i) certain solicitation and voting procedures (the "**Solicitation and Voting Procedures**") with respect to the Plan developed pursuant to the Support Agreements; (ii) procedures governing the Rights Offering (the "**Rights Offering Procedures**"); (iii) notice and objection procedures with respect to the Plan (the "**Notice and Objection Procedures**"); (iv) February 2, 2017 as the Voting Deadline, the Rights Expiration Time, and the Plan Objection Deadline; and (v) February 13, 2017 as the date for the Plan Confirmation Hearing before the U.S. Bankruptcy Court (the "**Disclosure Statement Order**").
5. The Debtors have complied with and completed the Solicitation and Voting Procedures, the Rights Offering Procedures, and the Notice of Objection Procedures in accordance with the Disclosure Statement Order and applicable provisions of the U.S. Bankruptcy Code.
6. The Plan has been accepted by the requisite Classes and numbers of creditors entitled or required to vote on the Plan in accordance with the U.S. Bankruptcy Code.

7. In accordance with the Disclosure Statement Order, the Plan Confirmation Hearing is scheduled to commence before the U.S. Bankruptcy Court on February 13, 2017. If the U.S. Bankruptcy Court enters an order confirming the Plan (the "**Plan Confirmation Order**") prior to the hearing of this Application, the Applicant will seek an order from this Court recognizing and giving full force and effect to Plan Confirmation Order at the hearing of this Application on February 17, 2017.

The Debtors' Plan of Reorganization

8. The specific terms of the global settlement set out in the Support Agreements, as recognized by this Court, are integrated in and serve as the foundation of the Debtors' Plan.

9. The Plan, among other things, allows the Debtors to:

- (a) obtain three-hundred million dollars (\$300 million) in Cash on account of the fully subscribed Rights Offering;
- (b) reduce their debt obligations by approximately nine-hundred-twenty-five million dollars (\$925 million) (prior to conversion of all of the New Second Lien Convertible Notes, and by one-point-four billion dollars (\$1.4 billion) subsequent to such conversion);
- (c) reduce their annual Cash interest burden by approximately eighty-five percent (85%) (freeing up approximately one-hundred-fifteen million dollars (\$115 million) in annual cash flow that can be used for reinvestment in the Debtors' business); and
- (d) (iv) achieve one-billion-fifteen million dollars (\$1.015 billion) in prepetition aircraft-related savings over a ten (10) year period.

10. At a high level, the terms of the Debtors' Plan include concessions among creditor groups as to:

- (a) the amount, value, and treatment of ABL Credit Agreement Claims, Senior Secured Notes Claims, and Unsecured Notes Claims against the Debtors;
- (b) the validity, extent and priority of the Liens securing the Senior Secured Notes;
- (c) the value of the Debtors' encumbered and unencumbered Assets;
- (d) potential adequate protection or diminution in value Claims that could be asserted by the holders of Senior Secured Notes;
- (e) potential Claims to surcharge Collateral under section 506(c) of the U.S. Bankruptcy Code;
- (f) the allocation of distributable value among the various creditor classes;
- (g) the Debtors' retention of Causes of Action;

- (h) the release and exculpation of the Consenting Creditor Parties; and
- (i) the Equity Value and the total enterprise value of the reorganized company premised upon the Debtors remaining as a going concern, which is conditioned upon the \$300 million new money investment.

11. Further, pursuant to the settlement forming the basis of the Plan, the Debtors and creditors agreed on the value to be allocated to holders of Allowed General Unsecured Claims, and agreed on the allocation of such consideration among holders of Allowed Primary General Unsecured Claims and holders of Allowed Secondary General Unsecured Claims. To resolve complex issues regarding the distributable unencumbered value at each Debtor, and to establish a minimum level of recovery for holders of Allowed Primary General Unsecured Claims, the Plan provides for the limited consolidation of the Debtors for distribution on account of Allowed Primary General Unsecured Claims. The allocation of the Secondary General Unsecured Claims Distribution among the Secondary Recovery Debtors was negotiated using a recovery waterfall based upon all of the Claims, secured and unsecured, at each entity, as more fully disclosed in the Disclosure Statement.

12. As a necessary component of the restructuring settlement set out in the Support Agreements, the Plan includes certain Debtor and third-party releases, an exculpation provision, and an injunction provision.

Recognition of Lease Rejection Orders

13. Since CHC Group's last application to this Court on January 13, 2017, the Debtors have obtained the following orders from the U.S. Bankruptcy Court which they are seeking to have recognized by this Court:

- (a) Order Granting Debtors' Motion to Reject a Certain Nonresidential Real Property Lease Pursuant to Section 365 of the Bankruptcy Code – in which the U.S. Bankruptcy Court authorized the Debtors to, among other things, reject Heli-One Canada ULC's lease of its Delta, British Columbia facilities;
- (b) Order Granting Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code – in which the U.S. Bankruptcy Court authorized the Debtors to reject leases and subleases for certain "Excess Equipment" and "Subleased Equipment" (as defined in the Lease Rejection Order). The Relief sought by the Debtors in the Lease Rejection Order is part of the Debtors' ongoing focus on reconfiguring their helicopter fleet to improve operation efficiency.

(the "**Lease Rejection Orders**")

14. The Lease Rejection Orders are substantially in the same form as the U.S. Bankruptcy Court's orders dealing with similar matters which have already been recognized by this Court.

Part 3: LEGAL BASIS

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

CCAA, §§49(1) and 50.

2. Recognizing the U.S. Bankruptcy Court's Plan Confirmation Order and Lease Rejection Orders will, among other things:

- (a) facilitate the Company's ongoing reconfiguration of its helicopter fleet to improve operational efficiency;
- (b) facilitate the Company's ongoing rationalization of its operational costs by eliminating or restructuring unnecessary or unduly burdensome financial obligations;
- (c) maximize the value of the Debtors' assets in a manner that is in the best interests of the Debtors' estates; and
- (d) establish and implement a path toward the Debtors' efficient and highly-consensual emergence from the Chapter 11 Proceedings.

3. The relief granted pursuant to the Plan Confirmation Order and the Lease Rejection Orders is not inconsistent with any orders that may be made under the *Companies' Creditors Arrangement Act* (as amended).

Part 4: MATERIAL TO BE RELIED ON

- 1. Affidavit #4 of Robert Del Genio, sworn January 27, 2017;
- 2. Affidavit #1 of Hoa Ung, sworn November 7, 2016;
- 3. Affidavit #6 of Hoa Ung, sworn January 27, 2017;
- 4. Affidavit #7 of Hoa Ung, sworn February 10, 2017.
- 5. Such further and other materials as counsel may advise and this Honourable Court may permit.

The Applicant estimates that the application will take 2 hours.

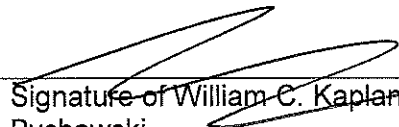
This matter is not within the jurisdiction of a master.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of

application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: February 10, 2017


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

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs of Part 1 of this notice of application
<input type="checkbox"/>	with the following variations and additional terms:

Date: _____	Signature of <input type="checkbox"/> Judge <input type="checkbox"/> Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

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

SCHEDULE "A"

LIST OF COMPANIES

CHC Group Ltd.	CHC Hoofddorp B.V.
6922767 Holding SARL	CHC Leasing (Ireland) Limited (n/k/a CHC Leasing (Ireland) Designated Activity Company)
Capital Aviation Services B.V.	CHC Netherlands B.V.
CHC Cayman ABL Borrower Ltd.	CHC Norway Acquisition Co AS
CHC Cayman ABL Holdings Ltd.	Heli-One (Netherlands) B.V.
CHC Cayman Investments I Ltd.	Heli-One (Norway) AS
CHC Den Helder B.V.	Heli-One (U.S.) Inc.
CHC Global Operations (2008) ULC	Heli-One (UK) Limited
CHC Global Operations Canada (2008) ULC	Heli-One Canada ULC
CHC Global Operations International ULC	Heli-One Holdings (UK) Limited
CHC Helicopter (1) S.á.r.l.	Heli-One Leasing (Norway) AS
CHC Helicopter (2) S.á.r.l.	Heli-One Leasing ULC
CHC Helicopter (3) S.á.r.l.	Heli-One USA Inc.
CHC Helicopter (4) S.á.r.l.	Heliworld Leasing Limited
CHC Helicopter (5) S.á.r.l.	Integra Leasing AS
CHC Helicopter Australia Pty Ltd	Lloyd Bass Strait Helicopters Pty. Ltd.
CHC Helicopter Holding S.á.r.l.	Lloyd Helicopter Services Limited
CHC Helicopter S.A.	Lloyd Helicopter Services Pty. Ltd.
CHC Helicopters (Barbados) Limited	Lloyd Helicopters International Pty. Ltd.
CHC Helicopters (Barbados) SRL	Lloyd Helicopters Pty. Ltd.
CHC Holding (UK) Limited	Management Aviation Limited
CHC Holding NL B.V.	

SCHEDULE "B"

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APPLICATION OF CHC GROUP LTD.
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ORDER MADE AFTER APPLICATION

(RECOGNITION OF U.S. BANKRUPTCY COURT ORDERS)

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

UPON THE APPLICATION of CHC Group Ltd., in its capacity as the foreign representative (the "**Foreign Representative**") of CHC Global Operations Canada (2008) ULC, CHC Global Operations International ULC, CHC Global Operations (2008) ULC, Heli-One Leasing ULC, and Heli-One Canada ULC (together, the "**Canadian Debtors**") and the other companies listed on **Schedule "A"** hereto (together with the Canadian Debtors, the "**Debtors**"), pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), coming on for hearing at Vancouver, British Columbia, on the 17th day of February, 2017, and on hearing William C. Kaplan, Q.C. and Peter Bychawski, counsel for the Foreign Representative, and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including Affidavit #4 of the Debtors' Chief Restructuring Officer, Robert A. Del Genio, and Affidavits #1, #6 and #7 of Hoa Ung, each filed; AND UPON HEARING the

submissions of counsel for the Foreign Representative, and counsel for those other parties listed on **Schedule "B"**;

THIS COURT ORDERS AND DECLARES that:

INITIAL RECOGNITION ORDER

1. Any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Order (Foreign Main Proceeding) dated October 13, 2016 (the "**Initial Recognition Order**") and the Supplemental Order (Foreign Main Proceeding) ("**Supplemental Recognition Order**") dated October 13, 2016.
2. The provisions of this Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order and the Supplemental Recognition Order, provided that in the event of a conflict between the provisions of this Order and the provisions of the Initial Recognition Order, the Initial Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

3. The following orders of the U.S. Bankruptcy Court, made in the Foreign Proceeding, are hereby recognized and given full force and effect in all provinces and territories of Canada, provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property in Canada:
 - (a) **Order Granting Debtors' Motion to Reject a Certain Nonresidential Real Property Lease Pursuant to Section 365 of the Bankruptcy Code**, attached as **Schedule "C"**;
 - (b) **Order Granting Debtors' Sixth Omnibus Motion to Reject Certain Equipment Leases and Subleases Pursuant to Section 365 of the Bankruptcy Code**, attached as **Schedule "D"**;
 - (c) **[The Plan Sanction Order]**, attached as **Schedule "E"**;

GENERAL

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of

America, to give effect to this Order and to assist the Debtors and the Foreign Representative, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors and the Foreign Representative, as may be necessary or desirable to give effect to this Order, or to assist the Debtors and the Foreign Representative, and their respective agents, in carrying out the terms of this Order.

5. Each of the Debtors and the Foreign Representative be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
6. Any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.
7. Approval of this Order as to form by counsel appearing on this application, other than counsel for the Petitioner, is hereby dispensed with.

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

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

BY THE COURT

REGISTRAR