

District of Alberta
Division No. Calgary
Estate No. 25-2491628

**IN THE MATTER OF THE BANKRUPTCY OF
CASTOR GP LTD.**

TRUSTEE'S PRELIMINARY REPORT

BACKGROUND

1. On March 27, 2019, Castor GP Ltd. ("Castor GP" or the "Bankrupt") filed an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy on March 28th, 2019. MNP Ltd. was named as Licensed Insolvency Trustee (the "Trustee").
2. Castor GP is a subsidiary of Dundee Energy Limited ("Dundee"), and the main line of business had been as the general partner for Castor UGS Limited Partnership ("Castor UGS"), who was a developer for an offshore natural gas storage project.
3. Castor GP ceased operations in 2014 when the primary project of partnership was relinquished.
4. The Trustee has been advised that bankruptcy was caused by the low commodity price environment in the oil and gas sector and the inability to sustain business operations.

CONSERVATORY AND PROTECTIVE MEASURES

5. Until 2014 when operations ceased, Castor GP had operated out of space leased by Dundee located at Unit 200, 435 4th Avenue SW, Calgary Alberta.
6. As a precautionary measure the Trustee directed correspondence to the Bank of Nova Scotia ("BNS") where Castor GP maintained bank accounts, requesting it freeze the bank accounts and forward any funds to the Trustee. The Trustee has received confirmation from BNS that no accounts were held.
7. The Trustee has requested and taken possession of the books and records it requires in order to administer the bankrupt estate.

ASSET REALIZATION AND PROJECTED DISTRIBUTION

8. According to its sworn Statement of Affairs ("SOA") the Bankrupt held no assets as of the date of bankruptcy.
9. Castor UGS also filed an assignment into bankruptcy on March 27, 2019, and therefore the Trustee does not anticipate any realizations from the Castor UGS bankruptcy estate.

10. Given the foregoing the Trustee does not anticipate any other realizations in the estate, and therefore there will be no distributions to Castor GP's creditors in this proceeding.

SUMMARY OF CLAIMS

11. Below is a summary of claims contained in the Company's Statement of Affairs:

<u>Description</u>	<u>Amount</u>
Unsecured	\$99,778

12. As of 4:00 pm on Monday, April 15, 2019, no claims have been received.
13. The Trustee is not aware of any first ranking secured claims pursuant to subsection 81.3(1) of the *Bankruptcy and Insolvency Act*.
14. The Trustee is not aware of any deemed trust claims, at this time.

REVIEW OF TRANSFERS AT UNDERVALUE

15. The Trustee is required to undertake a review for any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the *Bankruptcy and Insolvency Act*.
16. Given there were no active bank accounts for the Bankrupt, the Trustee has concluded there are no transactions which would constitute transfer under value or fraudulent preference.

OTHER MATTERS

17. The Trustee has been provided with a third-party guarantee with respect to its fees and disbursements to the extent of its statutory obligations.
18. The Trustee has been advised that Castor GP did not have any employees eligible for the Wage Earner Protection Program.
19. Further information with respect to these proceedings will be made available on the Trustee's website (www.mnpdebt.ca/castorgp) as it becomes available.

Dated at Calgary, Alberta this 15th day of April, 2019

MNP Ltd.
In its capacity as Trustee of the Estate of
Castor GP Ltd.
And not in its personal capacity


Victor Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President