



No. L011792
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
RSC 1985, c. C-36

IN THE MATTER OF THE *NOVA SCOTIA COMPANIES ACT*, S.C., c.81

AND

IN THE MATTER OF THE *COMPANY ACT*, R.S.B.C. 1996, c.62

AND

IN THE MATTER OF 360NETWORKS INC.,
360FIBER LTD., 360FINANCE LTD, CARRIER CENTERS (CANADA) LTD.,
360 URBANLINK LTD., 360NETWORKS (CDN. FIBER) LTD.
360NETWORKS SERVICES LTD., 360 CAYER LTÉE, 360ENGINEERING LTD.
360PACIFIC (CANADA) INC., 360NETWORKS SUB INC.
THREESIXTY ATLANTIC (BARBADOS) INC.,
360ATLANTIC (CANADA) INC., 360ATLANTIC (USA) INC.
and 360ATLANTIC SALES (USA) INC.

ORDER

BEFORE THE HONOURABLE) MONDAY, THE 11th DAY
)
MR. JUSTICE KELLEHER) OF DECEMBER, 2006

UPON THE APPLICATION of the Applicant, KPMG Inc., Receiver of 360networks Inc. (the "Receiver"), coming on for hearing before me this day at the Courthouse at 800 Smithe Street, Vancouver, British Columbia; AND UPON HEARING John I. McLean, Counsel for the Receiver, and no one else appearing although duly served; AND UPON READING the Affidavits of Todd Martin #2 and #3, both sworn November 21, 2006, and the pleadings and materials filed herein;

THIS COURT ORDERS AND DIRECTS that:

1. the legal opinion of Borden Ladner Gervais dated July 26, 2002, attached as Exhibit "C" to the Affidavit of Todd Martin #2, sworn November 21, 2006, satisfies the requirements of section 13.4 of the *Bankruptcy and Insolvency Act*;
2. KPMG Inc., or any authorized signatory of KPMG Inc., is authorized to execute an assignment in bankruptcy and a Statement of Affairs under the *Bankruptcy and Insolvency Act* on behalf of 360networks Inc.;
3. the form of Statement of Affairs attached as Exhibit "B" to the Affidavit of Todd Martin #2, sworn herein November 21, 2006 is hereby approved;
4. the requirement to mail a Statement of Affairs, prepare and circulate or mail a List of creditors, a Proof of Claim and a Notice of Meeting of Creditors is hereby dispensed with provided that:
 - (a) a copy of the Statement of Affairs, Proof of Claim and Notice of Meeting (if there is a meeting) is mailed or delivered to:
 - (i) Blake Cassels Graydon, the Vancouver solicitors for the secured lenders; and
 - (ii) National City Bank, of 629 Euclid Avenue, Suite 635, mail Locator 01-3116, Cleveland, Ohio, USA, 44114, being the Trustee for the unsecured noteholders;
 - (b) a copy of the Statement of Affairs, Proof of Claim and Notice of Meeting (if there is a meeting) and a notice advising of the bankruptcy of 360networks Inc. is posted on the KPMG Inc. website, being www.kpmg.ca/360networks;
 - (c) a Notice of the bankruptcy of 360networks Inc. is published in one edition of The Vancouver Sun and The Globe & Mail, and that the Notice refers the reader to the KPMG Inc. website.


5. the Receiver is authorized to execute the Litigation Agreement and Retainer Agreement referred to in the Affidavit of Todd Martin #3, sworn November 21, 2006.
6. the Receiver is authorized to pay the proceeds of the proposed litigation in accordance with the terms of the Litigation Agreement and Retainer Agreement.

BY THE COURT



REGISTRAR

APPROVED AS TO FORM



Counsel for the Applicant

ENTERED

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and 360ATLANTIC SALES (USA) INC.

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