

District of BRITISH COLUMBIA
Division No. 03-VANCOUVER
Court No. B081856
Estate No. 11-1133386

NOTICE OF PROPOSAL TO CREDITORS

**IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

TAKE NOTICE THAT:

1. VRB Power Systems Inc. has lodged with us a proposal under the *Bankruptcy and Insolvency Act*. The proposal was lodged with the Official Receiver on the 17th day of March 2009.
2. A copy of the proposal, a condensed statement of the debtor company's assets and liabilities and a list of the creditors affected by the proposal whose claims amount to \$250.00 or more, and the Trustee's Report to the creditors are enclosed herewith.
3. The general meeting of creditors of the debtor will be held at:


**XChange Conference Centre
2nd Floor – 888 Dunsmuir Street
Vancouver, British Columbia**

On the 8th day of April 2009 at 10:30 AM.

4. The creditors or any class of creditors qualified to vote at the meeting may by special resolution accept the proposal as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the proposal is binding on all creditors or the class of creditors affected. Creditors may vote in person, by proxy, or by voting letter.
5. Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior hereto. Blank forms are enclosed with this mailing.

If you have any questions or concerns please contact Bryan Mathews at our office at 604-689-4255.

Dated at Vancouver, British Columbia, this 24th day of March 2009.



Abakhan & Associates Inc.
Suite 1120, 625 Howe Street
Vancouver, BC V6C 2T6
Telephone: 604-689-4255
Fax: 604-689-4277



Office of the Superintendent
of Bankruptcy Canada

Bureau du surintendant
des faillites Canada

An Agency of
Industry Canada

Un organisme
d'Industrie Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-1133386
Estate No. 11-1133386

In the Matter of the Proposal of:

VRB Power Systems Inc.

Debtor

ABAKHAN & ASSOCIATES INC.

Trustee

Date of Proposal:	March 18, 2009	Security:	\$
Meeting of Creditors:	April 08, 2009, 10:30 XChange Conference Centre 2nd Floor - 888 Dunsmuir Street VANCOUVER, British Columbia Canada,		
Chairman:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: March 18, 2009, 18:04

E-File/Dépôt Electronique

Official Receiver

#2000 - 300 W. Georgia St., Vancouver, British Columbia, Canada, V6B6E1, (604)666-5007

Canada

Division VANCOUVER
Action No. B081856
Estate No. 11-1133386

IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.
an Insolvent Company
carrying on business in the City of Richmond
in the Province of British Columbia
TRUSTEE'S REPORT ON THE PROPOSAL

INTRODUCTION

VRB Power Systems Inc. ("VRB" or "the Company") filed a Notice of Intention to make a Proposal ("NOI") with the Office of the Superintendent of Bankruptcy in accordance with Sec. 50.4 of the Bankruptcy & Insolvency Act ("BIA") on November 19, 2008. After being granted two extensions of the time for filing the Proposal by the Supreme Court of British Columbia, the Company filed its Proposal on March 18, 2009.

Abakhan & Associates Inc ("AAI") is named as Trustee in the Proposal.

On November 21, 2008, pursuant to an application made by VRB, the Supreme Court of British Columbia made an Order appointing AAI as Interim Receiver of the Company

BACKGROUND

VRB was incorporated under the Canadian Business Corporations Act on November 13, 1986 under the name Senn D'or Inc. The company name was changed to VRB Power Systems Inc on December 20, 2002. VRB is a public company, trading on the TSX Venture Exchange.

Headquartered in Richmond, BC, in 2004 VRB began operations as an energy storage company engaged in the marketing, selling and manufacturing of products utilizing the company's own patented *VRB Energy Storage System* ("VRB-ESS"). The VRB-ESS stored and supplied large amounts of electricity which allowed its users to "inventory" electricity.

VRB was a developmental stage company with minimal revenues compared to substantial operating costs. By 2008 VRB had not experienced the increases in sales volume nor the margin on sales that it had hoped to achieve. However, VRB did continue to experience relatively high fixed expenses, namely facility and personnel costs. As a result, VRB experienced continued operating losses.

In 2007 and 2008, sales continued to lag behind expectations and opportunities to raise capital became much more limited due to market conditions. Despite efforts to curtail the magnitude of its losses, VRB continued to experience losses and could no longer fund its operations. As a result, VRB filed the NOI on November 19, 2008. On November 21, 2008 the Company also sought an order from the Supreme Court of British Columbia to appoint AAI as Interim Receiver

of VRB. Upon the filing of the application for appointment of the Interim Receiver the Directors of VRB resigned.

ACTIVITIES OF THE INTERIM RECEIVER

Upon its appointment, the Interim Receiver "took possession" of the Company's assets which included conducting the following tasks:

- attended at the offices of VRB on November 21, 2008 and met with company management;
- photographed and cataloged the equipment and inventory on the premises and warehoused at off site storage facilities;
- made arrangements for an appraisal of the equipment and inventory;
- secured all of the technical information stored on the Company's Servers as well as off-site backups;
- ensured existing insurance on the assets was maintained..
- froze bank accounts and arranged for funds to be transferred to the Interim Receiver.
- cancelled or continued utility services as required
- made arrangements to continue rental of the facilities at Bridgeport Rd Richmond
- made arrangements to retain certain key employees to assist the Interim Receiver in its maintenance and realization efforts
- gave notice of the Interim Receivership to the Office of the Superintendent of Bankruptcy and the British Columbia Companies Branch

At the time of the appointment of the Interim Receiver the Company had been working for some months to realize on its assets. The Interim Receiver continued with that process and with the assistance of the Company President and CFO realized on the Company's Intellectual Property Manufacturing Equipment and some inventory, with the approval of the Supreme Court of British Columbia, on January 29, 2009 (see section *Realization on Assets*). With the sale of the assets the Interim Receiver assigned all of its interest in the Bridgeport Rd Richmond facilities lease and was released from any cleanup obligations after February 28, 2009.

A sale of remaining felt inventory (approximately 6,300 square metres) completed in late February 2009 completed substantially all of the Interim Receiver's Realization efforts.

The Interim Receiver's ongoing mandate includes:

- the Filing of the Proposal (completed)
- seeking creditor and Court approval of the proposal
- application to Court for directions related to the calling of the Annual General Meeting of the shareholders of the company ("AGM")
- arranging for the audit of the Company's 2008 Financial Statements and all other matters required for the AGM which is slated to be held on May 29, 2009
- funding of the Proposal; and
- applying for its discharge after having completed its mandate including having made arrangements for the AGM and election of a new board of directors

Realization on Assets

As noted above, the Company had been working for some time to realize on its assets by November 21, 2008. With the assistance of the President and the CFO the Interim Receiver continued the marketing of the assets of the company for sale. On December 19, 2008 the Interim Receiver accepted the offer of J.D. Holdings Inc. ("JDHI") for \$2.0 mil USD plus \$125,000 USD to be applied toward cleanup of any contaminated materials and/or equipment caused by the Company's use of electrolyte. The sale to JDHI included the sale all of the patents and trademarks, substantially all of the equipment (with the exception of the office equipment) and all of the inventory (with the exception of 6,300 square metres of felt). The Interim Receiver sought, and was granted, Court approval of the sale on January 19, 2009. The sale completed on January 29, 2009.

During February 2009 and the "hand – off" of the assets to JDHI arrangements were made such that the Interim Receiver assigned all of its interest and obligations related to the lease of the premises to JDHI. With that assignment JDHI also agreed to deal with the cleanup of contaminated assets and return the leased premises to the landlord in accordance with the lease such that any obligations of VRB with respect to the leased premises and contaminated assets were waived. The \$125,000 USD paid by JDHI to assist with the cleanup was returned. The costs to VRB to cleanup and payout the remaining lease obligations if the assignment to JDHI had not been made were estimated to be substantially more than the returned funds.

The remaining inventory of felt was sold back to the distributor, SLG Carbon LLC. The transaction was completed on March 11, 2009. The sale price was \$330,750 USD.

The remaining office equipment and unsold warehouse equipment was sold to the landlord of the premises for \$20,000 CDN.

Tax Losses

VRB has accumulated approximately \$45.0 million in tax losses over the last several years. These tax losses have a potential value currently estimated at between 4% and 10% of the total of the losses. The benefit of the tax losses can be gained only from the purchase of the shares of the Company. Various expressions of interest have been received for the tax losses since the appointment of the Interim Receiver.

Since, as is noted below, it is anticipated that the Company's creditors are to be paid in full from the realization of the assets of the Company it is the Interim Receiver's assessment that the matter of the sale of the Company for its tax losses should be overseen by the shareholders of the company through an elected board of directors. Should it transpire that the creditors are not paid in full from the realization of the Company's assets the Interim Receiver would realize on the tax losses first for the benefit of the creditors.

The tax losses would have no value if the Company were bankrupt.

THE PROPOSAL

Please be aware that should the creditors not vote in favour of the Proposal at the meeting of creditors to be held on April 8, 2009 the Company would be deemed bankrupt. The threshold for

approval of the proposal is that the majority of the creditors who are voting must vote in favour and, in addition, that majority must represent at least 66 2/3 of the total dollars of the claims voting.

The Proposal, a copy of which is included with this report, provides in Paragraph 6 that after determination of the validity all of the claims filed and, in any event, by September 30, 2009, the Company, through its Interim Receiver, shall pay to the Trustee, for the benefit of the unsecured creditors, the lesser of:

- A. The total of the funds in the account of the Interim Receiver (net of any outstanding fees and costs of the Interim Receiver related to the conduct of its mandate);

OR,

- B. The funds required to pay all of the valid proven creditors 100% of their claims plus 5% simple interest calculated from the filing date in addition to the proper fees and expenses of the Trustee, including all legal costs of the Trustee and legal costs of the company, of and incidental to any proceedings relating to, arising out of, or under the Proposal.

At this time it is anticipated that funds will be available from the Interim Receiver to pay the Trustee in accordance with option "B". That is, funds required such that the creditors will be paid 100% of their claims plus interest as provided for in the BIA. The anticipated payment would be the same in a Proposal or a Bankruptcy.

There are various "unknowns" which require that option "A" be included in the proposal. The "unknowns" are: 1) the total of the claims has yet to be determined and, in particular, the quantum of the contingent claims listed in the statement of affairs of the Company (included with this report) and 2) the total costs associated with the continued mandate of the Interim Receiver have to be determined.

For clarification and in summary:

- The Interim Receiver has approximately \$3.0 million CDN currently on hand.
- The known claims are approximately \$1.3 million CDN
- The current estimated maximum of the contingent claims is approximately \$800,000 CDN
- If all known and contingent claims were allowed at 100% it is estimated that there would still remain between \$300,000 and \$450,000 CDN in the Interim Receiver's account to "give back" to the company after fees and costs of the Interim Receiver related to the conduct of its mandate.
- However, should any of the estimates of the cost or claims prove incorrect option "A" could apply.
- As noted above, if the Company were Bankrupt the tax losses would not be available.
- Accordingly, it is necessary for the Proposal to succeed for the tax losses to be protected for the potential benefit of the shareholders and, in addition, if for some reason the creditors did not receive 100% from the current funds on hand the potential of the tax losses would still be available for the creditors in the Proposal.

The September 30, 2009 deadline for payment referred to in paragraph 6 of the proposal is an estimate of the maximum time that will be required to deal with the administration of the Proposal including any matters related to determining claims. If further time proves to be required the proposal can be amended accordingly or the Estate inspectors could provide for a limited extension of the time. It is hoped that payment of the amounts for the benefit of the creditors will happen earlier.

SECURED CREDITORS

The Company has no secured creditors (with one exception) according to a search of the Personal Property Security Registry and other information. The exception is that CIT Financial has a lease against the Company's photocopier which will either be paid out or assigned.

STATUTORY CLAIMS

There are no known Statutory claims outstanding.

UNSECURED CREDITORS

The estimated total of the claims of unsecured creditors is approximately \$1,300,000 CDN plus the contingent claims to be determined.

CONTINGENT CREDITORS

There are ten known contingent claims. Contingent claims are claims that are not determined at the time of the filing. As noted above the estimated total of those claims, if all were to be proved in full, is approximately \$800,000 CDN. Pursuant to section 135 (1.1) the BIA the Trustee is to value such claims.

The contingent claims relate to various different matters including warranty issues, royalty claims, severance claims and a contract dispute matter.

EXCHANGE RATE

Please note that pursuant to section 275(a) of the BIA, the exchange rate to Canadian Dollars of any claim from a creditor made in a foreign currency shall be the exchange rate as at the date of the filing of the NOI (November 19, 2008).

ASSETS

The company's assets, which are to the account of the Interim Receiver and set out in the Statement of Affairs, consist of cash on hand and two outstanding amounts due to the Interim Receiver. The total estimated value of the assets per the statement of Affairs is approximately \$3,057,000 CDN.

Cash on Hand – The Company has approximately \$3,022,000 CDN in cash on hand. This amount includes: funds in the bank or on hand as at the date of the filing of the NOI, proceeds from the sale of assets & inventory, GST refunds, miscellaneous refunds from vendors and bank interest.

Receivables – There are two outstanding amounts due from the landlord of the Bridgeport Rd facility. One is the return of the Company's security deposit (estimated at \$15,000), the second is from the sale of chattels (\$20,000). It is anticipated that both amounts will be collected by the end of March 2009.

Tax Losses - The matter of the tax losses are referred to earlier in this report.

REVIEWABLE TRANSACTIONS

The Trustee has not conducted a review of transactions over twelve months prior to the filing and, accordingly, cannot report on any transactions which may be considered reviewable.

This matter will be discussed with the Estate Inspector should same be elected.

TRUSTEE FEES & COSTS

The Trustee's fees and costs for the administration of the Proposal are to be paid in addition to other payments made pursuant to the proposal. The total fees and costs are estimated to be in the range of \$10,000 to \$20,000 (not including the costs of the Interim Receiver). The Trustee's fees are subject to approval by the creditors and are subject to taxation by the court.

The Trustee has received a payment of \$5,000 as its initial retainer.

COMPARISON OF PROPOSAL VS. BANKRUPTCY

Since it is the case that a debtor is deemed bankrupt if the unsecured creditors do not approve its proposal at the meeting of creditors held to consider the proposal it is normal for a proposal to provide more to its creditors than would be the case in a bankruptcy. In this situation the result for the creditors in the proposal is anticipated to be 100% recovery. There would be the same anticipated result if there were a bankruptcy.

The distinction in this proposal is that in light of the anticipated 100% recovery to the creditors and the possibility of funds being available for the shareholders, it is necessary, for the benefit of the shareholders, that costs be incurred by the Interim Receiver to maintain the Company's status for statutory reasons and for the potential to realize on the tax losses referred to herein.

As noted previously herein, should there not be 100% recovery to the creditors from the current funds on hand with the Interim Receiver any realization on the tax losses of the company would be available first to the creditors.

RECOMMENDATION AND CONCLUSION

The Proposal of VRB Power Systems Inc. provides for the Trustee to be funded to the extent of all of the net funds available in the account of the Interim Receiver or the funds required to pay all valid creditors 100% of their claims plus BIA interest whichever is less. It is estimated that the same recovery would be made if the company were bankrupt.

The benefit to the Proposal is that it allows the company to be "kept alive" and thereby realize the potential recovery from accumulated tax losses for the benefit of the creditors first (should that be required) and then for the benefit of the Company's shareholders.

Accordingly the Trustee recommends that the creditors vote in favour of the Proposal.

This concludes the Trustee's report on the Proposal of VRB Power Systems Inc. this 23rd day of March 2009.

ABAKHAN & ASSOCIATES INC. – Trustee

A handwritten signature in black ink, appearing to read "Philip McCourt", is written over the printed name below.

Per: **PHILIP MCCOURT CGA, CIRP**

CANADA
Province of British Columbia

Court No. B081856
Estate No: 11-113386

**IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**
carrying on business in the City of Richmond
Province of British Columbia

VRB Power Systems Inc.(the "Debtor") hereby submits the following Proposal pursuant to the *Bankruptcy and Insolvency Act* (the "Act" or "BIA"), R.S.C. 1985, c. B-3, Part III, Division I, Section 50.

1. DEFINITIONS

In this Proposal

- i. "Act" or "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
- ii. "Administrative Fees and Expenses" means the proper fees and expenses of the Trustee, the expenses of the Debtor and the legal fees and disbursements of the Trustee and the Debtor on or incidental to the appointment of the Trustee, the negotiations in connection with the preparation of this Proposal and any subsequent amended Proposals and the proceedings arising out of this Proposal and any subsequent amended Proposals including advice to Debtor;
- iii. "Court" means the Supreme Court of British Columbia;
- iv. "Court Ratification" means the approval of the Proposal by the Court, including expiry of any relevant appeal period, having received the report of the Trustee and other relevant information from the Company or any interested creditor;
- v. "Crown Claims – Source Deductions" for the purposes of this Proposal shall be limited to the claims of Her Majesty in right of Canada or a province, that were outstanding on the date of the Proposal, and that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), or under substantially similar provisions of provincial legislation;
- vi. "Employee Claims" means the amounts that employees or former employees would be qualified to receive under paragraph 136(1)(d) of the Act, if the Debtor became bankrupt;

- vii. "Filing Date" means November 19th, 2008 the date the Notice of Intention to Make a Proposal was filed by the Debtor with the Office of the Superintendent of Bankruptcy;
- viii. "General Unsecured Creditors" means those persons with claims that are proved in respect of debts and liabilities present or future to which the Debtor was subject at the Filing Date or to which the Debtor may become subject by reason of any obligations incurred before the Filing Date or to which the Debtor may become subject by reason of any obligations incurred before the Filing Date, except for those claims;
 - a) that have been finally and conclusively disallowed or found by the Court not to be provable;
 - b) that are claims by Secured Creditors; or
 - c) that are claims that are Administrative Fees and Expenses;
- ix. "Levy" means the 5% levy payable to the Superintendent of Bankruptcy pursuant to section 147 of the BIA;
- x. "Post Filing Creditors" means those persons who advance money, goods, services or credit to the Debtor, with the approval of the Debtor after the Filing Date;
- xi. "Secured Creditors" means persons holding a valid mortgage, pledge charge, lien or privilege on or against the property of the Debtor or any part thereof as security for debt or liability due or accruing due to them by the Debtor; and,
- xii. "Trustee" means Abakhan & Associates Inc. or its duly appointed successors appointed under or in connection with the carrying out of this Proposal.

2. EMPLOYEE CLAIMS

Management of the Debtor advises that there are no Employee Claims for wages and/or holiday pay, pursuant to section 136 (1) (d) of the BIA, outstanding as at the Filing Date. In the event that Employee Claims are found to exist, these claims will be paid in accordance with the provisions of the Act.

3. CROWN CLAIMS – SOURCE DEDUCTIONS

That there will be either:

- a) Payment in full to Her Majesty of all amounts that were outstanding at the time of this Notice of Intention to make a proposal and which could be subject to a demand under subsection 224(1.2) of the *Income Tax Act*, or under any substantially similar provision of provincial legislation (the "withholdings"), within six months of Court Ratification of this Proposal; OR
- b) Her Majesty will consent to other terms of payment of the withholdings upon acceptance of this Proposal and approval by Court; and

Management of the Debtor advises that there are no amounts outstanding pursuant to section 224 (1.2) of the *Income Tax Act*.

4. SECURED CREDITORS

Payment of the claims of the secured creditors shall be made in the following manner:

- Secured creditors will be paid in accordance with present arrangements existing or as may be arranged from time to time between the Debtor and the secured creditors.

5. PREFERRED CREDITORS

Payment in priority to all other claims of claims directed by the Act to be so paid in the distribution of property of an insolvent person shall be made as follows:

- (a) Those claims set forth in section 136(1) of the Act ("Preferred Creditors") shall be paid in full as set forth therein in priority to all claims of unsecured creditors.

6. UNSECURED CREDITORS

Provision for payment of all claims of ordinary creditors including interest and penalties to the Filing Date, and claims of every nature and kind whatsoever and wheresoever situate, whether or not due as of the Filing Date, including contingent and unliquidated claims arising out of any transaction entered into by the debtor prior to the Filing Date and provable under the Act shall be made as follows:

Upon the determination of the validity of all of the claims filed in the Proposal whether by agreement, settlement or by Order of the Supreme Court of British Columbia and in any event, no later than September 30th, 2009, the Debtor, through its Interim

Receiver, shall pay to the Trustee, for the benefit of the Unsecured creditors, the lesser of:

(1) the total of the funds in the account of the Interim Receiver (net of any outstanding fees and costs of the Interim Receiver related to the conduct of its mandate),

OR,

(2) the funds required to pay all of the valid proven creditors 100% of their claims plus 5% simple interest calculated from the filing date in addition to the costs referred to in Paragraph 7 below.

7. ADMINISTRATIVE FEES AND EXPENSES

Provision for payment of all proper fees and expenses of the Trustee, including legal costs of the Trustee and legal costs of the Debtors, of and incidental to any proceedings relating to, arising out of, or under the Proposal, including the preparation and implementation of the Proposal shall be made as follows:

- All such fees and expenses shall be paid in priority to all claims of Preferred Creditors and Unsecured Creditors from the proceeds and payments referred to in Paragraph 6 (1) above.

8. APPOINTMENT OF ABAKHAN & ASSOCIATES INC.

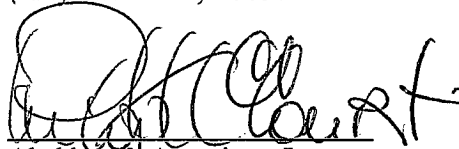
Abakhan & Associates Inc., of the City of Vancouver, British Columbia, shall be the Trustee under the Proposal and shall have those powers granted to it by this Proposal and by the Act.

9. GENERAL

- a. The Trustee shall receive and disburse all funds to unsecured creditors under this Proposal. The Levy shall be deducted from all payments for claims of General Unsecured Creditors.
- b. Post Filing Creditors will be paid in full by the Debtor in priority to Preferred and General Unsecured Creditors. The Trustee shall not be personally liable for obligations and trade credit incurred pursuant to the provisions of this paragraph.
- c. The distribution of the monies by the Trustee pursuant to this Proposal to the General Unsecured Creditors shall constitute payment in full of any amount claimed owing by the Debtor as of the Filing Date.

- d. Court ratification of the Proposal shall constitute acceptance of the scheme of repayment.
- e. The creditors may appoint up to five inspectors who will assist and advise the Trustee and who will have the right to grant extension of time and vary conditions for any payment required herein provided that they consider such relief to the Debtor to be in the best interests of the creditors and who may also approve payment to the Trustee of advances on its remuneration.
- f. The Trustee and Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal, or generally, in the carrying out of the terms of this Proposal, and each of them shall be liable only for willful and wrongful act, default or neglect.

Dated at Vancouver, British Columbia, this th 17 day of March, 2009.



Abakhan & Associates Inc.
In its capacity as Interim Receiver of
VRB Power Systems Inc.

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

To the Debtor:

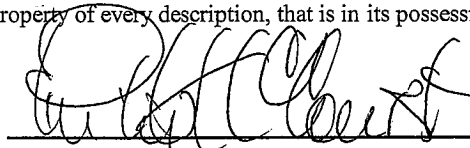
You are required to carefully and accurately complete this form and the applicable attachments, showing the state of your affairs on the date of your proposal, March 17, 2009. When completed, this form and the applicable attachments will constitute your Statement of Affairs and must be verified by oath or solemn declaration:

Liabilities		Assets	
(as stated and estimated by debtor)		(as stated and estimated by debtor)	
1. Unsecured creditors as per list 'A'	1,305,186.20	1. Inventory	NIL
2. Secured creditors as per list 'B'	NIL	2. Trade fixtures, fittings, utensils, etc.....	NIL
3. Preferred creditors as per list 'C'	NIL	3. Accounts Receivable, etc. as per list 'E'	
4. Contingent or other liabilities as per list 'D'	NIL	Good	NIL
estimated to be reclaimable for		Doubtful	NIL
		Bad	NIL
		Estimated to produce	NIL
Total Liabilities	1,305,186.20	4. Bills of exchange, promissory notes, etc. as	
Surplus	1,717,029.46	per list 'F'	NIL
		5. Deposits in Financial Institutions.....	NIL
		6. Cash	3,022,215.66
		7. Livestock	NIL
		8. Machinery, equipment and plant	NIL
		9. Real property or immovable as per list 'G'	NIL
		10. Furniture.....	NIL
		11. RRSPs, RRIFs, Life Insurance, etc	NIL
		12. Securities (Shares, bonds, debentures, etc)	NIL
		13. Interest under wills	NIL
		14. Vehicles	NIL
		15. Other Property as per list 'H'.....	
		Return of Security Deposit from the Landlord	15,000.00
		Tax losses	Unknown
		Proceeds from Sale of Chattels	20,000.00
		If Bankrupt is a Corporation add:	
		Amount of capital subscribed	NIL
		Amount paid thereon	NIL
		Balance subscribed and unpaid	NIL
		Estimated to produce	NIL
		Total Assets	3,057,215.66
		Deficiency	NIL

S. W.P. of Atabkhan & Associates Inc

I, Philip McCourt *Interim Receiver* of VRB Power Systems Inc. , do swear that this statement and attached lists are to the best of my knowledge a full, true and complete statement of its affairs on March 17, 2009, and fully disclose all property of every description, that is in its possession or that may devolve on it in accordance with Section 67 of the Act.

SWORN before me in the City of Vancouver in the Province of of British Columbia this 17th day of March, 2009.



Signature of Debtor or Officer

Richard G.E. Robinson
A Commissioner for Taking Affidavits
Within the Province of British Columbia
#1120-625 Howe St. Vancouver, BC
Appointment Expires: March 31, 2009

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
1	ADT SECURITY SERVICES CANADA INC.	615 18TH STREET S.E CALGARY AB T2E 6J5	INV #:35883439	321.30
2	AGILITY LOGISTICS CO. T27518C/U	PO BOX 4275 POSTAL STN A TORONTO ON M5W 5V8	INV#: 262126	2,303.17
3	AGILITY T27518	PO BOX 4275 POSTAL STN A TORONTO ON M5W 5V8	INV#: 249269	101.85
4	AIR LIQUIDE CANADA	23231 FRASERWOOD WAY RICHMOND BC V6V 3B3	INV:31298987/3152977	1,682.18
5	Airmax Air Purification Systems	8940 Douglas Street Richmond BC V6X 1V3	inv. #:3149gst	700.55
6	AMBIUS INC.	9 - 116A VICEROY ROAD CONCORD ON L4K 2M1	INV #: 345VR019838	92.96
7	ATLAS COURIER LTD.	32 W. 5TH AVE. VANCOUVER BC V5Y 1H5	INV #:64439	36.79
8	ATS ADVANCED MANUFACTURING DIV.	730 FOUNTAIN STREET N. BUILDING #2 CAMBRIDGE ON N3H 4R7	INV#: 133312	90,106.80
9	Bell ExpressVu	8940 Douglas Street Vancouver BC V6B 6L1	8455 2010 0003 4170	86.78
10	BELL MOBILITY INC.	PO BOX 5480 STN TERMINAL VANCOUVER BC V6B 4B5	INV#: NOV507998511	24.41
11	British Columbia Safety Authority	400 - 88 6th Street New Westminster BC V3L 5B3	433969	54.00
12	Canadian Linen & Uniform Service	Conny Petta 2750 Gilmore Ave. Burnaby BC V5C 4T9		1,974.02
13	Canadian Springs	6560 McMillan Way Richmond BC V6W 1L2		660.08
14	Canreal Management Corp in Trust	409 - 808 Nelson Street Vancouver BC C6Z 2H2		3,422.15
15	CANTEST	4606 CANADA WAY BURNABY BC V5G 1K5	INV#: 3340686	57.75
16	CARBON INTERNATIONAL	1 - 7 CHALCOT ROAD LOWER BOTVYLE SHROPSHIRE UK SY6 6HG	INV#: 1263	6,533.80
17	COMMONWEALTH AUTOMATION TECH. I	205 - 31265 WHEEL AVE. ABBOTSFORD BC V2T 6H1	INV#: 1015	46,832.75
18	Computer Patent Annuities	CPA House, 11 - 15 Seaton Place St. Helier Channel Island, JE11BL	R58082	18,562.39
19	Cougar Energy Limited	Len Walker Level 6, 140 Queen Street		18,555.00

Dated: March 17, 2009


Signature of Debtor or Officer

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
20	CULLIGAN OF PRICE	Melbourne, Victoria 3000 AUS 148 S. 200 EAST THE EXCHANGE TOWER, PO BOX 421 PRICE UT 84501	INV#: 329207	117.91
21	Davies Collison Cave	GPO Box 4387 Melbourne AUS		703.85
22	DELOITTE & TOUCHE LLP	2800 - 1055 DUNSMUIR STREET VANCOUVER BC V7X 1P4	INV #:2248109	21,000.00
23	DISTRON S.L.	Calle Coeters, 7 Parque Empresarial Tactica Paterna, Valencia, Spain 46980		37,399.00
24	DMAW LAWYERS	LEVEL 3, 80 KING WILLIAMS STREET ADELAIDE AUS		6,642.69
25	Dolphin Computer Services	1901 - 1177 W. Hastings Street Vancouver BC V6E 2K3		403.20
26	Eclipse Networks Pty Ltd.	23 Morris Road East Woodmead, South Africa		30,000.00
27	ECS	13330 MAYCREST WAY RICHMOND BC V6V 2J7	INV#:R45372	952.56
28	Elastoseal Inc.	791 Enterprise Drive Lexington USA 40501		908.58
29	ELECTROSYNTHESIS COMPANY INC.	72 WARD ROAD LANCASTER NY 14086	INV#: 335/346/352	18,555.00
30	ENIGMA INTERCONNECT INC.	195 DU VOYAGEUR POINTE-CLAIRE QC H9R 6B2		15,467.85
31	ESKOM HOLDINGS	PRIVATE BAG 40175 C/O COETERS 7, PARQUE EMPRESARIA CLEVELAND SA		25,561.89
32	Federal Express Canada Ltd.	PO BOX 4626 TORONTO STN A TORONTO ON M5W 5B4		3,265.89
33	FEDEX FREIGHT	1011 WILSON AVE. TORONTO ON M3K 1G4	INV#: 1598387173	1,462.85
34	GAGE DATA SERVICES INC.	270 - 666 BURRARD STREET VANCOUVER BC V6C 2X8	INV#: M08-14017	2,520.00
35	GAVIN COOPER	3227 W. 14TH AVE. VANCOUVER BC V6K 2Y2	STAFF SEVERANCE	159,800.00
36	HANSEN INDUSTRIES LTD.	2871 OLAFSEN DRIVE RICHMOND BC V6X 2R4	INV#: 72123	6,251.37
37	HAYS SPECIALTIST RECRUITMENT INC.	402 - 1500 DON MILLS ROAD NORTH YORK ON M3B 3K4		3,427.20
38	Home Depot Credit Services	c/o Citi Commerce Solutions of Canada	7069 Nov	7.82

Dated: March 17, 2009


Signature of Debtor or Officer

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
39	Kuehne + Nagel Ltd.	PO Box 2052, Stn B Mississauga ON L4Y 0B5 Jenny Xue 700 - 535 Thurlow Street Vancouver BC V6E 3L2	V423314	860.00
40	Magyar Energetikai Tarsasag	H - 1027 Budapest Fou. 68 Budapest, Romania		1,907.36
41	MASONLIFT LTD	1605 CLIVEDEN AVE, ANNACIS ISLAND DELTA BC V3M 6P7	INV#: 14742603	298.54
42	McCarthy Tetrault LLP	1300 - 777 Dunsmuir Street Vancouver BC V7Y 1K2		41,055.81
43	Medical Services Plan (MSP)	Account Management PO Box 9401 Stn Prov Govt Victoria BC V8W 9S6	Dec. 08	108.00
44	MOTT ELECTRIC LTD.	7008 14TH AVE. BURNABY BC V3N 1Z2		11,646.63
45	NEODYN SYSTEMS INC.	67 - 8655 159TH STREET SURREY BC V4N 1M8		2,942.63
46	NEWALTA CORPORATION	1200 - 333 11TH AVE SW. CALGARY AB T2R 1L9	INV#: 90653476	1,648.50
47	Pro-Tech Industrial Movers	7101 Honeyman Street Delta BC V4G 1C6		2,508.19
48	RDR MOBILITY	247 E. FRONT ST., 2ND FLOOR TRENTON NJ 02611		1,206.08
49	REGENESYS HOLDINGS LIMITED	WINDMILL HILL BUSINESS PARK WHITEHILL WAY SWINDON UK SN5 6PB		26,819.64
50	Research Capital	4500 - 199 Bay Street Toronto ON M5L 1G2		27,747.89
51	Ricoh Canada Inc.	3rd Floor, 5520 Explorer Drive Mississauga ON L4W 5L1		1,568.38
52	Rogers Wireless	PO Box 9100 Don Mills ON M3C 3P9		3,429.74
53	SGL Technologies GmbH	Werner-von Siemens-Str. 18 Meitingen, Germany 86405		607.37
54	SHRED-IT BC	300 - 1650 BRIGANTINE DRIVE COQUITLAM BC V3K 7B5	INV#: 7790546	436.80
55	Siemens Water Technologies	5889 Coopers Ave. Mississauga ON L4Z 1P9		124.95
56	SoftLanding Network Solutions Inc.	1600 - 555 W. Hastings Street Vancouver BC V6B 4N5	13368	360.94

Dated: March 17, 2009


Signature of Debtor or Officer.

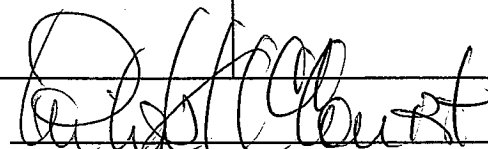
**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'A'

Unsecured Creditors

No	Name	Address	Account No.	Amount of claim
57	Staples	c/o Citi Commerce Solutions of Canada 5900 Hurontario Street Mississauga ON L5R 0B8	20023561-7768	173.59
58	Stargate Connections Inc.	347 - 6450 Roberts Street Burnaby BC V5G 4E1	37755	235.20
59	STOEL RIVES LLP	2600 - 900 SW 5TH AVE. PORTLAND OR 97204		114,232.41
60	TELUS COMMUNICATIONS INC.	PO BOX 80700 BURNABY BC V5H 4P7		6,169.87
61	TERASEN GAS	PO BOX 6666 STN TERMINAL VANCOUVER BC V6B 3M9	INV#: 1281719NOV	2,456.20
62	TIM HENNESSY	C/O CHUTNEY INC. 9902 NW ENGELMAN STREET PORTLAND OR 97229	STAFF SEVERANCE	339,380.00
63	TLD Computers Inc.	100 - 12251 Horseshoe Way Richmond BC V7A 4V4	390448	7,938.00
64	TRS-REN TELCO	PO BOX 7804 STN A TORONTO ON M5W 2R2	INV#: 100173932	519.65
65	TSX INC.	130 KING STREET W. TORONTO ON M5K 1J2		16,216.20
66	UNIVAR CANADA LTD.	PO BOX 2009 VANCOUVER BC V6B 3R2		15,361.50
67	UPS CANADA	400 - 6285 Northam Drive Mississauga ON L4V 1X5	INV#: 500101320	2.65
68	VINCE SORACE	112 - 1288 MARINASIDE CRES. VANCOUVER BC V6Z 2W5	STAFF SEVERANCE	150,000.00
69	WESTERN NAMEPLATES	5 - 7201 72ND STREET DELTA BC V4G 1M5	INV#: 12070	18.90
70	Williams Scotsman Inc.	PO Box 91975 Chicago USA 60693-1975		648.19
	TOTAL			1,305,186.20

Dated: March 17, 2009



Signature of Debtor or Officer

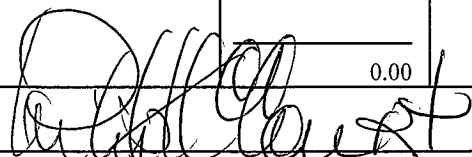
**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'C'

Preferred Creditors for Wages, Rent, Etc.

No	Name of Creditor Address and Occupation	Nature of Claim	Period During Which Claim Accrued	Amount of Claim	Amount Payable in Full	Ranking for Dividend
				0.00		
	TOTAL					

Dated: March 17, 2009



 Signature of Debtor or Officer

**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'D'

Contingent or Other Liabilities

No	Name of Creditor or Claimant Address and Occupation	Amount of Liability or Claim	Amount Expected to Rank for Dividend	Date Liab Incurred Mo Yr	Nature of Liability
1	Ben - Gurion University of the Negev 1, Ben Gurion Blvd PO Box 653 Beer Sheva, Israel 84105	unknown	0.00		
2	Cormark Securities Suite 2800, South Tower Royal Bank Plaza Toronto ON M5J 2J2	unknown	0.00		
3	Edison S.P.A. - Approvvigionamenti Foro Buonaparte 31 20121 Milano, Italy	unknown	0.00		
4	KERI-ANNE COLL 2600 - 595 Burrard Street PO Box 49314, Three Bentall Centre Vancouver BC V7X 1L3	unknown	0.00		
5	Rokura Aplicatii Industriale 46 - 48, Rahmaninov Str., Sector 2 Bucharest, Romania 020199	unknown	0.00		
6	Siemens AG - Corporate Technology CT PS 5 Gunther - Scharowsky - Str. 1 Erlangen, Germany 91058	unknown	0.00		
7	Sumitomo Electric Industries Ltd 1-3, Shimaya 1-chome Konohanaku Osaka, Japan 554-0024	unknown	0.00		
8	University of Auckland 38 Princess Street Auckland, New Zealand 92019	unknown	0.00		
9	University of South Florida 4202 E. Fowler., ENG 118 Tampa FL 33620	unknown	0.00		
10	Winafrique Technologies Ltd. PO Box 73193 5th Floor Soin Arcade Nairobi Westlands, Kenya 00200	unknown	0.00		
	TOTAL		0.00 \$0.00		

Dated: March 17, 2009


Signature of Debtor or Officer

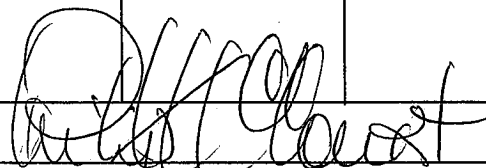
**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'E'

Debts Due to the Estate

No	Name, Address & Occupation of Debtor	Nature of Debt		Contracted		Estimated to Produce	
		Particulars of Security	Folio Ledger for Particulars	Good	Doubtful		Yr
	TOTAL					\$0.00	

Dated: March 17, 2009



 Signature of Debtor or Officer

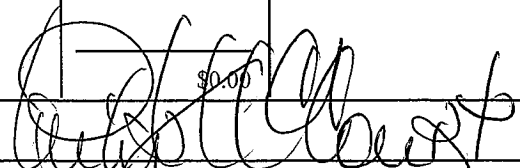
**STATEMENT OF AFFAIRS (Sec 158)
IN THE MATTER OF THE PROPOSAL OF
VRB POWER SYSTEMS INC.**

List 'F'

Bills of Exchange, Promissory Notes, Lien Notes
Chattel Mortgages, etc., Available as Assets

No	Name of all Promissors, Acceptors, Endorsers, Mortgagors and Guarantors Address and Occupation	Amount of Bill or Note	Date When Due	Estimated to Produce	Particulars held as Security for Payment of Bills or Notes
	TOTAL			\$0.00	

Dated: March 17, 2009



 Signature of Debtor or Officer

VOTING LETTER
(Paragraphs 51(1)(f) and 66.15(3)(c) of the Act)

In the matter of the proposal of VRB POWER SYSTEMS INC.
(NAME OF DEBTOR)

I, _____, creditor
(NAME AND/OR CORPORATION)

(or, I, _____, representative of _____),
(NAME) (CREDITOR)

of _____, a creditor in the above
(NAME OF CITY OR TOWN)

matter for the sum of \$ _____, hereby request the trustee acting with respect

to the proposal of VRB POWER SYSTEMS INC., to record my vote:
(NAME OF DEBTOR)

FOR or AGAINST the acceptance of the proposal as made on the 17th day of
March, 2009.

Dated at the City of _____, in the Province of _____ this _____ day of _____,
2009.

Signature of witness

Signature of creditor

Name of witness

Name and title of signing officer

IMPORTANT NOTE

Please circle FOR / AGAINST

