

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
PNG VENTURES, INC., <i>et al.</i> ¹	:	Case No. 09-13162 (CSS)
Debtors.	:	(Jointly Administered)
	:	Related to Docket Nos. 219 and 251

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING
THE DEBTORS' FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

On September 9, 2009 (the "Petition Date")², PNG Ventures, Inc. ("PNG") and its affiliated debtors in the above-captioned chapter 11 cases (collectively, the "Debtors") each filed in the United States Bankruptcy Court for the District of Delaware (the "Court") a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"). The Debtors' chapter 11 cases (the "Cases") have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Local Rules").

On December 24, 2009, the Debtors filed their First Amended Plan of Reorganization (the "Plan") [D.I. 219] and their First Amended Disclosure Statement (the "Disclosure Statement") [D.I. 220]. Following a hearing commenced on January 5, 2010 and the submission of further modifications to the Plan and Disclosure Statement pursuant to

¹ The Debtors herein are New Earth LNG, LLC, PNG Ventures, Inc., Arizona LNG, LLC, Applied LNG Technologies USA, LLC, Fleet Star, Inc. and Earth Leasing, Inc. The address for each Debtor is 5310 Harvest Hill Road, Dallas, TX 75230.

² Capitalized terms used but not defined herein shall have the same meanings as ascribed to such terms in the Plan.

Certification of Counsel in response thereto, the Court entered its Order approving the Disclosure Statement (the "Disclosure Statement Order") as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code, authorizing the solicitation of acceptances and rejections of the Plan, establishing deadlines and procedures and setting March 5, 2010 as the date for the hearing on confirmation of the Plan (the "Confirmation Hearing").

On or before January 14, 2010, Logan and Company, Inc. ("Logan"), the Debtors' Claims and Solicitation Agent, mailed the solicitation materials to creditors and other parties in interest in accordance with the Disclosure Statement Order, including notice of the Confirmation Hearing (the "Confirmation Hearing Notice").

The Disclosure Statement Order established February 22, 2010 at 4:00 p.m. (Prevailing Eastern Time) as the deadline for voting on the Plan (the "Voting Deadline") and for filing objections to the Plan.

As described in the Declaration of Kathleen M. Logan Certifying Voting On, and Tabulation of, Ballots Accepting and Rejecting First Amended Joint Chapter 11 Plan of Reorganization For PNG Ventures, Inc. and Its Affiliated Debtors (the "Solicitation and Voting Affidavit") [D.I. 339], the Plan was accepted by 100% in both number and amount of holders of the Class 2 (Medley) Claims and Class 5 (General Unsecured Creditors) Claims. The holders of the Class 4 (BFI) Claim did not timely vote and therefore, pursuant to the Disclosure Statement Order, it is deemed to have voted in favor of the Plan.

On February 17, 2010, Debtors filed a Notice of Amendments to the Exhibits of Assumed Executory Contracts and Unexpired Leases and the Rejected Executory Contracts and Unexpired Leases [D.I. 311].

On February 17, 2010, the Debtors filed notices of filing of certain documents related to the Plan (the "Plan Supplement") [D.I. 312].

On February 27, 2010, the Debtors filed a Notice of certain proposed non-material modifications to the Plan [D.I. 331].

On March 3, 2010, the Debtors filed their Memorandum in Support of Confirmation of Debtors' First Amended Plan of Reorganization of PNG Ventures, Inc. (the "Confirmation Memorandum"). Further, on that same date, the Debtors filed the Certifications of John Tittle, Jr. and Alan Bradley Gabbard in support of confirmation of the Plan (collectively, the "Certifications in Support of the Plan").

The Confirmation Hearing commenced on March 5, 2010. The Court overruled the objections filed by BFI and the U.S. Trustee relating to section 11.3 of the Plan (Third Party Releases) for the reasons set forth on the record at the Confirmation Hearing. The Debtors submitted their direct case in support of confirmation of the Plan. The Debtors and the Creditors' Committee asked for additional time to work through an issue relating to the Excise Tax Rebate. The compromise reached by the Debtors and the Creditors' Committee is reflected in Paragraph E. of this Order.

NOW, THEREFORE, the Court having considered the Plan, the Solicitation and Voting Affidavit, the Certifications in Support of the Plan, the Confirmation Memorandum, all evidence proffered or adduced and the arguments of counsel at the Confirmation Hearing, and the entire Record of these Cases, and after due deliberation thereon and good cause appearing therefore, this Court hereby makes and issues the following Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Jurisdiction and Venue. This Court has subject matter jurisdiction over the Cases to confirm the Plan pursuant to 28 U.S.C. §§ 157 and 1334. Venue before this Court was proper as of the Petition Date and continues to be proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b). The Debtors were and are qualified to be debtors under section 109 of the Bankruptcy Code.

B. Burden of Proof. The Debtors, as proponents of the Plan, have the burden of proving the elements of section 1129(a) of the Bankruptcy Code by a preponderance of the evidence, and, as set forth below, the Debtors have met that burden.

C. Judicial Notice. This Court takes judicial notice of the docket in these Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings, notices and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at the hearings held before the Court during these Cases.

D. The Record. The following record (the "Record") was established to support confirmation of the Plan:

- (i) All documents identified by the Debtors at the Confirmation Hearing, including, without limitation, the Plan, the Disclosure Statement and all exhibits, schedules and attachments thereto and filed in connection therewith as may be amended or modified, and the Plan Supplement, all of which were admitted into evidence without objection;
- (ii) The Certifications in Support of the Plan;
- (iii) The Solicitation and Voting Affidavit[D.I. 339];
- (iv) The Modifications of the Plan, both filed [D.I. 331] and those made orally on the record at the Confirmation Hearing and in this Order;
- (v) The entire record of these Cases and the docket maintained by the clerk of the Court and/or its duly appointed agent, including, without

limitation, all pleadings and other documents filed, all orders entered, and all evidence and argument made, proffered, or adduced at the hearings held before the Court during the pendency of these Cases, as to all of which the Court took judicial notice at the Confirmation Hearing; and

- (vi) The statements and argument of counsel on the record at the Confirmation Hearing, and all papers and pleadings filed with the Court in support of, in opposition to, or otherwise in connection with, confirmation of the Plan.

The evidence that was admitted into the Record in support of confirmation of the Plan and all related matters demonstrates, by a clear preponderance of the evidence, that the Plan should be confirmed.

E. Modifications to the Plan. The Debtors have made the following non-material modifications to the Plan as follows:

- (i) the modifications set forth in the Notice of proposed non-material modifications filed on February 26, 2010;
- (ii) the modifications orally made on the record at the Confirmation Hearing; and
- (iii) the modifications relating to section 4.4(e)(ii) of the Plan set forth below:

Paragraph 4.4(e)(ii) of the Plan regarding treatment of Class 5 General Unsecured Claims shall be and is hereby modified to add thereto at the end of that section the following paragraph with respect to payment to the Creditor Fund of the Excise Tax Rebate:

The additional payment to the Creditor Fund by the Reorganized Debtors of the Excise Tax Rebate within 10 days of the Reorganized Debtors receipt thereof, as required under this Section 4.4(e) hereinabove, shall be guaranteed by the Reorganized Debtor so that the Creditor Fund will receive the Excise Tax Rebate in the amount of \$450,000 pursuant to the following terms and conditions:

- (a) On or before December 31, 2011, the Reorganized

Debtors will pay to the Creditor Trust in cash a sum equal to the difference between (i) \$450,000 and (ii) the amount of Excise Tax Rebate cash which had already been collected and received by the Creditor Trust prior to December 31, 2011 (the "Remaining Balance"); and

(b) The Reorganized Debtors' obligation to pay any Remaining Balance will terminate on the earlier of (i) December 31, 2011 upon payment of any Remaining Balance, or (ii) when the sum of \$450,000 has been collected and received by the Creditor Trust.

Except as expressly modified as set forth above, all of the terms and provisions of Section 4.4(e)(ii) of the Plan shall remain in full force and effect.

(the "Modifications"). Pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of the Modifications require additional disclosure under section 1125 of the Bankruptcy Code, nor do they require that the holders of Claims or Equity Interests be afforded an opportunity to change previously cast acceptances of the Plan. The Plan as modified by the Modifications shall constitute the Plan submitted for confirmation by the Court.

F. Objections. As presented at the Confirmation Hearing, the consensual resolutions of certain Objections satisfy the applicable requirements of the Bankruptcy Code and the Bankruptcy Rules and are in the best interests of the Debtors and their estates and supported by the Record, and therefore should be approved. All objections that were not resolved by agreement on or prior to the Confirmation Hearing are overruled, and are otherwise disposed of as set forth herein and on the record at the Confirmation Hearing.

G. Solicitation and Notice. To obtain the requisite acceptance of the Plan, on January 14, 2010, Logan commenced solicitation of acceptances and rejections of the Plan by distributing the Disclosure Statement and related materials to holders of Claims against the

Debtors classified in impaired classes entitled to vote under the Plan.

- (i) As evidenced by the Solicitation and Voting Affidavit, the Debtors transmitted the following to all known holders of Claims against the Debtors classified in impaired classes entitled to vote under the Plan: (a) the Disclosure Statement Order (excluding exhibits), (b) the Disclosure Statement with the Plan as an exhibit and all exhibits thereto, (c) the Confirmation Hearing Notice, (d) the appropriate ballot, customized for each impaired Class being solicited, and (e) a pre-addressed, postage prepaid return envelope (collectively, the "Solicitation Packages").
- (ii) Specifically, the Solicitation Packages were distributed to holders of Claims in Class 2 (Medley), Class 4 (BFI) and Class 5 (General Unsecured Claims), which were the only impaired Classes entitled to vote on the Plan. Further, the period during which the Debtors solicited votes to accept or reject the Plan was reasonable in the circumstances of these Cases and enabled holders of impaired Claims to make an informed decision to accept or reject the Plan.
- (iii) The Debtors were not required to solicit votes from the holders of Class I - Priority Claims or Class 3 - Greenfield Claims, as all such Classes are unimpaired under the Plan. As set forth in the Solicitation and Voting Affidavit, these classes were mailed the Notice of Non-Voting Status - Unimpaired Classes. The Debtors were not required to solicit votes from the holders of Class 6 - Old Equity Interests, as such Class is deemed to have rejected the Plan. As set forth in the Solicitation and Voting Affidavit, these classes were mailed the Notice of Non-Voting Status - Deemed Rejected Class.
- (iv) Also as evidenced by the Solicitation and Voting Affidavit, the Disclosure Statement Order (excluding Exhibits), the Confirmation Hearing Notice, the Disclosure Statement (with the Plan as an exhibit) was mailed to the United States Trustee, attorneys for the Creditors' Committee, the Securities and Exchange Commission, the District Director of the Internal Revenue Service, the United States Department of Justice, counter-parties to existing contracts and leases, taxing authorities to which the Debtors' operations are subject and parties requesting notice pursuant to Bankruptcy Rule 2002.
- (v) The Confirmation Notices were also published electronically at <http://www.deb.uscourts.gov> and <http://www.loganandcompany.com>.
- (vi) The Debtors complied with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court and all other applicable laws in connection with the solicitation of votes on the Plan and the provision of notice of the Confirmation Hearing and all relevant deadlines set forth in the Disclosure Statement Order. As such, the notice provided was due and proper with respect

to all matters relating to the solicitation of votes on, and the confirmation of the Plan and satisfied the requirements of due process with respect to all creditors, equity holders and parties in interest who were provided actual or constructive notice.

H. Voting. As evidenced by the Solicitation and Voting Affidavit, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Disclosure Statement Order, the Bankruptcy Code, Bankruptcy Rules, the Local Rules of this Court. Each class of Claims and Equity Interests either (i) voted to accept the Plan under section 1126 of the Bankruptcy Code and for purposes of section 1129(a)(8)(A) of the Bankruptcy Code, (ii) is not impaired as provided in section 1124 and 1129(a)(8)(B) of the Bankruptcy Code and is deemed, under section 1126(f) of the Bankruptcy Code, to have voted to accept the Plan, or (iii) is deemed, under section 1126(g) of the Bankruptcy Code, to have voted to reject the Plan.

I. Compromises and Settlements under and in Connection with the Plan. The Settlement by and between the Debtors and the Kelley Parties, approved by this Court on February 17, 2010 [D.I. 309] which was conditioned upon confirmation of the Plan and occurrence of the Effective Date, is hereby deemed effective as of the Effective Date. Accordingly, all such actions contemplated therein by the Debtors and the Kelley Parties are hereby authorized as of the Effective Date.

J. Releases, Exculpations and Injunctions. The Plan and this Confirmation Order provide for various releases, exculpations and injunctions. With regard to the releases contained in section 11.3 of the Plan as modified by the Modifications, they are determined to be fair, necessary to the Debtors' reorganization, are supported by fair consideration and therefore are valid and binding.

K. Securities Under the Plan. Pursuant to the Plan, and without further corporate or other action, the Reorganized Debtors are authorized to issue shares of Reorganized Debtors common stock, as described in the Plan.

L. Credit Agreement. The Credit Agreement, as set forth in the Plan Supplement, is an essential element of the Plan, and entry into the Credit Agreement is in the best interests of the Debtors, their estates, and their creditors. The Debtors have exercised reasonable business judgment in determining to enter into the Credit Agreement on the terms described therein. The Debtors have provided sufficient and adequate notice of the Credit Agreement to all parties in interest. All documents necessary to implement the Plan, including, without limitation, the Credit Agreement and all other documents contemplated in the Plan, and set forth in the Plan Supplement, shall, upon execution or as otherwise provided in sections 4.4 and 8.1 of the Plan, be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

M. Executory Contracts and Unexpired Leases. The Debtors have exercised reasonable business judgment in determining whether to reject or assume each of their executory contracts and unexpired leases under the terms of the Plan and this Confirmation Order. Each pre- or post-confirmation rejection or assumption of an executory contract or unexpired lease pursuant to Article VII of the Plan will be legal, valid and binding upon the applicable Debtor and all non-Debtor parties to such executory contract or unexpired lease, as applicable, all to the same extent as if such rejection or assumption had been effectuated pursuant to an appropriate order of the Court entered before the Confirmation Date under section 365 of the Bankruptcy Code. Each of the executory contracts and unexpired leases to be rejected or assumed is deemed to be an executory contract or an unexpired lease, as

applicable.

The Plan constitutes a motion to assume such executory contracts and unexpired leases (collectively, the "Assumed Contracts") as set forth in Article VII of the Plan. Except as otherwise provided in a separate order of the Court, any non-Debtor party to an Assumed Contract was required to object to such assumption or to the cure amounts proposed by the Debtors in connection therewith by no later than February 22, 2010 at 4:00 p.m. (Prevailing Eastern Time). Upon the entry of this Confirmation Order, (a) all of the requirements of sections 365(b) and (f) of the Bankruptcy Code will have been satisfied with respect to each Assumed Contract for which no timely objection was filed; (b) all rights to object to the assumption of any such Assumed Contract will have been waived; (c) except as the Court may hereafter determine is necessary and appropriate to effect the purpose of the Bankruptcy Code and equity, all rights to object to the cure amounts with respect to any such Assumed Contracts will have been waived; and (d) the assumption of such Assumed Contracts will have been approved.

N. Standing. The Debtors have satisfied section 1121 of the Bankruptcy Code in that the Debtors have standing to file a plan of reorganization. Furthermore, the Plan reflects the date it was filed with the Court and identifies the entities submitting it as Plan proponents, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Court satisfies Bankruptcy Rule 3016(b).

O. The Plan Complies with the Bankruptcy Code (11 U.S.C. §1129(a)(1)). As set forth below and as demonstrated by the Record, the Plan complies with all relevant sections of the Bankruptcy Code, Bankruptcy Rules and the Local Rules of this Court relating to the confirmation of the Plan. In particular, the Plan complies with all of the requirements of

section 1129 of the Bankruptcy Code.

P. Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). The Plan complies fully with the requirements of sections 1122 and 1123 of the Bankruptcy Code. The Plan's classifications conform to the statute and separately classifies claims based on valid business and legal reasons. The Debtors' classification has a rational basis because it is based on the respective legal rights of each holder of a Claim against or Equity Interest in the applicable Debtors' Estate and was not proposed to create a consenting impaired class and, thereby, manipulate class voting. Article IV of the Plan designates classes of Claims and Equity Interests that require classification.

Q. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). The Plan complies fully with the requirements of section 1123(a)(2) of the Bankruptcy Code. Article IV of the Plan specifies which classes of Claims and Equity Interests are not impaired under the Plan.

R. Treatment of Impaired Classes (11 U.S.C. §1123(a)(3)). The Plan complies fully with the requirements of section 1123(a)(3) of the Bankruptcy Code. Article IV of the Plan specifies the treatment of classes and interests under the Plan, including those which are impaired.

S. No Discrimination (11 U.S.C. §1123(a)(4)). The Plan complies fully with the requirements of section 1123(a)(4) of the Bankruptcy Code. As reflected in the treatment set forth in Article IV of the Plan, the treatment of each of the Claims and Equity Interests in each particular class is the same as the treatment of each of the other Claims or Equity Interests in such class; provided, however, to the extent any claimant received any better treatment than that described by the Plan for its class on the basis of the standards for compromise and settlement, the Court hereby finds that such better treatment does not need

to be made available to other members of the class.

T. Implementation of Plan (11 U.S.C. §1123(a)(5)). The Plan complies fully with the requirements of section 1123(a)(5) of the Bankruptcy Code. The Plan provides adequate means for implementation of the Plan through, among other things, the funding of the Plan by Castlerigg, the reduction of its Allowed Secured Claim by Medley and the issuance of certain equity securities and debt as described above, as well as the manner of making distributions of property under the Plan.

U. Nonvoting Equity Securities (11 U.S.C. §1123(a)(6)). The Plan complies fully with the requirements of section 1123(a)(6) of the Bankruptcy Code. As evidenced by the Plan Supplement, the charter documents of Reorganized Debtors include such provisions as are required by section 1123(a)(6) of the Bankruptcy Code.

V. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan complies fully with the requirements of section 1123(a)(7) of the Bankruptcy Code. Section 8.8 of the Plan provides for the selection of the members of the board of directors for the Reorganized Debtors (the "Board"). The Certification of Brad Gabbard sets forth the individuals serving on the Board, their affiliations and, as applicable, their compensation. Under section 8.8 of the Plan, the current management and officers, respectively, of the Debtors will continue their service. All of these provisions are consistent with the interests of creditors and equity security holders.

W. Additional Plan Provisions (11 U.S.C. §1123(b)). The Plan's provisions are appropriate and consistent with the provisions of the Bankruptcy Code.

X. Debtors' Compliance with the Bankruptcy Code (11 U.S.C. §1129(a)(2)). The Plan complies fully with the requirements of section 1129(a)(2) of the Bankruptcy Code.

Pursuant to section 1129(a)(2) of the Bankruptcy Code, the Debtors have complied with the applicable provisions of title 11, including, specifically, sections 1125 and 1126 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court and the Disclosure Statement Order governing notice, disclosure and solicitation in connection with the Plan, the Disclosure Statement, the Solicitation Procedures, the Plan Supplement and all other matters considered by the Court in connection with these Cases.

Y. Plan Proposed in Good Faith (11 U.S.C. §1129(a)(3)). The Plan complies fully with the requirements of section 1129(a)(3) of the Bankruptcy Code. Having examined the totality of the circumstances surrounding the Plan, the Court has determined that the Plan was proposed in good faith and not by any means forbidden by law. The Plan achieves the rehabilitative and reorganizational goals of the Bankruptcy Code by restructuring the Debtors' obligations and providing the means through which the Debtors' businesses may operate as a viable enterprise. The Plan is the result of extensive arm's-length discussions, debate and/or negotiations among the Debtors and key stakeholders and is overwhelmingly supported by the creditors and other parties in interest in these Cases. It is clear that the Plan promotes the rehabilitative objectives and purposes of the Bankruptcy Code.

Z. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). The Plan complies fully with the requirements of section 1129(a)(4) of the Bankruptcy Code. Section 3.2 of the Plan clearly provides that each Professional Person who holds or asserts an award of compensation for services rendered and/or reimbursement of expenses is required to file with the Court, and serve upon all parties required to receive notice, a fee application within sixty (60) days after the Effective Date. Failure to file and serve such notice timely and properly will result in the Professional Claim being forever barred and discharged. A

Professional Claim in respect of which a fee application has been properly filed and served pursuant to Section 3.2 of the Plan will become an Allowed Administrative Claim only to the extent allowed by an order of this Court. All accrued fees and expenses of professionals through the Effective Date remain subject to final review for reasonableness by the Court under applicable provisions of the Bankruptcy Code. The foregoing procedures for this Court's review and ultimate determination of fees and expenses paid satisfy the objectives of section 1129(a)(4) of the Bankruptcy Code.

AA. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Plan complies fully with the requirements of section 1129(a)(5) of the Bankruptcy Code. Section 8.8(c) of the Plan as further disclosed in the Certification of Brad Gabbard, provides for the constitution of the Board and the identity and affiliations of all members. Section 8.8(c) of the Plan states that upon the occurrence of the Effective Date, the current management shall remain as the management of the Reorganized Debtors. The identification of the proposed officers and directors of the Reorganized Debtors as set forth in the Plan and the Certification of Brad Gabbard satisfies section 1129(a)(5) of the Bankruptcy Code.

BB. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan complies fully with the requirements of section 1129(a)(6) of the Bankruptcy Code. The Debtors are not subject to any such regulation and therefore, the Plan does not provide for any rate change. Therefore, the provisions of section 1129(a)(6) of the Bankruptcy Code are inapplicable and thus satisfied.

CC. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan complies fully with the requirements of section 1129(a)(7) of the Bankruptcy Code. Alternatively, Classes 1 (Priority Non-Tax Claims) and 3 (Greenfield Secured Claim) are unimpaired and

conclusively presumed to have accepted the Plan and by virtue of not having timely filed a ballot, Class 4 (BFI Claim) has accepted the Plan in accordance with the terms of the Disclosure Statement Order. The members of Class 2 (Medley) and Class 5 (General Unsecured Claims) unanimously voted to accept the Plan. Thus, the requirements of section 1129(a)(7) of the Bankruptcy Code are satisfied as to those classes. As set forth fully in the liquidation analysis set forth in Exhibit F to the Disclosure Statement and the updated liquidation analysis attached to the Certification of John Tittle, Jr. (the "Liquidation Analysis") and by the evidence adduced at the Confirmation Hearing, the "best interests" test is satisfied as to all impaired classes of Claims.

Furthermore, a liquidation under chapter 7 of the Bankruptcy Code as set forth in the Liquidation Analysis would profoundly and adversely affect the ultimate proceeds available for distribution to all holders of Allowed Claims in the Cases. Moreover, the increased costs associated with a liquidation under chapter 7 would substantially reduce any proceeds available for distribution. These costs would include, among other things, administrative fees and costs payable to a trustee in bankruptcy and professional advisors to such trustee.

Additionally, consummation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization. In the context of the erosion of the asset values and the increased costs and delay associated with the administration of a chapter 7 case, confirmation of the Plan provides each rejecting creditor and interest holder with a recovery that is not less than such holder would receive in a chapter 7 liquidation of the Debtors. Based upon the foregoing, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code. Therefore, the "best interests" test is satisfied with respect to each of these classes.

DD. Acceptance or Rejection by Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 3 are unimpaired under the Plan and are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. As set forth in the Solicitation and Voting Affidavit, Classes 2, 4³ and 5 have voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code. Class 6 - Old Equity Interests is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Accordingly, section 1129(a)(8) of the Bankruptcy Code has not and cannot be satisfied with respect to such rejecting class. The Plan, however, is still confirmable because it satisfies the nonconsensual confirmation provisions of section 1129(b) of the Bankruptcy Code with respect to such rejecting class, as set forth below.

EE. Treatment of Administrative, Priority and Tax Claims (11 U.S.C. § 1129(a)(9)). The Plan complies fully with the requirements of section 1129(a)(9) of the Bankruptcy Code. Sections 3.2, 3.4 and 3.5 of the Plan provide, consistent with section 1129(a)(9)(A), each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Administrative Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by the Debtors and such holder; provided, that such treatment shall not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at the Debtors' election in the ordinary course of business. As required by section 1129(a)(9)(B), the holder of an Allowed Priority Tax Claim shall be paid in full in Cash either (i) on the Effective Date or (ii) over a period not more than

³As set forth in the Solicitation and Voting Affidavit, Class 4 is deemed to have accepted the Plan pursuant to

five (5) years after the Petition Date. Consistent with section 1129(a)(9)(C) of the Bankruptcy Code, the Plan also provides that, at the election of the Debtors, each holder of an Allowed Tax Claim will receive in full satisfaction of such Allowed Tax Claim (i) cash on the Effective Date or (ii) payments in Cash, in regular installments over a period ending not later than five (5) years after the Petition Date, of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder; or (c) such other treatment as may be agreed upon in writing by such holder; provided however, that such agreed upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Tax Claim, or that is less favorable than the treatment provided to the most favored non-priority Unsecured Claims under the Plan. Based upon the foregoing, the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

FF. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). The Plan complies fully with the requirements of section 1129(a)(10) of the Bankruptcy Code. Both Class 2 and Class 5 have accepted the Plan and therefore at least one class of impaired creditors has accepted the Plan, determined without including any acceptance of the Plan by an insider.

GG. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan complies fully with the requirements of section 1129(a)(11) of the Bankruptcy Code. Based on the Record before the Court, the Court concludes that the Debtors will have sufficient means to meet all of their obligations under the Plan. The Record establishes that the Reorganized Debtors will emerge from bankruptcy as a viable business enterprise, unlikely to be in need of further financial

Paragraph k of the Disclosure Statement Order.

reorganization. Based on the foregoing findings and conclusions, the Plan satisfies the feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

HH. Payment of Fees (11 U.S.C. §1129(a)(12)). The Plan complies fully with the requirements of section 1129(a)(12) of the Bankruptcy Code. Section 3.3 of the Plan provides for the payment of all statutory fees by the Debtors on or before the Effective Date. The Plan accordingly satisfies section 1129(a)(12) of the Bankruptcy Code.

II. Miscellaneous Provisions (11 U.S.C. § 1129(a)(13)-(16)). Sections 1129(a)(13)(16) are inapplicable as the Debtors (i) do not provide retiree benefits (1129(a)(13)), (ii) have no domestic support obligations (1129(a)(14)), (iii) are not individuals (1129(a)(15)), and (iv) are for-profit businesses (1129(a)(16)).

JJ. Nonconsensual Confirmation (Cramdown) of Non-Accepting Classes (11 U.S.C. § 1129(b)). The Plan does not discriminate unfairly and is fair and equitable to the Class of Equity Interests that has not accepted the Plan, specifically Class 6 - Old Equity Interests. Further, within their respective Classes, there exists no unfair discrimination of any of the holders of Equity Interests. Finally, the Plan does not violate the "absolute priority" rule contained in section 1129(b)(2).

KK. Confirmation of Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan that has been filed in these Cases which has been found to satisfy the requirements of section 1129(a) of the Bankruptcy Code. Accordingly, the requirements of section 1129(c) of the Bankruptcy Code have been satisfied.

LL. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The Plan complies fully with the requirements of section 1129(d) of the Bankruptcy Code. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the

Securities Act of 1933.

MM. Satisfaction of Confirmation Requirements. The Plan satisfies all of the requirements for confirmation set forth in section 1129 of the Bankruptcy Code and should be confirmed.

NN. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record in these Cases, the Debtors and each of their respective current or former officers, directors, members, employees, agents, attorneys, advisors, accountants, restructuring consultants, financial advisors, and investment bankers have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan.

OO. Plan Supplement. The documents contained in the Plan Supplement, as may be amended as contemplated and permitted by the Plan, have been negotiated in good faith and are, in the judgment of the parties, necessary and appropriate to effectuate the Plan and the Court so finds.

PP. Plan Consolidation. The substantive consolidation of the Debtors for purposes of confirmation of the Plan and making Plan distributions is appropriate. Furthermore, no holder of a Claim or Equity Interest has objected or opposed such consolidation.

DECREES

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

Solicitation/Plan Supplement

1. The solicitation of votes to accept or reject the Plan pursuant to the Solicitation Procedures (a) was appropriate and satisfactory based on the circumstances of these Cases, (b) was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable nonbankruptcy law, and (c) is hereby approved in all respects. Notice of the filing of the Plan Supplement (a) was appropriate and satisfactory based on the circumstances of these Cases, (b) was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable nonbankruptcy law, and (c) is hereby approved in all respects. Notice of the filing of the Plan Modification (a) was appropriate and satisfactory based on the circumstances of these Cases, (b) was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable nonbankruptcy law, and (c) is hereby approved in all respects.

Notice of the Confirmation Hearing

2. Notice of the Confirmation Hearing (a) complied with the terms of the Disclosure Statement Order, (b) was appropriate and satisfactory based on the circumstances of these Cases, (c) was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and (d) is hereby approved in all respects.

Confirmation of the Plan

3. Pursuant to section 1129 of the Bankruptcy Code, the Plan, as modified by the Modifications, is hereby CONFIRMED. Any objections to the Plan have been

OVERRULED and denied.

4. The consolidation described in section 4.2 of the Plan is approved.

5. The following are hereby incorporated by reference into and are an integral part of this Confirmation Order: (a) the Plan, (b) the exhibits to the Plan, as amended, (c) the Plan Supplement, and (d) the Modifications. The failure to reference any particular Plan Supplement document, or any provision of a Plan Supplement document or the Plan in this Confirmation Order will have no effect on the Court's approval and authorization of, or the validity, binding effect or enforceability of, the Plan and the Plan Supplement in their entirety.

Compromises and Settlements Under the Plan

6. The settlements and compromises approved by and between the Debtors and the Kelley Parties are hereby effective as of the Effective Date and approved in all respects as of the Effective Date.

Classification and Treatment

7. All Claims and Equity Interests shall be, and hereby are, classified and treated as set forth in the Plan and Modifications. The Plan's classification scheme shall be, and hereby is, approved.

8. The treatment of all Claims and Equity Interests as provided in the Plan, the Plan Supplement and the Modifications shall be, and hereby is, approved.

Administrative Claims

9. The holder of an Administrative Claim, other than (i) a Professional Claim, (ii)

a liability incurred and payable in the ordinary course of business by a Debtor (and not past due), or (iii) an Administrative Claim that has been Allowed on or before the Effective Date, must file with the Bankruptcy Court and serve on the Debtors, the Creditor Trustee and the Office of the United States Trustee, notice of such Administrative Claim within thirty (30) days after service of Notice of Confirmation. Such notice must include at a minimum (i) the name of the Debtor(s) purported to be liable for the Administrative Claim, (ii) the name of the holder of the Administrative Claim, (iii) the amount of the Administrative Claim and (iv) the basis of the Administrative Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Claim being forever barred and discharged.**

10. An Administrative Claim with respect to which notice has been properly filed and served pursuant to section 3.4 of the Plan shall become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the later of (i) the Effective Date, (ii) the date of service of the applicable notice of Administrative Claim or (iii) such later date as may be (A) agreed to by the holder of such Administrative Claim or (B) approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such thirty (30) day period (or any extension thereof), the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. A Professional Claim in respect of which a fee application has been properly filed and served pursuant to section 3.2 of the Plan shall become an Allowed Administrative Claim only to the extent allowed by order of the Bankruptcy Court.

11. Each Professional Person who holds or asserts a Professional Claim shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a fee application within sixty (60) days after the Effective Date. **The failure to timely file**

and serve such Fee Application shall result in the Professional Claim being forever barred and discharged.

Enforceability of Plan and Plan Supplement

12. Pursuant to sections 1123(a), 1141(a) and 1142 of the Bankruptcy Code and the provisions of this Confirmation Order, the Plan and all Plan-related documents (including, but not limited to, the Plan Supplement and the Modifications) shall be, and hereby are, valid, binding and enforceable notwithstanding any otherwise applicable nonbankruptcy law. Each of the documents contained in the Plan Supplement (to the extent not already approved by order of this Court) is hereby approved. The Debtors and the Reorganized Debtors may modify, amend or enter into the documents contained in the Plan Supplement, without further order of the Court, in accordance with the provisions of the Plan and the Plan Supplement. The New PNG Common Stock shall be governed by and subject in all respects to the Reorganized Debtors' stockholder agreement as set forth in the Plan Supplement and all holders of New PNG Common Stock shall be bound by such Reorganized Debtors stockholder agreement regardless of whether such holders execute the Reorganized Debtors stockholder agreement.

Authorization to Implement the Plan

13. Upon the entry of this Confirmation Order, the Reorganized Debtors, the Debtors and their Affiliates and the Creditor Trustee are authorized to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or

regulation, including, without limitation, any action required by the stockholders or directors of the Reorganized Debtors, the Debtors and their Affiliates, including, without limitation, the Plan Supplement (as they may be amended or modified as contemplated or permitted by the Plan) and the Modifications, prior to, on and after the Effective Date. All such actions taken or caused to be taken shall be, and hereby are, authorized and approved by the Bankruptcy Court such that no further approval, act or action need to be taken under any applicable law, order, rule or regulation, including without limitation, any action otherwise required by the stockholders or directors of the Reorganized Debtors and/or their Affiliates.

14. The approvals and authorizations specifically set forth in this Confirmation Order are not intended to limit the authority of the Reorganized Debtors, the Debtors and/or their Affiliates or any officer thereof to take any and all actions necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order.

15. The Board of the Reorganized Debtors is authorized to serve, is duly qualified and shall be empowered to act as permitted by applicable nonbankruptcy law on the Effective Date without further reference to the Court.

16. On the Effective Date, the existing Equity Interests in PNG shall be cancelled.

Retention of Causes of Action and Preference Actions

17. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action or Assigned Preference Action against them as any indication that the Reorganized Debtors or Creditor Trustee (as applicable) will not pursue any and all available Causes of Action or Assigned Preference Actions against them,

The Reorganized Debtors, their Estates and the Creditor Trustee expressly reserve all rights to prosecute any and all Causes of Action (by the Reorganized Debtors) and Assigned Preference Actions (by the Creditor Trustee) against any Person, except as otherwise provided in the Plan. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final Order, the Debtors and the Reorganized Debtors expressly reserve all Causes of Action and the Creditor Trustee expressly reserves all Assigned Preference Actions for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action or Assigned Preference Actions upon or after the confirmation or consummation of the Plan by reason of entry of this Confirmation Order.

18. The Creditor Trustee reserves its right to continue or commence and pursue after the Effective Date such Assigned Preference Actions, in any court or other tribunal. Unless an Assigned Preference Action is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, the Creditor Trustee, on behalf of and for the benefit of the Creditor Trust expressly reserves all of its respective Assigned Preference Actions for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to any Assigned Preference Actions upon Confirmation.

DIP Facility

19. On the Effective Date, all outstanding obligations of the Debtors to Greenfield

under or in respect of the Greenfield Secured Claim shall not be altered in any way, and Greenfield shall retain the Lien on the property securing the Greenfield Secured Claim and any loans made by Greenfield to the Reorganized Debtors after the Petition Date and Effective Date.

Disbursing Agent/Distributions

20. Upon the occurrence of the Effective Date, Stephen M. Cohen, Esquire of Fox Rothschild LLP shall be appointed to serve as the Disbursing Agent and shall have all powers, rights, duties and protections afforded the Disbursing Agent under the Plan. Pursuant to the terms and provisions of and except as otherwise provided in the Plan, the Disbursing Agent shall make the required Plan Distributions specified under the Plan on the relevant Effective Date.

21. Except as otherwise ordered by this Court or as provided herein, the amount of any reasonable fees and expenses incurred (or to be incurred) by the Disbursing Agent on or after the Effective Date shall be paid when due.

22. Interest accrued after the Petition Date shall accrue and be paid on Claims only to the extent specifically provided for in the Plan, this Confirmation Order, or as otherwise required by the Court or by applicable law. No award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim, except as set forth in the Plan or as ordered by the Court.

Creditor Trust

23. The Creditor Trust Agreement is evidenced by that certain Creditor Trust Agreement attached to the Plan. The Creditor Trust Agreement, in substantially the form

attached to the Plan, and each provision thereof, is authorized and approved hereby and the Creditor Trustee is authorized to perform in accordance therewith.

24. Notwithstanding anything to the contrary in the Plan, Edward P. Bond, CPA of Bederson & Co., LLP is appointed as the Creditor Trustee of the Creditor Trust from and after the Effective Date of the Plan. As the Creditor Trustee, Edward P. Bond will be an officer of the Bankruptcy Court, with the immunities customarily enjoyed by trustees in bankruptcy. The Bankruptcy Court will have sole jurisdiction over claims and causes of action against Mr. Bond arising out of the performance of his duties, and Mr. Bond may not be sued, or have claims asserted against him in connection with such duties in any other forum without leave of the Bankruptcy Court.

25. On the Effective Date, the Debtors shall transfer to the Creditor Trust, the Creditor Trust Assets, free and clear of all Claims, Liens and Interests, including any "equity" or "sponsorship" interests in accordance with section 1141 of the Bankruptcy Code.

Executory Contracts and Unexpired Leases

26. Except as otherwise provided for in the Plan, on the Effective Date, all executory contracts and unexpired leases of the Debtors shall be, and hereby are, assumed or rejected in accordance with Article VII of the Plan.

27. On the Effective Date, all executory contracts and unexpired leases of the Debtors shall be assumed pursuant to the provisions of section 365 of the Bankruptcy Code, except: (i) any executory contracts and unexpired leases that are the subject of separate motions to reject, assume, or assume and assign filed pursuant to section 365 of the Bankruptcy Code by the Debtors before the Effective Date; (ii) contracts and leases listed in

any "Schedule of Rejected Executory Contracts and Unexpired Leases" filed by the Debtors with the Bankruptcy Court prior to the Confirmation Hearing; (iii) all executory contracts and unexpired leases rejected under the Plan or by order of the Bankruptcy Court entered before the Effective Date; and (iv) any agreement, obligation, security interest, transaction or similar undertaking that the Debtors believe is not executory.

28. Inclusion of a contract, lease or other agreement on any "Schedule of Rejected Executory Contracts and Unexpired Leases" constitutes adequate and sufficient notice that (i) any Claims arising thereunder or related thereto shall be treated as Unsecured Claims under the Plan, and (ii) the Debtors are no longer bound by, or otherwise obligated to perform, any such obligations, transactions, or undertakings relating thereto or arising thereunder.

29. The Plan constitutes a motion to reject such executory contracts and unexpired leases set forth in any "Exhibit of Rejected Executory Contracts and Unexpired Leases" filed by the Debtors with the Bankruptcy Court prior to the Confirmation Hearing, and the Debtors shall have no liability thereunder except as is specifically provided in the Plan. Entry of this Confirmation Order constitutes approval of such rejections pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such rejected agreement, executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interests of the Debtors and their Estates.

30. The Plan constitutes a motion to assume such executory contracts and unexpired leases assumed pursuant to the Plan. Entry of this Confirmation Order constitutes approval of such assumptions pursuant to sections 365(a) and (b) of the Bankruptcy Code. Any non-Debtor counterparty to an agreement designated as being assumed in section 7.1 (a) of the Plan who disputes the assumption of such executory contract or unexpired lease was

required to file with this Court, and serve upon the Debtors, a written objection to the assumption no later than February 22, 2010 at 4:00 p.m. (Prevailing Eastern Time). The failure by any party to timely object to such assumption is hereby deemed a waiver of any and all objections to the assumption of executory contracts and unexpired leases designated as being assumed in section 7.1.

31. Claims created by the rejection of executory contracts and unexpired leases or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Court and served on the Debtors in the case of an executory contract or unexpired lease that is rejected pursuant to Article VII of the Plan, no later than thirty (30) days after the Confirmation Date. Any such Claims for which a proof of claim is not filed and served by the deadlines set forth in the Bar Date Notice or section 7.6 of the Plan, as applicable, shall be forever barred from assertion and shall not be enforceable against the Debtors, the Reorganized Debtors, their respective Estates, affiliates or assets as well as the Creditor Trust.

Releases and Exculpations

32. The releases set forth in section 11.3 of the Plan as modified by the Modifications are incorporated herein by reference and shall be, and hereby are, approved, and shall be effective without further action upon the occurrence of the Effective Date.

33. Except as otherwise provided in the Plan, the Disbursing Agent, together with its officers, directors, partners, employees, agents and representatives, are exculpated pursuant to the Plan by all Persons, holders of Claims and Equity Interests, and all other parties in interest, from any and all causes of action arising out of the discharge of the powers

and duties conferred upon the Disbursing Agent (and each of its respective paying agents), by the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the Disbursing Agent's willful misconduct or gross negligence. No holder of a Claim or an Equity Interest, or representative thereof, shall have or pursue any cause of action (a) against the Disbursing Agent or its respective officers, directors, partners, employees, agents and representatives for making Plan Distributions in accordance with the Plan, or (b) against any holder of a Claim for receiving or retaining Plan Distributions as provided for by the Plan.

Retention of Jurisdiction

34. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Court shall retain and shall have exclusive jurisdiction over any matter; (a) arising under the Bankruptcy Code; (b) arising in or related to the Cases or the Plan; or (c) that relates to the matters set forth in Article X of the Plan; or (d) arising out of or relating to this Confirmation Order.

Effect of Confirmation

35. In conjunction with section 1141 of the Bankruptcy Code, except as otherwise provided for herein, the rights afforded herein and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of claims and equity interests of any nature whatsoever, including any interest accrued on such claims from and after the Petition Date, against the Debtors, and of the assets or properties of the Debtors' bankruptcy estates. Except as otherwise provided in the Plan, (i) on the Effective Date, all Claims against the Debtors which arose before the Confirmation Date shall be satisfied, discharged and released in full, (ii) on the Effective Date, the rights and interests of all holders of Old Equity Interests shall be terminated, canceled and of no

force and effect, and (iii) all persons shall be precluded from asserting against the Debtors or Reorganized Debtors their successors, or any of their assets or properties any other or further Claims or Equity Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred before the Confirmation Date, as well as any debt of a kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, irrespective of whether (x) a proof of claim based on such a debt has been filed, or deemed to have been filed, under sections 501 or 1111(a) of the Bankruptcy Code, (y) such claim is allowed under section 502 of the Bankruptcy Code, or (z) the holder of the claim has accepted the plan.

Binding Effect of Plan/Injunction

36. Upon the Effective Date, section 1141 of the Bankruptcy Code shall become applicable with respect to the Plan and the Plan shall be binding on all parties to the fullest extent permitted by section 1141(a) of the Bankruptcy Code. In accordance with section 1141 of the Bankruptcy Code, and except as provided under the Plan as to assets to be transferred to the Creditor Trust, all of the Debtors' property shall be vested in the Reorganized Debtors free and clear of all claims, liens and interests of Creditors and Equity Interest Holders, except as otherwise specified in the Plan. Upon the Effective Date, all Persons and entities shall be permanently enjoined by the Plan from commencing or continuing any action, employing any process, asserting or undertaking any act to collect, recover, or offset, directly or indirectly, any Claim, rights, causes of action, liabilities or interests in or against any property distributed or to be distributed under the Plan, or vested in the Reorganized Debtors, based upon any act, omission, transaction, or other activity that occurred before the Effective Date, except to the extent a Person or entity holds an Allowed Claim under the Plan and is entitled to a distribution under the Plan in accordance with its

terms, and to enforce its rights to distribution under the Plan.

Releases by Creditors and Equity Security Holders

37. As of the Effective Date, in consideration for the value provided to effectuate the Plan, to the fullest extent permissible under law, the Holders of Claims and Equity Interests are deemed to release and forever waive and discharge as against (i) the Debtors and their officers and directors solely in their capacity as their officers and directors, (ii) Castlerigg PNG Investments, LLC, Sandell Asset Management Corp., Castlerigg Master Investments Ltd., Castlerigg International Limited, Castlerigg International Holdings Limited, and their officers and directors solely in their capacity as their officers and directors and Thomas E. Sandell, and (iii) Fourth Third LLC, Medley Capital LLC and their officers and directors solely in their capacity as their officers and directors: all actions, costs, claims, causes of action, damages, demands debts, expenses (including attorneys fees), judgments, losses (including any claims for contribution or indemnification), liabilities, obligations, rights or suits, whether matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date relating in any way to the Debtors or the Chapter 11 Cases; provided, that the foregoing shall not constitute a waiver or release of any right of the Holder of an Allowed Claim or any of the rights of any parties in respect of liabilities assumed by the Reorganized Debtors under this Plan. The releases set forth in this paragraph shall be binding upon and shall inure to the benefit of, among others, the Reorganized Debtors.

Exculpation and Limitation of Liability

38. The Debtors, their respective officers, directors, employees, agents, attorneys,

accountants, investment bankers, restructuring consultants and financial advisors, and the Creditors' Committee, its members (solely in their capacity as members of the Creditors' Committee) and its attorneys and financial advisors, if any, shall not have or incur any liability to any person or entity for any act taken or omitted to be taken in connection with, or related to the formulation, negotiation, preparation, dissemination, solicitation, implementation, administration, confirmation or consummation of the Plan, the Disclosure Statement or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors; provided however, that the foregoing provisions of this paragraph 38 shall have no effect on the liability of any person or entity that results from any such act or omission that is determined in a final order to have constituted gross negligence or willful misconduct.

No Limitations on Effect of Confirmation

39. Nothing contained in the Plan or the Disclosure Statement or this Order will limit, waive or restrict in any way the effect of Confirmation as set forth in section 1141 of the Bankruptcy Code. Confirmation will bind the Debtors, all Creditors, Equity Interest Holders and other parties in interest to the provisions of the Plan, whether or not the Claim or Equity Interest of such Creditor or Equity Interest Holder is Impaired under the Plan and whether or not such Creditor or Equity Interest Holder has accepted the Plan and whether or not a proof of Claim or Equity Interest has been filed or deemed to have been filed under sections 501 or 1111(a) of the Bankruptcy Code, or such Claim or Equity Interest is allowed under section 502 of the Bankruptcy Code.

Revesting of Property in the Debtors

40. Except as otherwise expressly provided herein or in the Confirmation Order, on the Effective Date, but retroactive to the Confirmation Date, without any further action, the Reorganized Debtors will be vested with all of the property of the Debtors' estate, except for the Creditor Trust Assets, wherever situated, free and clear of all Claims, Liens and Old Equity Interests (except for Liens, if any, granted to secure the Medley NSSTL and the Castlerigg NSSTL and Claims pursuant to the Greenfield Secured Claim). On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire or dispose of their assets free of any restrictions imposed by the Bankruptcy Code and the Bankruptcy Rules and without supervision or approval by the Bankruptcy Court. Without limiting the generality of the foregoing and except as otherwise expressly provided herein or in the Plan, any Causes of Action, will be preserved and retained solely for the Reorganized Debtors' commencement, prosecution, use and benefit.

41. Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, lien, pledge or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any document recording tax, stamp tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording tax, or other similar tax or governmental assessment to the fullest extent provided in section 1146(a) of the Bankruptcy Code. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for

filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

42. The issuance of the New PNG Common Stock and the distribution thereof in accordance with the Plan shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

43. The issuance of the New PNG Common stock and the distribution thereof in accordance with the Plan shall be exempt from registration under the Securities Act pursuant to section 4(2) thereof and Regulation D promulgated thereunder.

Miscellaneous Provisions

44. Pursuant to the Modifications and the Plan Supplement, the Debtor is authorized to change its name from PNG Ventures, Inc. to Applied Natural Gas Fuels, Inc.

45. The stay in effect in the Cases pursuant to section 362(a) of the Bankruptcy Code shall continue to be in effect until the Effective Date, and at that time shall be dissolved and of no further force or effect, subject to the injunctions set forth in this Confirmation Order, section 11.3 of the Plan as modified and/or sections 524 and 1141 of the Bankruptcy Code; provided, however, that nothing herein shall bar the filing of financing documents (including Uniform Commercial Code financing statements, security agreements, leases, mortgages, trust agreements and bills of sale) or the taking of such other actions as are necessary to effectuate the transactions contemplated by the Plan or by this Confirmation Order prior to the Effective Date.

46. During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to operate their businesses as Debtors in Possession, subject

to the oversight of the Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Court that are then in full force and effect.

47. To the extent that any provisions of this Confirmation Order may be inconsistent with the terms of the Plan or any Plan Supplement, the terms of this Confirmation Order shall be binding and conclusive. To the extent that any provision of any document contained in the Plan Supplement may be in conflict with or inconsistent with any provision of the Plan, the terms of the Plan shall govern and be binding and conclusive.

48. No later than two (2) Business Dates after the occurrence of the Effective Date, the Debtors shall file notice of the occurrence of the Effective Date setting forth the date established therefore and shall serve a copy of same on all parties entitled to receive notice in these Cases.

49. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

50. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 6006(d), and 7062, to the extent applicable, the Court finds that there is no reason for delay in the implementation of this Confirmation Order and, thus, this Confirmation Order shall be effective and enforceable immediately upon entry.

Dated: March 2, 2010
Wilmington, Delaware



HONORABLE CHRISTOPHER S. SONTCHI,
UNITED STATES BANKRUPTCY JUDGE