

CANADA
Province of Quebec
District of: Quebec
Division No.: 01-Montréal
Court No.: 500-11-040374-114
Estate No.: 41-1468853

SUPERIOR COURT
In Bankruptcy and Insolvency
(Commercial Division)

In the matter of the Proposal of:

Omniglobe Networks Inc.
Of the City of Pointe Claire
In the Province of Quebec

Debtor

- and -

RSM Richter Inc.

Trustee

**TRUSTEE'S REPORT ON THE STATE OF THE INSOLVENT PERSON'S
BUSINESS AND FINANCIAL AFFAIRS**
(Pursuant to 50.4(7)(b)(ii) and 50.4(9) of the Bankruptcy and Insolvency Act)

I, Benoit Gingues, CA, of RSM Richter Inc. ("Richter"), Trustee, with respect to the Notice of Intention to Make a Proposal ("Notice of Intention") filed by OmniGlobe Networks Inc. (the "Company" or the "Debtor" or "OmniGlobe"), an insolvent person, do hereby report to the Court the following:

1. On March 1, 2011, the Debtor filed a Notice of Intention to Make a Proposal in accordance with the *Bankruptcy and Insolvency Act* ("the Act"), a copy of which has been annexed hereto as **Exhibit "A"**.
2. On March 8, 2011, documents were sent by regular mail to all creditors of the Debtor, as identified by it, which included a copy of the Debtor's Notice of Intention, as annexed hereto as **Exhibit "B"**.
3. On March 11, 2011, the Debtor filed with the Official Receiver a Statement of Projected Cash Flow ("Forecast") together with his report pursuant to Section 50.4(2)(c) of the Act, covering the period from March 1 to April 1, 2011, which included the major Assumptions used in the preparation of the afore-noted Forecast. Concurrently therewith, the Trustee filed its Report on the reasonableness of the Forecast in accordance with Section 50.4(2)(b) of the Act, all of which have been annexed hereto as **Exhibit "C"**.
4. In order to monitor the affairs and finances of the Debtor, we have been provided with access to the books, records and other important documents of the Company.
5. On March 1, 2011, the Company has retained the services of Richter to assist the Company in its efforts to sell its business units whether by a sale of assets or by way of an investment in the Company. This mandate included the preparation of the necessary documentation and the development and implementation of a solicitation process with a view of preserving the business on a going concern.

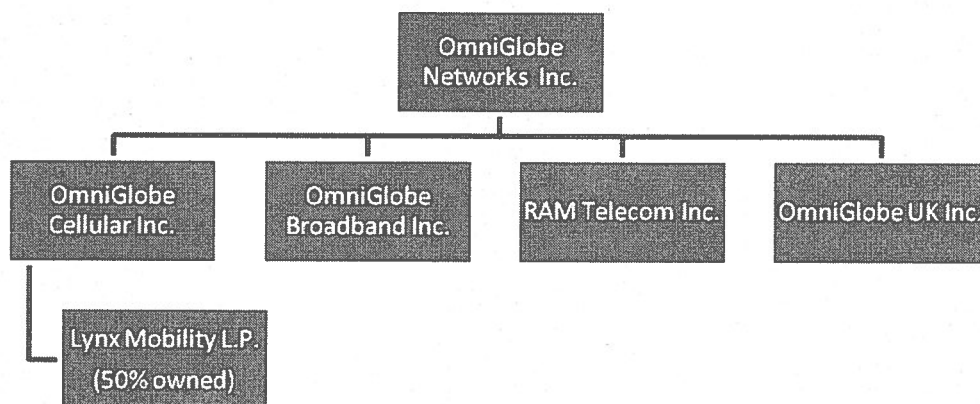
6. The Trustee has compared the actual results to those forecasted from March 1 to March 31, 2011, which is annexed as **Exhibit "D"**. The actual results to date have been consistent with the Forecast and the Company has been paying its employees, on a timely basis, subsequent to the date of the filing of the Notice of Intention. Although the Company has not been paying its suppliers on a timely basis, for goods and services provided subsequent to the date of the filing of the Notice of Intention, many suppliers have indicated to the Company and the Trustee that they are supporting the Company, knowing they will not get paid with the hope that a solution will be found so that the operations of the Company will be maintained.
7. The Company's principal secured lenders are AlterInvest Fund ("AlterInvest"), Bank of Montreal ("BMO"), the Business Development Bank of Canada ("BDC"), and FIER CPVC Montreal L.P. ("Fier") ("Secured Lenders"). All the assets of the Company are pledged to the Secured Lenders.

I. BACKGROUND AND OPERATIONS OF THE DEBTOR

8. OmniGlobe is a provider of telecommunication services in geographic regions where existing communications infrastructure is unavailable, unreliable or unaffordable. The Company offers mobile voice and data services, broadband Internet, Voice over Internet protocol (VoIP), video conferencing services, and dedicated satellite communications links to companies and communities located in remote regions across Canada.
9. Headquartered in Pointe-Claire, Quebec, the Company and its subsidiaries operate from 5 facilities (British Columbia, Ontario (2), Quebec, and United Kingdom) and employed until recently approximately 70 people.
10. OmniGlobe's diverse customer base ranges from domestic consumers, aboriginal communities, oil and gas, mining, and forestry companies, to government agencies and private institutions worldwide.

II. ORGANIZATIONAL CHART

11. The following diagram illustrates the corporate structure of OmniGlobe's active companies including parent, subsidiary, affiliated and related companies.



12. OmniGlobe Networks Inc.
 - Sells telecommunication equipment and telecommunication infrastructure to communities;
 - Provides broadband internet access over satellite (remote) and terrestrial (rural) wireless systems to communities; and
 - Provides engineering, installation, implementation and consulting services, training, hardware and software support, and maintenance in connection with the systems.

13. OmniGlobe Broadband Inc.
 - Provides broadband internet in semi-remote areas. Services communities in Ontario and Nova Scotia.
14. RAM Telecom Inc. ("RAM")
 - RAM provides satellite internet services, VOIP, satellite phone connectivity to Public Works and Government Services Canada, government agencies and businesses located in remote areas. RAM also services the natural resource sector via a network of dealers and distributors. RAM was acquired by OmniGlobe in 2009.
15. Lynx Mobility L.P. ("Lynx")
 - Cellular service provider dedicated to serving remote and rural communities across Canada;
 - OmniGlobe is 50% co-owner of Lynx Mobility L.P., a joint venture with Naskapi Imuun Inc., a corporation established by the Naskapi Nation, a First Nations group located in Northern Quebec; and
 - Lynx owns spectrum in Quebec and Northern Canada and has roaming/spectrum agreements with major Canadian carriers.
16. OmniGlobe UK Inc.
 - OmniGlobe UK Inc. was acquired in 2007. It is a provider of satellite solutions at a global level, and is responsible for all overseas projects in Europe, the Middle East and Africa; and
 - OmniGlobe UK Inc. has high security status.
17. The Company's inability to collect its reported accounts receivable and the operating losses incurred in the past fiscal year (ended December 31, 2010) are the main reason for its insolvency.

III. SALE PROCESS

18. As part of its mandate, Richter has assisted the Company in preparing a virtual data room ("Data Room") to assist interested parties in making an investment decision. The Data Room included the following information:
 - Corporate background and history;
 - Organizational chart;
 - Historical financial information; and
 - Key contractual agreements.
19. The following documents related to the search for potential investors or purchasers (collectively "Potential Purchasers") have been prepared by Richter ("Information Package"):
 - Letter of solicitation;
 - Summary information ("Teaser"); and
 - Confidentiality Agreement ("CA").

20. Richter has performed a thorough research in order to identify parties that may have interest in this business opportunity and Management provided their input to identify potential purchasers for each of the business units.
21. On March 2, 2011, the Information Package was sent to 82 Potential Purchasers.
22. Following the mailing of the Information Package, Richter contacted the Potential Purchasers to follow up on their level of interest. These efforts resulted in the receipt of 24 signed CA's from Potential Purchasers. All parties who have signed a CA were given access to the Data Room.
23. In order to accelerate the process, Richter contacted the Potential Purchasers in order to provide them with additional information, schedule conference calls with Management and organize site visits, all with the view of providing the potential buyers or investors with the opportunity to thoroughly evaluate an acquisition or investment transaction on a timely basis.
24. A number of teleconferences were organized by Richter and attended by several Potential Purchasers and Management and many Potential Purchasers visited the Company's premises and met with Management.
25. Richter requested that offers be received by March 16, 2011.
26. In total, 12 offers and letters of intent have been received.
27. The Company and the Secured Lenders are presently negotiating with two strategic buyers who are concurrently performing a due diligence.
28. More time is required in order to complete the due diligence and ultimately prepare the transaction documents.

IV. MOTION

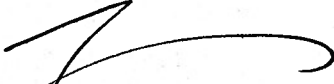
29. The Debtor has filed a Motion to Extend the Delay for the Filing of a Proposal ("Motion"), in order that the strategic buyer can complete its due diligence.
30. The Debtor has prepared an additional Cash Flow Forecast for the period ending April 15, 2011. Annexed hereto as **Exhibit "E"** is the Statement of Projection Cash Flow covering the period from April 1 to April 15, 2011, which includes the major Assumptions used in the preparation of the aforementioned Forecast, the Trustee's Report on the reasonableness of the Forecast in accordance with Section 50.4(2)(b) of the Act and the Debtor's Report pursuant to Section 50.4(2)(c) of the Act.
31. Many suppliers have contacted the Trustee and are well informed of the fact that the Company cannot pay for ongoing services. Many suppliers are currently supporting the operations in the hope that a transaction be concluded with a purchaser that will continue the operations.
32. The Secured Lenders have been advised of the Company's Motion and do not oppose the extension sought herein.
33. In the event that the extension is not granted and a Bankruptcy ensues, the piecemeal disposition of the Company's assets would likely result in a substantial shortfall to the creditors. Consequently, the creditors' best opportunity to maximize recovery in this matter is to allow the Company time to conclude a transaction for the sale of its business units as a going concern.

34. Given the foregoing, the Trustee hereby recommends the granting of the extension by the Court to April 15, 2011.

DATED AT MONTRÉAL, this 31st day of March 2011.

RSM Richter Inc.

Trustee

A handwritten signature in black ink, appearing to be 'Benoit Gingues', written over the printed name.

Benoit Gingues, CA, CIRP
Administrator