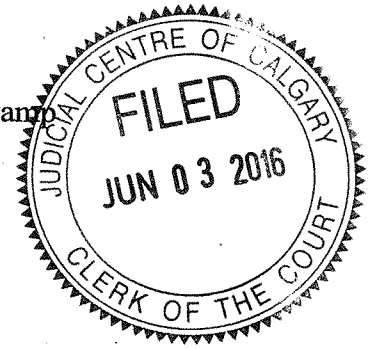


Clerk's stamp



COURT FILE NUMBER: 1601-06765

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C-36, as amended**

**AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
ENDURANCE ENERGY LTD**

DOCUMENT:

**SALE PROCESS ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Thornton Grout Finnigan LLP  
100 Wellington Street W, Suite 3200  
Toronto, Ontario M5K 1K7

Telephone: (416) 304-1616  
Facsimile: (416) 304-1313

Attention: Robert I. Thornton/Leanne Williams /  
Rachel Bengino  
File Number: 1751-001

**DATE ON WHICH ORDER WAS PRONOUNCED:** May 30, 2016

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice Horner

**LOCATION OF HEARING:** Calgary, Alberta

I hereby certify this to be a true copy of  
the original Order


Dated this 3 day of June, 2016

A. Leanne  
for Clerk of the Court

**UPON** the application of **Endurance Energy Ltd.** (the "**Applicant**"), seeking, among other relief, an Order approving the sale process; **ON READING** the Originating Application, the Affidavit of Steven VanSickle dated May 30, 2016 and the Exhibits thereto; **AND UPON** hearing counsel for the Applicant, counsel for Monitor and counsel to the Interim Lender and all other counsel listed on the counsel slip, no one appearing for any other person on the service list, **IT IS HEREBY ORDERED AND DECLARED THAT:**

**APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS**

1. The Applicant is authorized and directed to commence immediately the sale process attached as Schedule "A" (the "**Sale Process**") for the purpose of soliciting interest in and opportunities for a sale of or investment in the assets and business operations of the Applicant. Capitalized terms used in this Order and not otherwise defined have the meanings given to them in the Sale Process.
2. The Sale Process is hereby approved and the Applicant, the Monitor and the Financial Advisor are hereby authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations thereunder.
3. Each of the Monitor and the Financial Advisor, and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor or the Financial Advisor, as applicable, in performing its obligations under the Sale Process (as determined by this Court).

  
\_\_\_\_\_  
Justice of the Court of Queen's Bench of Alberta

## SCHEDULE "A"

### Sales Process

1. The purpose of the Sale Process is to generate executable transaction alternatives that will raise capital to be applied to claims as determined in the claims process in cash.
2. The process will be conducted to permit a broad range of transaction alternatives to be considered by a broad range of potential investors.
3. Parties who wish to have their proposals considered shall be expected to participate in this process as conducted by Endurance and its advisors.
4. The process will be conducted such that Endurance and its advisors will:
  - prepare marketing materials;
  - update a data room;
  - solicit interest from parties to enter into non-disclosure agreements and begin analyzing the transaction alternatives;
  - have such parties submit initial non-binding expressions of interest;
  - as appropriate, short-list parties to enter into a second process phase to conduct detailed due diligence;
  - have short-listed parties mark-up transaction documents;
  - have such parties submit binding offers together with a proposed form of transaction documents on a date specified by Endurance (the "**Binding Bid Deadline**"); and
  - following the Binding Bid Deadline, Endurance and its advisors may seek to negotiate final terms with one or more parties subject to a right of first refusal in favour of the Interim Lender (as hereinafter defined) and further order of the Court.
5. The Binding Bid Deadline shall be no later than the date that is 7 weeks from the date of the Court Order to approve this process. If the Order were issued on May 30, 2016, then such date would be July 18, 2016. This date may not be changed without prior consent of both the Monitor and the DIP Loan Lender or, alternatively, by further order of the Court.
6. The Lenders pursuant to the Credit Facilities or the Interim Lender (as such terms are defined in the VanSickle Affidavit and the facility provided by the Interim Lender shall be referred to as the "**Interim Facility**") shall be permitted to "credit bid" (each a potential "**Credit Bidder**") by offering to acquire all of the assets subject to their lien and any other assets that would be subject to any deficiency claim in full satisfaction of the Credit Facilities amount or Interim Facility amount, as applicable (a "**Credit Bid**"). The value of the Credit Bid shall be deemed to be the amount of the claim under the Credit Facilities or Interim Facility amount (or a lesser amount if so elected by Credit Bidder plus the cash component of the Credit Bid. To be valid, a Credit Bid must include sufficient cash to satisfy any Charges that rank ahead of the claim of the Credit Bid.

7. Subject to the right of first refusal in favour of the Interim Lender, while any potential Credit Bidder is a potential competing bidder in the Sale Process or is a potential seller of their claim against the Company, such potential Credit Bidder will not be provided with any non-public information about the Sale Process participants and proposals they may or may not make.