

COURT FILE NUMBER 1601-06765
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ENDURANCE ENERGY LTD.

DOCUMENT: **ORDER (Third Interim Distribution and Termination of Directors' Charge)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

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Our File: 76142.2

*I hereby certify this to be a true copy of
the original Order
Dated this 31 day of JAN 2017
[Signature]
for Clerk of the Court*

DATE ON WHICH ORDER WAS PRONOUNCED: January 30, 2017

LOCATION OF HEARING OR TRIAL: Calgary

NAME OF JUDGE WHO MADE THIS ORDER: Justice K.M. Horner

UPON THE APPLICATION of FTI Consulting Canada Inc., the Court-appointed Monitor (the "**Applicant**" or the "**Monitor**") of Endurance Energy Ltd. ("**Endurance**"); **AND UPON** having read the Application, the Eleventh Report of the Monitor and the Supplemental Report to the Eleventh Report of the Monitor, and the pleadings and proceedings in this Action, all filed; **AND UPON** hearing the submissions of counsel for the Monitor and counsel for other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Time for service of the application for this order is hereby abridged and service is deemed good and sufficient.
2. The following terms shall have the following meanings for the purpose of this Order:
 - (a) “**Credit Facility**” means the senior secured credit facility pursuant to a Credit Facility Agreement dated June 27, 2013 between Canadian Imperial Bank of Commerce, as Administrative Agent to the Lenders and Endurance, as amended from time to time;
 - (b) “**Amended and Restated Initial Order**” means the Initial Order as amended and restated on June 21, 2016 in these CCAA Proceedings; and
 - (c) “**Lenders**” means the syndicate of lenders that granted the Credit Facility.
3. The Monitor is authorized, directed and empowered to make the following distributions to the Lenders in partial satisfaction of the amounts owing to the Lenders under the Credit Facility:
 - (a) a distribution in the amount of \$5 million to the Lenders, plus the entire D&O Claims Holdback (as defined in the Monitor’s Eleventh Report) (the “**Immediate Distribution**”); and
 - (b) the Monitor is authorized, directed and empowered to distribute to the Lenders all security deposits received from the AER or the SME, when received (the “**Future Distribution**”);

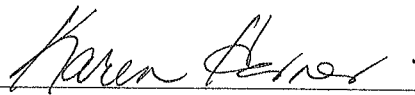
(the Immediate Distribution and the Future Distribution are hereinafter referred to as the “**Lenders Distributions**”).
4. The Monitor is hereby authorized, directed and empowered to take any further steps that it deems necessary or desirable to complete the Lenders Distributions described in paragraph 3 above.

5. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Endurance and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of Endurance,

the Lenders Distributions shall be binding on any trustee in bankruptcy that may be appointed in respect of Endurance and shall not be void or voidable by creditors of Endurance, nor shall they constitute nor be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation, and shall, upon the receipt thereof by the Lenders be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to Endurance.

6. The Directors' Charge (as defined in the Amended and Restated Initial Order) is hereby discharged and extinguished. All other provisions of the Amended and Restated Initial Order shall remain in full force and effect unamended.



J.C.Q.B.A.