

COURT FILE NUMBER 1501-01523
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT PALLISER OIL & GAS CORPORATION
DOCUMENT ORDER (Interim Distribution and Discharge)



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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File: 79294/7

DATE ON WHICH ORDER WAS PRONOUNCED: January 20, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Madam Justice G.A. Campbell

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Palliser Oil & Gas Corporation (the "**Debtor**");

AND UPON having read the Application, the Second Report of the Receiver dated January 11, 2017 (the "**Second Report**"), filed; **AND UPON** having read the Affidavit of Service of Lindsay Farr sworn January 12, 2017, filed; **AND UPON** hearing counsel for the Receiver and counsel for other interested parties;

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

Dated this 30 day of January 2017

[Signature]
for Clerk of the Court

IT IS HEREBY ORDERED AND DECLARED THAT:**SERVICE**


1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the receivership order dated February 12, 2015 by the Honourable Mr. Justice S.J. LoVecchio (the "**Receivership Order**") and the Second Report.

INTERIM DISTRIBUTION

3. The Receiver is hereby authorized and directed to make a distribution (the "**Interim Distribution**") in the amount of \$2,563,436 in accordance with the proposed interim distribution described in paragraph 38 of the Second Report.
4. The Receiver is hereby authorized and directed to holdback \$280,377 (the "**Holdback**") of the funds available for distribution for: (i) estimated operation and wind down expenses; (ii) pending audits from the Canada Revenue Agency; (iii) professional fees; and (iv) amounts relating to the Saskatchewan BLA Section 22(2) Liens.
5. The actions, conduct and activities of the Receiver to date, as outlined in the Second Report and in all previous reports filed by the Receiver in these receivership proceedings are hereby approved.
6. Upon the filing of a receiver's certificate substantially in the form attached hereto as Appendix "1" (the "**Receiver's Certificate**"), the Receiver is hereby unconditionally and absolutely discharged as Receiver of the Property (as such term is defined in the Receivership Order). Upon the filing of the Receiver's Certificate, the Receiver shall have no further duty, liability or obligation with respect to the Property. Notwithstanding the foregoing, the Receiver is authorized and empowered to take any steps necessary or actions necessary to conclude the administration of the Property, including any minor administrative matters as discussed in the Second Report and for distribution of the amount of the Holdback pending the Saskatchewan BLA Section 22(2) Appeal.
7. As of the date of the Second Report and based on the evidence that is currently before this Honourable Court:

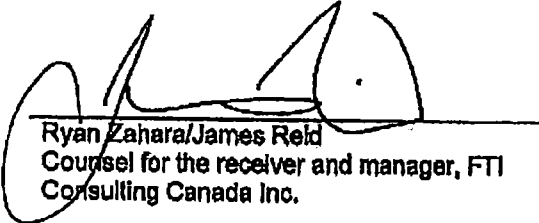
- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
 - (b) the actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver of the Property;
 - (c) the Receiver shall not be liable for any act or omission pertaining to the discharge of the Receiver's duties as receiver of the Property, save and except for any liability arising out of fraud or gross negligence or wilful misconduct on the part of the Receiver; and
 - (d) any and all claims against the Receiver arising from, relating to, or in connection with the performance of the Receiver's duties and obligations as receiver of the Property, save and except for claims based on fraud or gross negligence or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.
8. No action or proceedings arising from, relating to, or in connection with the performance of the Receiver's duties and obligations in respect of the Debtor and the Property may be commenced or continued without the prior leave of this Honourable Court, on notice to the Receiver and on such terms as this Honourable Court may direct.
9. The Receiver's Statement of Receipts and Disbursements set out in the Second Report is hereby approved.
10. The Receiver's accounts and the accounts of its independent legal counsel are hereby approved.
11. Upon 30 days' notice being provided to the former directors of the Debtor following the filing of the Receiver's Certificate with the Court, the Receiver is authorized and empowered to destroy any and all documents, accounting records, and other papers, records and information related to the business or affairs of the Debtor that are not collected by any of the former directors of the Debtor within the 30 day notice period following the filing of the Receiver's Certificate.

- 12. Service of this Order on the persons listed in the Service List attached as Schedule "B" to the Application by e-mail, facsimile, courier, registered mail, regular mail or personal delivery shall constitute good and sufficient service of this Order, and no persons other than the persons listed on the Service List are entitled to be served with a copy of this Order.
- 13. Nothing in this Order shall affect any claim Heavy Crude Hauling Ltd. may have to any of the Holdback funds for the liens it had registered against the Debtor's surface interests at the Province of Saskatchewan Land Titles Registry.


J.C.Q.B.A.

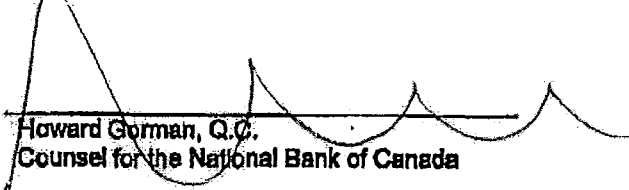
APPROVED AS TO FORM AND CONTENT
THIS 23RD DAY OF JANUARY, 2017.

BLAKE, CASSELS & GRAYDON LLP


Ryan Zahara/James Reid
Counsel for the receiver and manager, FTI
Consulting Canada Inc.

APPROVED AS TO FORM AND CONTENT
THIS 23RD DAY OF JANUARY, 2017.

**NORTON ROSE FULBRIGHT CANADA
LLP**


Howard Gorman, Q.C.
Counsel for the National Bank of Canada

APPROVED AS TO FORM AND CONTENT
THIS 23RD DAY OF JANUARY, 2017.

ROBB & EVENSON LAWYERS


Calvin Robb
Counsel Heavy Crude Hauling Ltd.

Appendix "1"
(Form of Receiver's Certificate)
(see attached)

Clerk's stamp:

COURT FILE NUMBER	1501-01523
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	NATIONAL BANK OF CANADA
DEFENDANT	PALLISER OIL & GAS CORPORATION
DOCUMENT	<u>RECEIVER'S CERTIFICATE</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2 nd Street S.W. Calgary, AB T2P 4J8 Attn: Ryan Zahara / James Reid Telephone: 403-260-9628 / 403-260-9731 Facsimile: 403-260-9700 File: 79294/7 Email: ryan.zahara@blakes.com james.reid@blakes.com

This Receiver's Certificate is the Receiver's Certificate referred to in paragraph 6 of the Order of the Honourable Madam Justice G.A. Campbell dated January 20, 2017 (the "**Order**"), a copy of which is attached hereto.

Capitalized terms not otherwise defined herein shall have the meaning given to them in the Second Report of the Receiver, dated January 11, 2017 (the "**Second Report**").

FTI Consulting Canada Inc., solely in its capacity as Court-appointed receiver and manager (the "**Receiver**") of Palliser Oil & Gas Corporation ("**Palliser**") and not in its personal capacity, hereby certifies that:

- (a) all funds in the receivership were received and distributed as described in the Statement of Receipts and Disbursements and Interim Distributions described in the Second Report, with the exception of any minor discrepancies as compared to the estimated future amounts;
- (b) all documents, accounting records and other papers, records and information related to the business or affairs of Palliser have been destroyed by the Receiver or have been returned to the former directors of Palliser;
- (c) **[the Receiver has distributed \$[●] of the Holdback (as defined in the Order) to [●] following the Saskatchewan BLA Section 22(2) Appeal]**
- (d) the administration of the receivership proceedings as described in the Receiver's reports to the Court has been completed.

Dated this _____ day of _____, 2017.

FTI Consulting Canada Inc., solely in its capacity as
Court-appointed receiver and manager of Palliser Oil
& Gas Corporation, and not in its personal capacity

Per: _____

Name: Deryck Helkaa

Title: Senior Managing Director