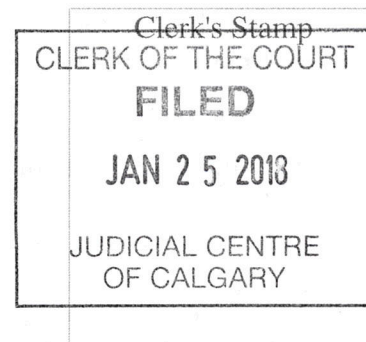


COURT FILE NUMBER 1701-11639
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT SCOLLARD ENERGY LTD.



DOCUMENT **APPLICATION**
(Sale Approval and Vesting Order)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, Alberta T2P 5H1

Solicitors: Randal Van de Mosselaer
Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1182954

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Justice.

To do so, you must be in Court when the application is heard as shown below:

Date: February 5, 2018
Time: 3:00 p.m.
Where: Calgary Courts Centre, 601 – 5th Street SW, Calgary, AB
Before Whom: The Honourable Mr. Justice A. D. Macleod

Go to the end of this document to see what else you can do and when you must do it.

Orders Sought:

1. FTI Consulting Canada Inc. (the “**Receiver**”) in its capacity as Receiver of Scollard Energy Ltd. (“**Scollard**”) applies for Orders substantially in the forms attached hereto as **Schedules “1”, “2”, “3” and “4”**:
 - a. dispensing with service of this Application on all parties entitled to service thereof or abridging the time for service to the time given, and deeming service to be good and sufficient in all cases;
 - b. approving the sale transaction (the “**Westbrick Transaction**”) contemplated by a purchase and sale agreement (the “**Westbrick PSA**”) between Westbrick Energy Ltd. (“**Westbrick**”) and the Receiver, dated January 23, 2018;
 - c. vesting in Westbrick (or its nominee) all of Scollard’s right, title, and interest in and to the Purchased Assets described in the Westbrick PSA;
 - d. approving the sale transaction (the “**Sandpoint Transaction**”) contemplated by a purchase and sale agreement (the “**Sandpoint PSA**” and together with the Westbrick PSA, the “**PSAs**”) between Sandpoint Resources Ltd. and Blue Moon Oil and Gas Inc. (collectively the “**Sandpoint Purchasers**”) and the Receiver, dated January 9, 2018;
 - e. vesting in the Sandpoint Purchasers (or their nominee) all of Scollard’s right, title, and interest in and to the Purchased Assets described in the Sandpoint PSA;
 - f. approving an interim distribution to the National Bank of Canada (“**National Bank**”) in an amount up to the net proceeds to be received from the closing of the Westbrick PSA and the Sandpoint PSA (the “**Proposed Interim Distribution**”);
 - g. sealing the confidential supplement (“**Confidential 2nd Supplemental Report**”) to the Receiver’s Second Report, both dated January 24, 2018 (“**Second Report**”);
 - h. approving the Receiver’s Statement of Receipts and Disbursements from September 1, 2017 to January 12, 2018, as set out in the Second Report;
 - i. approving the actions, conduct and activities of the Receiver as outlined in the Second Report; and
 - j. granting such further and other relief as counsel may request and this Honourable Court may deem just.

Grounds for making this application:

Approval of the PSAs

2. On September 1, 2017 the Receiver was appointed as the Court-appointed receiver and manager of the undertakings, property, and assets of Scollard pursuant to the Order of the Honourable Madam Justice B.E.C. Romaine (the “**Receivership Order**”).
3. On or about September 20, 2017 the Receiver commenced a marketing process for Scollard’s assets, including various producing oil and gas properties and related facilities.

4. As a result of the marketing process and the resulting negotiations with various bidders, the Receiver identified Westbrick and the Sandpoint Purchasers as having submitted the highest and best offers for the Purchased Assets, as defined in the Westbrick PSA and the Sandpoint PSA, respectively. Accordingly, the Westbrick PSA and the Sandpoint PSA were subsequently executed.
5. Both the Westbrick Transaction contemplated by the Westbrick PSA and the Sandpoint Transaction contemplated by the Sandpoint PSA are conditional upon (among other things) approval of the PSAs by this Honourable Court.
6. The Receiver recommends that this Honourable Court approve the Westbrick Transaction contemplated by the Westbrick PSA and the Sandpoint Transaction contemplated by the Sandpoint PSA because:
 - a. the Receiver was authorized to market and sell the Property (as that term is defined in the Receivership Order) pursuant to section 3(k) and 3(l) of the Receivership Order and acted in good faith and with due diligence in the sale of the assets and in accepting and executing the PSAs;
 - b. there was an extensive broad marketing process for the Property conducted by GMP FirstEnergy, an experienced marketing consultant and financial advisor, to a large number of prospective purchasers over a reasonable timeframe;
 - c. the senior secured lender is the fulcrum creditor in these proceedings and is supportive of the Transaction;
 - d. the PSAs were negotiated between parties at arm's length and in good faith and are commercially reasonable under the circumstances; and
 - e. the Receiver is satisfied that the PSAs are the highest and best unconditional offers received and were offers with the least amount of closing risk, in the circumstances.

Proposed Interim Distribution

7. The Receiver recommends that the Proposed Interim Distribution be approved. National Bank hold a valid security interest in the property of Scollard and the amount owing to National Bank is significantly in excess of the Proposed Interim Distribution. No party has contacted the Receiver nor the Receiver's counsel asserting a claim in priority to National Bank and the Receiver is not aware of any such claim. A sufficient cash reserve has been retained to continue with the remaining operations in the normal course.

Sealing Confidential Supplement Report

8. The Confidential 2nd Supplemental Report contains confidential information, the disclosure of which may taint the potential market and prejudice creditors if this information were made public and either the Westbrick Transaction or the Sandpoint Transaction did not close. It is also a term of the PSAs that the Confidential 2nd Supplemental Report be sealed on the Court file. Therefore, it is appropriate that the Confidential 2nd Supplemental Report be sealed.

Affidavit or other Evidence and Materials to be used in Support of this Application:

9. The Second Report, including the Confidential 2nd Supplemental Report.
10. The Receivership Order.
11. Such further and other evidence or materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

12. The *Alberta Rules of Court*, Alta Reg. 124/2010.

Applicable Acts and Regulations:

13. *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended.
14. *Judicature Act*, RSA 2000, c J-2, as amended.

Any Irregularity Complained of or Objection Relied On:

15. None.

How the Application is Proposed to be Heard or Considered:

16. In person before the Honourable Mr. Justice A. D. Macleod on February 5, 2018 at 3:00 p.m.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "1"

COURT FILE NUMBER 1701-11639

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT SCOLLARD ENERGY LTD.

DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver - Westbrick)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
OSLER, HOSKIN & HARCOURT LLP
2500, 450 – 1st Street SW
Calgary, AB T2P 5H1
Attn: Randal Van de Mosselaer
Telephone: 403-260-7060
Facsimile: 403-260-7024
E-mail: rvandemosselaer@osler.com

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: February 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice A. D. Macleod

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as Court-appointed receiver (the "**Receiver**") of the assets, properties and undertakings of Scollard Energy Ltd. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Westbrick Energy Ltd. (the "**Purchaser**") dated January 23, 2018 and appended to the Second Report of the Receiver dated January 24, 2018 (the "**Report**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated September 1, 2017 (the "**Receivership Order**"), the Report, all other prior materials filed in the within proceedings, and the Affidavit of Service of Ellena Pratt; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and [names of other parties appearing], and no one appearing for

any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), subject only to the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**"), and approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator (the "**AER**") pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "C"** shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) those claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances); and

for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, whether such Claims or Encumbrances came into existence prior to, subsequent to or as a result of any previous Order of the Court.

4. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims registered against the interests of the Debtor in respect of the Purchased Assets and, without limiting the generality hereof, the Minister of Energy shall cancel and discharge all security notices and all assignments under section 426 (formerly section 177) of the *Bank Act* (Canada).
5. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims in the nature of builders' liens against the interest of the Debtor in and to the Purchased Assets located in the Province of Alberta.
6. The closing of the Transaction shall be effected in accordance with the terms of the Sale Agreement and such amendments to the Sale Agreement as may be agreed to in writing between the Purchaser and the Receiver.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets

had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
9. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
10. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
11. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
13. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

MISCELLANEOUS MATTERS

14. 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 the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 15. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 16. Nothing in this Order prejudices the rights of any third parties under the title and operating documents applicable to the Purchased Assets, including any rights they have to take over operatorship of any of the Purchased Assets as the result of the closing of the Transaction.
- 17. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
19. Service of this Order on any party not attending this Application is hereby dispensed with.

J.C. C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	1701-11639
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	NATIONAL BANK OF CANADA
DEFENDANT	SCOLLARD ENERGY LTD.
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP 2500, 450 – 1 st Street SW Calgary, AB T2P 5H1 Attn: Randal Van de Mosselaer Telephone: 403-260-7060 Facsimile: 403-260-7024 E-mail: rvandemosselaer@osler.com

Clerk's Stamp

RECITALS

- A. Pursuant to an Order of the Honourable Justice B. E. C. Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated September 1, 2017, FTI Consulting Canada Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of Scollard Energy Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated February 4, 2018, the Court approved the agreement of purchase and sale made as of January 23, 2018 (the "**Sale Agreement**") between the Receiver and Westbrick Energy Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver

and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

FTI Consulting Canada Inc., in its capacity as court-appointed receiver of the assets, undertakings and properties of Scollard Energy Ltd., and not in its personal or corporate capacity.

Per: _____

Name:

Title:

Schedule "B"

Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

Permitted Encumbrances mean:

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or any of them or the income or revenue attributable thereto and governmental requirements and limitations of general application as to production rates on the operations of any property and rights reserved to or vested in any Government Authority to control, limit or regulate production rates or the operation or use of any property in any manner;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands in respect of which no charges, payments, taxes, or assessments are due or delinquent unless they are being diligently contested in good faith by the Vendor;

- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) the terms and conditions of the Leases and the Title and Operating Documents, provided that any royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances must be identified in the Land Schedule in order to be considered to be a Permitted Encumbrance hereunder; and
- (i) any other circumstance, matter or thing to the extent disclosed in any Schedule hereto.

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance: (A) any overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which the Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor Company's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

Schedule "C"

Purchased Assets

All of the Debtor's right, title, estate and interest in the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, as each term is defined in the Sale Agreement.

Schedule "D"

Encumbrances

Action No. Q1601 05768 with Kevin Ree as plaintiff (last status date – September 27, 2016)

Action No. Q1601 08495 with 1063202 Alberta Ltd. and Pete Knight, as plaintiffs (last status date – August 30, 2016)

Action No. Q1701 03830 with Baker Hughes Canada Co., as plaintiff

SCHEDULE "2"

COURT FILE NUMBER	1701-11639
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	NATIONAL BANK OF CANADA
DEFENDANT	SCOLLARD ENERGY LTD.
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver - Sandpoint)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP 2500, 450 – 1 st Street SW Calgary, AB T2P 5H1 Attn: Randal Van de Mosselaer Telephone: 403-260-7060 Facsimile: 403-260-7024 E-mail: rvandemosselaer@osler.com

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: February 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice A. D. Macleod

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the assets, properties and undertakings of Scollard Energy Ltd. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Sandpoint Resources Inc. and Blue Moon Oil and Gas Inc. (the "**Purchasers**") dated January 9, 2018 and appended to the Second Report of the Receiver dated January 14, 2018 (the "**Report**"), and vesting in the Purchasers the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated September 1, 2017 (the "**Receivership Order**"), the Report, all other prior materials filed in the within proceedings, and the Affidavit of Service of Ellena Pratt; **AND UPON HEARING** the submissions of counsel for

the Receiver, the Purchasers and **[names of other parties appearing]**, and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

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.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchasers.

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchasers substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), subject only to the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "B"** hereto (the "**Permitted Encumbrances**"), and approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator (the "**AER**") pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "C"** shall vest absolutely in the name of the Purchasers, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) those claims listed on **Schedule "D"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances); and

for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, whether such Claims or Encumbrances came into existence prior to, subsequent to or as a result of any previous Order of the Court.

4. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims registered against the interests of the Debtor in respect of the Purchased Assets and, without limiting the generality hereof, the Minister of Energy shall cancel and discharge all security notices and all assignments under section 426 (formerly section 177) of the *Bank Act* (Canada).
5. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall cancel and discharge all Claims in the nature of builders' liens against the interest of the Debtor in and to the Purchased Assets located in the Province of Alberta.
6. The closing of the Transaction shall be effected in accordance with the terms of the Sale Agreement and such amendments to the Sale Agreement as may be agreed to in writing between the Purchasers and the Receiver.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets

had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. The Purchasers (and their nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
9. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchasers.
10. The Purchasers shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
11. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchasers.
13. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchasers all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchasers (or their nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

MISCELLANEOUS MATTERS

14. 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 the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor

the vesting of the Purchased Assets in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchasers and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

18. Service of this Order on any party not attending this Application is hereby dispensed with.

J.C. C.Q.B.A.

Schedule "A"
Form of Receiver's Certificate

COURT FILE NUMBER	1701-11639
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	NATIONAL BANK OF CANADA
DEFENDANT	SCOLLARD ENERGY LTD.
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP 2500, 450 – 1 st Street SW Calgary, AB T2P 5H1 Attn: Randal Van de Mosselaer Telephone: 403-260-7060 Facsimile: 403-260-7024 E-mail: rvandemosselaer@osler.com

Clerk's Stamp

RECITALS

- A. Pursuant to an Order of the Honourable Justice B. E. C. Romaine of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated September 1, 2017, FTI Consulting Canada Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of Scollard Energy Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated February 5, 2018, the Court approved the agreement of purchase and sale made as of January 9, 2018 (the "**Sale Agreement**") between the Receiver and Sandpoint Resources Inc. and Blue Moon Oil and Gas Inc. (the "**Purchasers**") and provided for the vesting in the Purchasers of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 9 of the Sale Agreement have

been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchasers have paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 9 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

FTI Consulting Canada Inc., in its capacity as court-appointed receiver of the assets, undertakings and properties of Scollard Energy Ltd., and not in its personal or corporate capacity.

Per: _____

Name:

Title:

Schedule "B"

Permitted Encumbrances

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

Permitted Encumbrances mean:

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles wires and cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or any of them or the income or revenue attributable thereto and governmental requirements and limitations of general application as to production rates on the operations of any property and rights reserved to or vested in any Government Authority to control, limit or regulate production rates or the operation or use of any property in any manner;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;

- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) the terms and condition of the Leases and the Title and Operating Documents; and
- (i) any other circumstance, matter or thing disclosed in any Schedule attached to the Sale Agreement.

Schedule "C"

Purchased Assets

All of the Debtor's right, title, estate and interest in the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, as each term is defined in the Sale Agreement.

Schedule "D"

Encumbrances

[None]

SCHEDULE "3"

COURT FILE NUMBER	1701-11639	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	NATIONAL BANK OF CANADA	
DEFENDANT	SCOLLARD ENERGY LTD.	
DOCUMENT	RESTRICTED COURT ACCESS ORDER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	OSLER, HOSKIN & HARCOURT LLP 2500, 450 – 1 st Street SW Calgary, AB T2P 5H1 Attn: Randal Van de Mosselaer Telephone: 403-260-7060 Facsimile: 403-260-7024 E-mail: rvandemosselaer@osler.com	

DATE ON WHICH ORDER WAS PRONOUNCED: February 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice A. D. Macleod

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the assets, properties and undertakings of Scollard Energy Ltd. for an order sealing the confidential supplement ("**Confidential 2nd Supplemental Report**") to the Receiver's Second Report, dated January 24, 2018 ("**Second Report**"); **AND UPON** having read the Confidential 2nd Supplemental Report, the Second Report and all other prior materials filed in the within proceedings; **AND UPON** hearing from counsel for the Receiver, Westbrick Energy Ltd. ("**Westbrick**") and Sandpoint Resources Inc. and Blue Moon Oil and Gas Inc. (together, the "**Sandpoint Purchasers**"), and from any other interested persons who by the Court record have appeared at the within Application; **AND UPON** it appearing that all interested and affected parties have been served with notice of this Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, 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, and specifically, the service, notice and formal requirements of Part 6, Division 4 of the Alberta *Rules of Court*, Alta Reg. 124/2010 shall not apply to this Order and are hereby dispensed with.
2. The Confidential 2nd Supplemental Report shall, subject to further Order of this Court, be marked "SEALED PURSUANT TO COURT ORDER - NOT TO BE OPENED WITHOUT PRIOR ORDER OF THE COURT", and shall be maintained in accordance with the terms of this Order and shall be treated as confidential, sealed and not form part of the public record.
3. Every person on whom the Confidential 2nd Supplemental Report is served shall keep the information contained therein confidential and such information:
 - (a) shall be used only for the purposes of this proceeding and not for any business or other purpose whatsoever;
 - (b) shall not be given, shown, made available, or communicated in any way to anyone other than for the purpose of retaining and instructing counsel with respect to these proceedings only, who shall be bound by the terms of this Order; and
 - (c) shall not be copied or reproduced, except by counsel for the purpose of responding to the Receiver's application or preparing materials for use in these proceedings.
4. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.
5. This Order will remain in effect subject to further Order of the Court granted on notice to the Receiver, Westbrick and the Sandpoint Purchasers, an Application which may be brought by any interested party only following the filing by the Receiver's Certificates confirming the closing (if any) of the transactions contemplated by the sales agreements

between the Receiver and Westbrick (the “**Westbrick PSA**”) and between the Receiver and the Sandpoint Purchasers (the “**Sandpoint PSA**”), as applicable.

6. The Confidential 2nd Supplemental Report shall be filed with the Court within 90 days following the closing of the later of the Transactions contemplated by the Westbrick PSA and by the Sandpoint PSA.
7. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
8. Service of this Order on any party not attending this Application is hereby dispensed with.

J.C. C.Q.B.A.

SCHEDULE "4"

COURT FILE NUMBER 1701-11639
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT SCOLLARD ENERGY LTD.

Clerk's Stamp

DOCUMENT **Order
(Approve Receiver's Activities, Conduct and Statement of Receipts and Disbursements, and approval of an Interim Distribution)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
OSLER, HOSKIN & HARCOURT LLP
2500, 450 – 1st Street SW
Calgary, AB T2P 5H1
Attn: Randal Van de Mosselaer
Telephone: 403-260-7060
Facsimile: 403-260-7024
E-mail: rvandemosselaer@osler.com

DATE ON WHICH ORDER WAS PRONOUNCED: February 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice A. D. Macleod

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the "**Receiver**") of the assets, properties and undertakings of Scollard Energy Ltd. for an order approving the Receiver's activities and its Statement of Receipts and Disbursements, both as set out in the Second Report of the Receiver, dated January 24, 2018 (the "**Second Report**"); **AND UPON** having read the Second Report and all other prior materials filed in the within proceedings; **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

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. The Receiver's Statement of Receipts and Disbursements as set out in the Second Report is hereby approved.
3. The Receiver is hereby directed and authorized to pay National Bank of Canada an amount up to the net sale proceeds derived from the closing of the transactions approved by the Sale Approval and Vesting Order (Sale by Receiver - Westbrick) and the Sale Approval and Vesting Order (Sale by Receiver - Sandpoint), both granted in the within action on February 5, 2018, less an amount, to be determined at the Receiver's sole discretion, to be retained to cover future costs of the administration of the estate and the remaining operations in the normal course.
4. The actions, conduct and activities of the Receiver as set out in the Second Report are hereby approved.
5. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
6. Service of this Order on any party not attending this Application is hereby dispensed with.

J.C. C.Q.B.A.