

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 **ORDER**

Clerk's Stamp

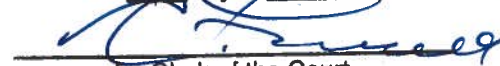


ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Osler, Hoskin & Harcourt LLP
Suite 2500, TransCanada Tower
450 – 1st Street SW
Calgary, Alberta T2P 5H1

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

Dated this 4 day of Feb 2019


for Clerk of the Court

Solicitors: Randal Van de Mosselaer
Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1182059

DATE ON WHICH ORDER WAS PRONOUNCED: January 24, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice
B.E.C. Romaine

UPON THE APPLICATION of FTI Consulting Canada Inc., in its capacity as receiver and manager (the “**Receiver**”) of Scollard Energy Ltd. (the “**Debtor**”); **AND UPON** reviewing the Fourth Report of the Receiver, dated January 14, 2019 (the “**Fourth Report**”) and other Reports previously filed by the Receiver in this Action; **AND UPON** hearing from counsel for the Receiver and counsel for any other interested party appearing at the hearing of the Application; **AND UPON** reviewing the Affidavit of Service of Maureen Pohl, sworn January 23, 2019;

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 RECEIPTS, DISBURSEMENTS AND ACCOUNTS

2. The Receiver's accounts and the accounts of its independent counsel, Osler, Hoskin & Harcourt LLP ("**Osler**"), as set out in the Fourth Report, are hereby approved.
3. The Receiver's Statement of Receipts and Disbursements, as set out in the Fourth Report, is hereby approved.
4. The Receiver is directed and authorized to maintain a holdback of \$118,068 (the "**Holdback**") to cover: (i) professional fees of the Receiver and Osler to complete the administration of the Receivership; (ii) ongoing operating expenses as further described in the Fourth Report; (iii) non-linear 2017 taxes related to property which was subject to the Transactions (as that term is defined in the Fourth Report); and (iv) a trust claim asserted by the Canada Revenue Agency under subsection 222(3) of the *Excise Tax Act* in respect of unremitted GST/HST (collectively, the "**Holdback Expenses**");
5. In addition to the foregoing, the Receiver is directed and authorized to maintain a holdback in the amount of \$36,027.27 (representing 2017 linear taxes for the municipality of Lacombe County) and a further amount of \$49,899.32 (representing 2017 linear taxes for the municipality of Yellowhead County), for a total holdback of \$85,926.59 (the "**Linear Tax Holdback**").
6. If, within two weeks of the date of this Order, the Alberta Court of Appeal has released its decision in Court of Appeal File No. 1701-0221-AC (*The Bank of Nova Scotia et al. v. Virginia Hills Oil Corp. et al.*) dismissing the appeal, the Linear Tax Holdback shall be paid by the Receiver to the National Bank of Canada ("**National Bank**").
7. The Receiver is authorized and directed to distribute all remaining funds apart from the Holdback and the Linear Tax Holdback to National Bank.

8. In the event any residual funds remain in the Holdback following payment of the Holdback Expenses, the Receiver is authorized and directed to distribute any such residual funds to National Bank.

PAYMENT OF MUNICIPAL TAXES

9. It is hereby declared that Appendix "A" to the Fourth Report accurately sets out the amount of municipal taxes owing by the Debtor to the various municipalities set out in Appendix "A" to the Fourth Report.
10. It is further declared that, with the exception of amounts which may become payable to Lacombe County and Yellowhead County out of the Linear Tax Holdback, the only amounts payable to the municipalities set out in Appendix "A" to the Fourth Report by the Receiver out of the receivership estate is \$35,959.94, which amount is to be paid and distributed as follows:

a. To Lacombe County:	\$15,824.68
b. To County of Wetaskiwin:	\$8,081.33
c. To Yellowhead County:	\$325.35
d. To Clearwater County:	\$11,728.58

11. It is further declared that none of the other amounts set out in Appendix "A" to the Fourth Report other than as set out in paragraph 8 hereto are payable by the Receiver out of the receivership estate.

DISCHARGE OF THE RECEIVER

12. As of the date of the Fourth Report and based on the evidence before this Honourable Court:
 - a. The Receiver has acted honestly and in good faith, and has dealt with the Property (as that term is defined in the Receivership Order of the Honourable Madam Justice Romaine, granted in these proceedings on September 1, 2017) 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 court-appointed 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 court-appointed 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.
13. No action or proceeding arising from, relating to, or in connection with the performance of the Receiver's duties and obligations in respect of 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.
14. The Receiver is hereby authorized and permitted to deliver to the current or former directors of the Debtor at his/her own expense copies of any corporate record in the possession and control of the Receiver relating to the Debtor. In the event corporate records remain in the possession and control of the Receiver 30 days following the Receiver providing notice of this Order by posting a copy of same on its website, the Receiver is hereby authorized and directed to destroy or dispose of such records in whatever manner the Receiver deems appropriate.
15. Upon the filing of the Receiver's Certificate attached hereto as Schedule "A" confirming, among other things, that the Receiver has: (i) finalized payment of all Receivership costs and expenses as set out in the Fourth Report including, but not limited to, payment of the Holdback Expenses; (ii) paid out the Linear Tax Holdback in accordance with the direction of the Court; (iii) distributed all remaining funds to National Bank; and (iv) completed all other minor administrative matters, the Receiver shall be absolutely and unconditionally discharged as Receiver of the Property and shall have no further duty, liability or obligation

with respect to the Property, provided however, that notwithstanding its discharge, the Receiver shall:

- a. remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and
- b. shall continue to have the benefit of the provisions of this Order and all Orders granted in these proceedings, including all approvals, protections and stays of proceedings in favor of the Receiver in its capacity as Receiver.

MISCELLANEOUS

16. The Receiver has leave to reapply to this Honourable Court for such further advice and directions as may be necessary.
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.

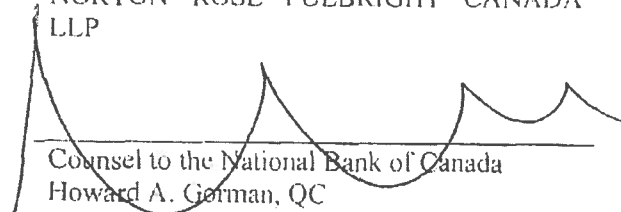
B.C.C. Rompage
for J.C.Q.B.A.

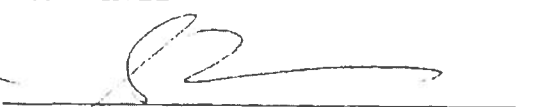
APPROVED as to form and content this 25th
day of January, 2019

APPROVED as to form and content this 25th
day of January, 2019

NORTON ROSE FULBRIGHT CANADA
LLP

REYNOLDS MIRTH RICHARDS &
FARMER LLP


Counsel to the National Bank of Canada
Howard A. Gorman, QC


Counsel for Lacombe County and Yellowhead
County
Shauna N. Finlay

Schedule "A"

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
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450 – 1st Street SW
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Phone: 403.260.7060
Fax: 403.260.7024
Email: RVandemosselaer@osler.com
Matter: 1182059

Clerk's Stamp

This Receiver's Certificate is the certificate referred to in paragraph 13 of the Order (Approval of Accounts and Activities, Distribution of Remaining Funds, and Discharge of Receiver) of the Honourable Madam Justice Romaine, granted January 24, 2019 (the "Order").

Capitalized terms not otherwise defined herein shall have the meanings given to those terms in the Order.

FTI Consulting Canada Inc., solely in its capacity as Court-appointed receiver (the "Receiver") of the Property (as that term is defined in the Receivership Order) and not in its personal or corporate capacity, hereby certifies that:

1. All Receivership costs and expenses as set out in the Fourth Report including, but not limited to, the Holdback Expenses, have been paid.
2. The Linear Tax Holdback has been paid in accordance with the direction of this Court;
3. All remaining amounts have been distributed to National Bank.

4. The administration of the receivership proceedings as described in the Fourth Report have been completed.

Dated this ___ day of _____, 2019.

**FTI Consulting Canada Inc., in its
capacity as Receiver of the undertakings,
property and assets of Scollard Energy
Ltd.**

NAME:

TITLE: