



COURT FILE NUMBER 1601-11552  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT NATIONAL BANK OF CANADA, IN ITS  
CAPACITY AS ADMINISTRATIVE AGENT  
RESPONDENTS TWIN BUTTE ENERGY LTD.  
DOCUMENT SEVENTH REPORT OF FTI CONSULTING  
CANADA INC., IN ITS CAPACITY AS  
COURT APPOINTED RECEIVER AND  
MANAGER OF TWIN BUTTE ENERGY LTD.

**April 24, 2017**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

FTI Consulting Canada Inc.  
Suite 720, 440 – 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 5E9  
Deryck Helkaa / Dustin Olver  
Telephone: (403) 454-6031 / (403) 454-6032  
Fax: (403) 232-6116  
E-mail: [deryck.helkaa@fticonsulting.com](mailto:deryck.helkaa@fticonsulting.com)  
[dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com)

**COUNSEL**

Norton Rose Fulbright Canada LLP  
3700, 400 – 3<sup>rd</sup> Avenue S.W.  
Calgary, AB T2P 4H2  
Howard A. Gorman, Q.C. / Aditya M. Badami  
Telephone: (403) 267-8144 / (403) 267-8122  
Fax: (403) 264-5973  
Email: [howard.gorman@nortonrosefulbright.com](mailto:howard.gorman@nortonrosefulbright.com)

## INTRODUCTION

1. On September 1, 2016 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of Twin Butte Energy Ltd. (“**Twin Butte**” or the “**Company**”) pursuant to an Order of the Honourable Madam Justice Romaine (the “**Receivership Order**”).
2. On April 18, 2017 the Receiver filed its sixth report (the “**Sixth Report**”). The main purpose of the Sixth Report was to provide this Honourable Court with an update on the closing of the HOC Sale and request approval to initiate claims procedures as discussed in further detail below.
3. In the Sixth Report, the Receiver reported the advice received from Bennett Jones LLP (“**Bennett Jones**”) in its capacity as counsel for certain holders (the “**Ad Hoc Group**”) of convertible unsecured subordinate debentures<sup>1</sup> (the “**Debentures**”) that they intended to bring an application before this Honourable Court seeking approval of the Ad Hoc Group’s legal fees and financial advisor’s fees (the “**Ad Hoc Group’s Professional Fees**”). The Receiver understands that the Ad Hoc Group engaged Bennett Jones to provide legal advice and Macquarie Capital Markets Canada Ltd. (“**Macquarie**”) to provide financial and restructuring advisory services in the Twin Butte matter.
4. On April 19, 2017, Bennett Jones filed an application (the “**Ad Hoc Application**”) which included, a draft Order (the “**Funding Order**”) and the affidavit of Mike Maguire sworn April 19, 2017 (“**Maguire Affidavit**”). The Receiver understands that Mr. Maguire is one of the members of the Ad Hoc Group.

---

<sup>1</sup> As defined in the Company’s financial statements

5. The purpose of this report (“**Seventh Report**”) is to provide this Honourable Court with the following:
  - (a) A summary of the Ad Hoc Group’s Professional Fee funding request as set out in the Funding Order and the proposed allocation of the professional fees incurred by the Ad Hoc Group on a prorated basis to all Debentures (i.e. including those held by the Ad Hoc Group and those held by all remaining holders, referred to in this report as the “**Remaining Debentures**”);
  - (b) A summary of correspondence received from certain Remaining Debenture holders in relation to the Ad Hoc Group’s Professional Fee funding request; and
  - (c) The Receiver’s views on the Ad Hoc Group’s Professional Fees funding request.
  
6. The Receiver’s reports and other publically available information in respect of these proceedings (the “**Receivership Proceedings**”) are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/twinbutte> (the “**Receiver’s Website**”).

#### **TERMS OF REFERENCE**

7. In preparing this Seventh Report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).

8. Except as described in this Seventh Report:
  - (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this Seventh Report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
9. Future oriented financial information reported or relied on in preparing this Seventh Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.
10. The Receiver has prepared this Seventh Report in connection with the Ad Hoc Application dated April 27, 2017. This Seventh Report should not be relied on for other purposes.
11. Information and advice described in this Seventh Report that has been provided to the Receiver by its legal counsel, Norton Rose Fulbright Canada LLP (the “Receiver’s Counsel”), was provided to assist the Receiver in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## SUMMARY OF THE AD HOC GROUP'S FUNDING ORDER

13. The Ad Hoc Group is requesting that the Ad Hoc Group's Professional Fees be paid from any distribution made by the Receiver to the Debentures<sup>2</sup> (the "Funding Request"). The Funding Request sets out that the Ad Hoc Group's Professional Fees are not to be allocated to any creditor groups (i.e. lien holders, unsecured creditors, etc.) other than the Debentures.
  
14. The Ad Hoc Group's Professional Fees include costs incurred by Bennett Jones (referred to as the "Legal Fees") and those by Macquarie Capital (referred to as the "FA Fees") for the following periods:
  - (a) From the time engaged up to the date of the Receivership;
  - (b) Time incurred to date since the commencement of the Receivership; and
  - (c) Cost to be incurred, including any payment of success fees.

### Background to Funding Request

15. By way of background and context for this report, the Receiver notes the following from the Maguire Affidavit:
  - (a) The Ad Hoc Group has advised it currently holds 24.2% of the face value of the Debentures, representing approximately \$20.57 million of the total \$85.0 million (face value) of the Debentures. The Remaining Debentures hold approximately \$64.4 million or 75.8%.
  - (b) The Ad Hoc Group suggests that the significant efforts that they believe support the proposed allocation of the Ad Hoc Group's Professional Fees to the Remaining Debentures include:

---

<sup>2</sup> Principal amount of the Debenture's face value is \$85.0 million

- i. Opposing the proposed transaction between Twin Butte and Reignwood Resources Holding Pte Ltd (the “**Reignwood Transaction**”) which ultimately failed prior to the Receivership Period. The recoveries under the Reignwood Transaction to the Debentures is expected to be less than the recoveries for the Debentures in these Receivership Proceeding;
  
- ii. During the Receivership period, the Ad Hoc Group or its advisors:
  - Made certain recommendations and other input to the Receiver in relation to the SISP Order, in particular to broaden the scope of the process to include and consider restructuring proposals in addition to asset purchase offers
  
  - Attended various court applications;
  
  - Discussed with various parties to arrive at an alternative transaction (an “**Alternative Transaction**”);
  
  - Contacted several additional parties regarding the Receiver’s SISP and had an ‘extensive background’ with the bidder that ultimately acquired the assets of Twin Butte, namely, HOC; and
  
  - Discussed and requested certain information from the Receiver including recovery estimates, creditor claim amounts and other information; and
  
- iii. Participating in the Receivership process going forward including having consultation rights within the Claims Procedures and advocating for the priority of the Debentures in relation to the unsecured creditors.

## Ad Hoc Group's Funding Request

16. Based on the Ad Hoc Group's draft Funding Order and the Maguire Affidavit, the Receiver understands that the Ad Hoc Group retained Bennett Jones under an engagement letter dated August 12, 2016. The Bennett Jones engagement letter appears a standard advisor engagement with fees based on time incurred multiplied by applicable rates. The Bennett Jones fees incurred to date total approximately \$115,000 with a further \$25,000 to \$75,000 estimated to be incurred for a combined total between \$140,000 to \$190,000, as discussed in further detail below.
17. The Ad Hoc Group initially retained Macquarie Capital under an engagement letter dated July 19, 2016 (the "July 19<sup>th</sup> Macquarie LOE") and a further engagement letter dated April 11, 2017 (the "April 11<sup>th</sup> Macquarie LOE"). The July 19<sup>th</sup> Macquarie LOE and the April 11<sup>th</sup> Macquarie LOE are collectively referred to as the "Macquarie LOEs". The April 11<sup>th</sup> Macquarie LOE appears to have replaced the July 19<sup>th</sup> Macquarie LOE<sup>3</sup>.
18. The Receiver had not been provided copies nor the terms of the Macquarie LOE's prior to the delivery of the Maguire Affidavit.
19. The Macquarie LOEs include no hourly rates or fixed fee structure and only includes a success fee structure that is based on the ultimate recoveries received by the Ad Hoc Group. Any success fee would only be payable if the recoveries to the Ad Hoc Group were in excess of the recoveries associated with the Reignwood Transaction. As the April 11<sup>th</sup> Macquarie LOE is based on ultimate recoveries, certain assumptions are required to estimate the "Success Fee" amount.

---

<sup>3</sup> The Macquarie LOE's are attached as confidential exhibits to the Maguire Affidavit and are generally referred herein without violating any confidential provisions.

20. Based on the April 11<sup>th</sup> Macquarie LOE and the net recoveries for the Debentures estimated by the Ad Hoc Group, the success fee payable to Macquarie could range between \$1.2 million to \$1.9 million (the “**FA Success Fee**”). The ultimate recovery is dependent upon the claim process and the priority of the unsecured claims relative to the Debentures, however the Receiver believes the calculation to be accurately calculated in accordance with the terms of the Macquarie LOE’s for the purpose of illustration of the fee payable.
21. In addition to the FA Success Fee, the Ad Hoc Group has proposed an additional amount that is not set out in the Macquarie LOEs. The additional fee is based on certain threshold recoveries and the additional fee could range from nil to \$1.0 million (the “**Additional Proposed FA Fee**”) in excess of the FA Success Fee. The Ad Hoc Group estimates that the Additional Proposed FA Fee at \$500,000 to \$1,000,000 as set out a paragraph 45 in the Maguire Affidavit. The Additional Proposed FA Fee was not contracted with the Ad Hoc Group however is being recommended to be paid in accordance with the Funding Order. The FA Fees in total (combining the FA Success Fee and the Additional Proposed FA Fee) range from \$1.7 million to \$2.9 million.
22. The Receiver has summarized the Ad Hoc Group’s Professional Fees based on the high and low estimate, split between Legal Fees and FA Fees as well as those incurred pre and post-receivership. As the Maguire Affidavit states, while the Legal Fees are based on hourly rates and actual time incurred, the FA Fees are based on the ultimate amount of recovery to the Ad Hoc Group.



Add Hoc Group Professional Fees	Low	High	
<b>Legal Fees</b>			
Pre-receivership	64,576	64,576	} Total Incurred to date \$115,166
Post-receivership (to date)	50,590	50,590	
To be incurred	25,000	75,000	
<i>sub-total (legal fees)</i>	<u>140,166</u>	<u>190,166</u>	
<b>FA Fees</b>			
FA Success Fee (per LOE)	1,184,000	1,934,000	
Additional Proposed FA Fee	500,000	1,000,000	
<i>sub-total (FA Fees)</i>	<u>1,684,000</u>	<u>2,934,000</u>	
<b>TOTAL</b>	<u><b>1,824,166</b></u>	<u><b>3,124,166</b></u>	

23. The table above illustrates the following:

- (a) Estimated Legal fees total between \$140,000 and \$190,000, of which approximately \$65,000 was incurred prior to the commencement of these Receivership Proceedings and \$51,000 since. Legal Fees to completion are estimated at between \$25,000 to \$75,000.
- (b) The FA Success Fee as set out in the Macquarie LOE's is estimated between \$1.2 to \$1.9 million; and
- (c) A further fee proposed, referred to as the Additional Proposed FA Fee, totals between \$500,000 and \$1.0 million and ultimately depends on the recovery by the Debentures.

24. The table below summarizes the proposed allocation of the Ad Hoc Group's Professional Fees and a comparison of costs per debenture.

Ad Hoc Group Professional Fees	%	Low	High
Legal Fees		\$ 140,166	\$ 190,166
FA Success Fee		1,184,000	1,934,000
Per LOE's only		\$ 1,324,166	\$ 2,124,166
Additional Proposed FA Fee		500,000	1,000,000
Total Ad Hoc Group's Professional Fees		\$ 1,824,166	\$ 3,124,166
<i>Funding Order Proposed Allocation:</i>			
Remaining Debentures	75.8%	1,382,718	2,368,118
Ad Hoc Group	24.2%	441,448	756,048
		\$ 1,824,166	\$ 3,124,166
Per Debenture (85,000 at face value of \$1,000)		\$ 21.5	\$ 36.8

25. The table above illustrates the following:

- (a) The Ad Hoc Group's Professional Fees set out in the Funding Order are estimated at a low of \$1.8 million to a high of \$3.1 million, which would total \$88.70 or \$151.90 per debenture of the Ad Hoc Group (total of 20,570 debentures at \$1,000 face value);
- (b) The Ad Hoc Group is proposing to allocate \$1.38 million to \$2.4 million of the Ad Hoc Group's Professional Fees to the Remaining Debentures which would be \$21.5 to \$36.8 per Debenture (85,000 debentures at \$1000 face value). The Receiver notes that the Ad Hoc Group's April 20, 2017 press release indicates that total fees per debenture would range from \$26 to \$37 per debenture. The difference appears to relate mainly to using \$750,000 for the Additional Proposed FA Fee whereas the calculation above used \$500,000 consistent with paragraph 45 of the Maguire Affidavit; and
- (c) Following the allocation of the costs to the Remaining Debentures, the Ad Hoc Group's share of the fees would be reduced to between \$441,000 and \$760,000.

## **RECEIVER'S COMMENTS**

26. The Receiver has no comment on the appropriateness of the fees agreed to by the Ad Hoc Group with respect to its engagement of Bennett Jones or Macquarie. However, as the Ad Hoc Group is requesting that the Legal Fees and FA Fees be allocated to all the Debentures, the Receiver has considered the reasonableness and appropriateness given that many of the Remaining Debentures are not represented and/or are small retail/individual investors. Further, the Remaining Debentures represent over  $\frac{3}{4}$  of the Debentures.

### **Participation by the Ad Hoc Group and its advisors**

27. The advisors to the Ad Hoc Group have participated in these Receivership Proceedings and the Receiver provides the following comments:

#### **Reignwood Transaction**

- (a) The Receiver has not provided any specific comment as to the Ad Hoc Group's opposition of the Reignwood Transaction given this was a matter that occurred prior to the commencement of the Receivership Proceedings. However, the Receiver agrees that the recoveries to the Debentures (and other unsecured creditors) within these Receivership Proceedings are likely to be greater than under the Reignwood Transaction.

### **Selection of the Receiver's Selling Agent**

- (b) The Receiver did consider input from the Ad Hoc Group in selection of the financial advisor as the Ad Hoc Group expressed concerns with the continued involvement of Peters & Co. Limited ("Peters"). The Ad Hoc Group also advised, in their view, that an investment firm with "global reach" would be more appropriate. The Receiver also consulted with other significant stakeholder groups such as the Banking Syndicate with respect to the selection of a financial advisor. Based on various input from stakeholders and its own views of the marketplace, the Receiver ultimately recommend to this Honourable Court of a co-lead arrangement of CIBC World Markets ("CIBC") and Peters & Co. Limited ("Peters") (collectively the "Receiver's Selling Agents") which was as approved by this Court on October 11, 2016.
- (c) The Ad Hoc Group opposed the Receiver's suggested co-lead arrangement between CIBC and Peters, but the Receiver's proposal was ultimately approved by this Honourable Court.

### **SISP Process**

- (d) Paragraph 29 of the Maguire Affidavit refers to various activities of Macquarie to contact potential bidders or interest parties, and paragraph 30 of the Maguire Affidavit appears to imply that Macquarie was involved in HOC being the successful bidder.
- (e) In response to such suggestion, the Receiver has the following comments:

- i. The Receiver retained Peters and CIBC as its Selling Agent by order of this Court. The Receiver's Selling Agents completed a formal and public process under the SISP Order as set out in our previous reports, including setting up a confidential data room and other materials. A market success fee rate was approved by Court relating to the Receiver's Selling Agents prior to the commencement of the SISP which has been earned and paid by the Receiver (and therefore the estate) to reflect this activity;
- ii. HOC had been contacted by Peters and had reviewed the Twin Butte opportunity during Twin Butte's strategic alternative process that was completed by Twin Butte prior to the commencement of these Receivership Proceedings (which resulted in the Reignwood Transaction);
- iii. The Receiver notes that HOC (and its affiliates) was extremely well known in the oil and gas market as an interested bidder for distressed assets. The Receiver has dealt with representatives of HOC on three previous formal insolvency proceedings and HOC representatives were included in the listing of parties that were contacted by the Receiver's Selling Agents;
- iv. Macquarie did not source any Alternative Transactions during the SISP or Receivership Proceedings that were brought to the Receiver's attention; and
- v. Macquarie declined to sign any confidentiality agreement with the Receiver's Selling Agents and accordingly was not provided access to the confidential data room.

### **Information requests**

- (f) The Ad Hoc Group has requested certain information from the Receiver that would be expected of a creditor group and has participated in attending Court Applications.
- (g) The Ad Hoc Group has also requested that its Legal Counsel have consulting rights in the claims process. This request appears appropriate and reasonable to the Receiver. As the Debentures will potentially be the fulcrum creditor, or at least a significant portion of the fulcrum creditor class, such consultation rights with respect to the Claims Procedures appears reasonable.

### **Summary of Comments from the Remaining Debentures**

- 28. Immediately upon receiving the Ad Hoc Group's application materials, the Receiver posted the materials to its public website at the request of the Ad Hoc Group's counsel. The Receiver also understands that the Ad Hoc Group caused a press release to be issued advising of the Ad Hoc Application and that the materials filed in relation to their Ad Hoc Application could be found on the Receiver's website. A copy of the press release is attached as Appendix A to this Report. The press release issued on April 20, 2017 provided the range of fees which have been detailed above by the Receiver.
- 29. Since the Ad Hoc Application materials were posted on the Receiver's website and the press release was issued, the Receiver has received correspondence from several of the Remaining Debentures holders. Several of the Remaining Debenture holders are individuals or small institutions who live out of province and may not have the financial means or ability to attend Court or engage legal counsel to express their views on their behalf. The Receiver has provided the below summary of the views expressed to the Receiver that it has received from the holders of the Remaining Debentures.

# of Remaining Debenture Holders	Face Value of Holdings (\$000's)	% representation of the total debenture	Comments from Debenture holders
14	7,880	9.27%	Against spreading Legal Fees and FA Fees of the Ad Hoc Group over all Debenture Holders. One Debenture holder within this group (who holds approximately 4% of all Debentures) advised that they would support Legal Fees utilized to argue the subordination argument on behalf of the Debenture holders if they were successful in making the argument.
1	786	0.92%	Against spreading FA Fees of the Ad Hoc Group over all Debenture Holders. However would support Legal Fees of the Ad Hoc Group to be spread over all Debenture holders.
2	328	0.39%	Supports spreading the incurred and future Legal Fees of the Ad Hoc Group over all Debenture holders capped at \$195,000. Supports spreading the \$1.2 million to \$2.0 million FA Success Fee incurred to date over all Debenture holders but opposed to the Additional Proposed FA Fee \$500,000 to \$1,000,000 being proposed.
1	29	0.03%	Supports spreading Legal Fees and FA Fees incurred since receivership, no fees prior to Receivership.

30. If additional communication is received from the Remaining Debenture Holders the Receiver will provide an update of the table above at the April 27<sup>th</sup> Hearing.

#### Allocation of the Ad Hoc Group's Professional Fees to the Remaining Debentures

31. The range of the Ad Hoc Group's Professional Fees is estimated by the Ad Hoc Group to be between \$1.8 and \$3.1 million. The Ad Hoc Group is proposing that the Remaining Debentures be allocated their respective prorated share as set out below.

Ad Hoc Group	%	Low	High
<b>Allocation of fees (Total)</b>			
Ad Hoc Group	24.2%	\$ 441,448	\$ 756,048
Remaining Debentures	75.8%	1,382,718	2,368,118
Total	100.0%	\$ 1,824,166	\$ 3,124,166
<b>Per Debenture (85,000)</b>			
		\$ 21.5	\$ 36.8

32. The Receiver's views are:

- (a) Legal Fees incurred and anticipated to be incurred appear reasonable given the various points set out in the Maguire Affidavit and that Bennett Jones has participated in various court proceedings and will have consulting rights in the claims process. Furthermore, Bennett Jones will be reviewing the priority of the Debentures relative to other unsecured creditors;
- (b) The Receiver does not believe it is appropriate to allocate the FA Success Fee or the Additional Proposed FA Fee payable to Macquarie to the Remaining Debentures given the following:
  - i. A success fee for selling the assets has already been earned by the Selling Agents and paid by the Receiver (which totaled approximately \$2.0 million). The fee payable to the Receiver's Selling Agents has in effect been funded by the ultimate fulcrum creditors as it has been deducted from any net recoveries;
  - ii. The Proposed Additional FA Fee was not documented in the Macquarie LOEs, so inclusion of such fee at this late point is inappropriate;
  - iii. The Receiver's view is that the successful bid was a direct result of the SISP process run by the Receiver's Selling Agents. No Alternative Transaction was proposed by the Ad Hoc Group;
  - iv. Macquarie did not sign any confidentiality agreement and therefore had no access to any confidential information accordingly the Receiver is skeptical about what additional value could have been provided through this process by the Ad Hoc Group; and



- v. Approximately 9.3% of the Remaining Debentures have contacted the Receiver advising that they do not support the Ad Hoc Group's Funding Request in its entirety with the exception of one holder who would support the payment of legal fees to argue the subordination argument on the condition that the argument was successful. A further 1.3% of the Remaining Debenture Holders have contacted the Receiver advising that they would only support the Ad Hoc Group's Funding Request with certain limitations as described above.

### **REVISIONS TO CLAIM PROCEDURE ORDER**

- 33. The Receiver has made minor revisions the draft Claims Procedure Order in connection with the April 27, 2017, application to address:
  - i. certain inadvertent drafting nits, including the threshold amount for a review by counsel to the Ad Hoc Group and the inclusion of a certain paragraph that the Receiver determined did not need to be in the Claims Procedure Order; and
  - ii. the correct identity of the Indenture Trustee.

### **RECOMMENDATIONS**

- 34. The Receiver respectfully requests that this Honourable Court provide directions with respect to the sharing of Ad Hoc Group's Professional Fees amongst the Remaining Debentures.

All of which is respectfully submitted this 24<sup>th</sup> day of April, 2017.

FTI Consulting Canada Inc.,  
in its capacity as receiver and manager  
of the assets, undertakings and properties of  
Twin Butte Energy Ltd.



---

Deryck Helkaa  
Senior Managing Director, CA, CPA, CIRP



---

Dustin Olver  
Managing Director, CA, CPA

# Appendix A

Ad Hoc Group press release

## Twin Butte Energy Debentureholders Seek Appointment of Advisors For Debentureholder Class and Cost Sharing Relief

CALGARY, April 20, 2017 /CNW/ - Dear Twin Butte Debentureholders,

We, the Ad Hoc Committee of unaffiliated holders (the "Ad Hoc Group") of 6.25% Convertible Unsecured Subordinated Debentures due December 31, 2018 of Twin Butte Energy Ltd. ("Twin Butte"), wish to update Twin Butte's Debentureholders concerning recent developments in connection with the Receivership sales and investment solicitation process ("SISP"):

- On March 30, 2017, FTI Consulting Canada Inc., the Court-appointed Receiver of Twin Butte (the "Receiver") filed its Receiver's Certificate, certifying that the asset sale to HOC (the "HOC Transaction") had been completed to the satisfaction of the Receiver, and the Receiver made an interim distribution repaying Twin Butte's Banking Syndicate in full;
- The Receiver's Third Report indicates that the HOC Transaction provides for a "substantial distribution" to unsecured creditors including the Debentureholder class;
- As such, the Ad Hoc Group's successful campaign to reject the proposed transaction between Twin Butte and Reignwood Resources Holding Pte. Ltd. in favour of an alternate transaction will provide for a more equitable distribution to Debentureholders;
- The Ad Hoc Group will now focus its attention on ensuring that the remaining distributions to the entire class of Debentureholders are maximized with the ongoing assistance of its financial and legal advisors;
- The Ad Hoc Group believes that the ongoing involvement of its financial and legal advisors will provide additional substantial benefit to all debentureholders by, among other things, providing additional financial and legal advice to the Ad Hoc Group regarding the claims of other creditors in the anticipated creditor claims process and advising on and conducting further negotiations and/or litigation to take all necessary steps to enhance the position and recovery of all Debentureholders; the Ad Hoc Group anticipates this may result in an improvement to each Debentureholder's recovery from a potential low end recovery of approximately \$450 per \$1,000 face value of Debenture to a potential high end recovery of \$600 per \$1,000 face value Debenture, subject to among other things, the claims process (Note: This range is indicative only as the Ad Hoc Group does not have detailed information on the existing or potential claims that may arise as part of the claims process. As such the actual recovery realized by Debentureholders could be higher or lower than these estimates); if the Ad Hoc Committee's application is successful, each Debentureholder's pro rata share of the aggregate cost of the Ad Hoc Committee's legal and financial advisory services, is estimated to be approximately \$26 per \$1,000 face value Debenture to \$37 per \$1,000 face value Debenture (including estimated fees to conclusion);
- The Ad Hoc Group is making an application in the Court of Queen's Bench of Alberta (the "Court") in Calgary at 2:00 p.m. Mountain time on Thursday, April 27, 2017;
- Further details about the Ad Hoc Group's court application and with respect to actions of the Ad Hoc Group and its advisors throughout the Receivership SISP are contained in the Affidavit of Mike Maguire which has been filed with the Court and is available on the website of the Receiver (<http://cfcanada.fticonsulting.com/TwinButte>).

We look forward to working with other stakeholders to achieve an expeditious conclusion to the

Receivership process.

SOURCE Informal Committee of Concerned Debentureholders of Twin Butte

## **CUSTOM PACKAGES**

Browse our custom packages or build your own to meet your unique communications needs.

Start today.

## **CNW MEMBERSHIP**

Fill out a CNW membership form or contact us at 1 (877) 269-7890

## **LEARN ABOUT CNW SERVICES**

Request more information about CNW products and services or call us at 1 (877) 269-7890