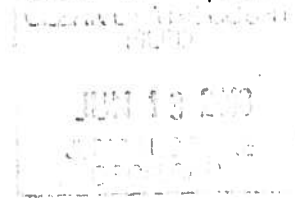


Clerk's stamp



COURT FILE NUMBER 1601-11552

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT

DEFENDANT TWIN BUTTE ENERGY LTD.
IN THE MATTER OF THE RECEIVERSHIP OF TWIN BUTTE ENERGY LTD.

APPLICANT FTI CONSULTING CANADA INC., in its capacity as Court-appointed Receiver and Manager of TWIN BUTTE ENERGY LTD.

DOCUMENT **APPLICATION (FINAL DISTRIBUTION AND DISCHARGE OF RECEIVER)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com /
aditya.badami@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Aditya M. Badami
File No.: 1000151706

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 master/judge.

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

Date:	June 21, 2018
Time:	10:00 A.M.
Where:	Calgary, Alberta
Before Whom:	The Honourable Madam Justice K. M. Horner

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

Remedy claimed or sought:

1. The Applicant, FTI Consulting Canada Inc., in its capacity as Court-appointed receiver (**FTI**, or the **Receiver**) of the current and future assets, undertakings and properties of Twin Butte Energy Ltd. (**Twin Butte**) seeks an Order, in substantially the form attached hereto as Schedule "A":
 - (a) declaring service of the within application and supporting materials to be good and sufficient on all parties entitled to service hereof, and abridging the time for service to the time given in all cases;
 - (b) approving the Receiver's accounts for fees and disbursements, as the same are set out in the Fourteenth Report of the Receiver dated June 13, 2018 (the **Fourteenth Report**), without the necessity of a formal passing of its accounts;
 - (c) approving the accounts of the Receiver's legal counsel, Norton Rose Fulbright Canada LLP, for its fees and disbursements as set out in the Fourteenth Report, without the necessity of a formal assessment of its accounts;
 - (d) approving and ratifying the Receiver's activities as set forth in the Fourteenth Report, and all of its other reports filed herein, and approving and ratifying the Receiver's Statement of Receipts and Disbursements as summarized in the Fourteenth Report;
 - (e) authorizing and directing the Receiver to make a final distribution out of the assets of Twin Butte in the approximate amount of \$152,757 to Alberta Finance, \$585,250 in respect of the Former Executives Claim as defined in the Fourteenth Report, and any remaining balance to the Twin Butte 6.25% Convertible Unsecured Subordinated Debentures due December 31, 2018, pursuant to the Convertible Debenture Indenture between Twin Butte and Valiant Trust Company dated December 13, 2013 (**Subordinated Unsecured Noteholders**) and the counsel to the Ad Hoc Group of Subordinated Unsecured Noteholders in the approximate amount of \$1,011,665;
 - (f) declaring that the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings, and that the Receiver shall not be liable for any act or omission on its part pertaining to the discharge of its duties in the within proceedings, save and except for liability arising out of fraud, gross negligence, or wilful misconduct on the part of the Receiver, or with leave of the Court;
 - (g) directing that no action or other proceeding may be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver, and upon such terms as the Court may direct; and
 - (h) directing that upon the Receiver filing with the Clerk of the Court a certificate endorsed by the Receiver confirming the resolution and conclusion of certain outstanding administrative and closing matters pertaining to the receivership of Twin Butte, the Receiver shall be discharged as Receiver of Twin Butte, provided that the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership of Twin Butte, and shall continue to have the benefit of the provisions of all Orders made in this proceeding.

Grounds for making this application:

Receiver's Activities since Appointment

2. FTI was appointed Receiver of Twin Butte pursuant to an order of this Honourable Court dated September 1, 2016 (the **Receivership Order**).

3. Capitalized terms not defined herein have the meaning given to such terms in the Receivership Order, or the Fourteenth Report.
4. Since the granting of the Receivership Order, the Receiver has carried on the administration of Twin Butte in accordance with this Court's authorization, and has, among other things, identified one significant transaction to sell all of Twin Butte's marketable oil and gas properties. This transaction resulted in proceeds sufficient to repay to the fullest extent possible the first secured creditors of Twin Butte with additional proceeds available for distribution to unsecured creditors of Twin Butte.
5. As is set out in detail in the Fourteenth Report, the administration of the receivership of Twin Butte is substantially complete. Accordingly, the Receiver is of the view that it should be discharged from its mandate upon the filing of a Certificate attesting to the completion of all outstanding matters related to the Twin Butte receivership.

Final Distribution

6. Alberta Finance, the Former Executives, and the Subordinated Unsecured Noteholders are the remaining creditors with valid claims entitled to repayment of their respective indebtedness from the Twin Butte estate.
7. The Final Distribution is just, appropriate, and in the best interests of the administration of the receivership estate.

Material or evidence to be relied on:

8. The Fourteenth Report of the Receiver.
9. The pleadings, Orders, reports of the Receiver, and other materials filed in the within Action.
10. Such other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

11. *Rules* 6.3(1), 6.47(e) and (f), 6.9(1)(a), and 11.27, and such other *Rules* as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

12. The *Bankruptcy and Insolvency Act*, R.S.C. 1985 c B-3, as amended, the *Judicature Act*, R.S.A. 2000, c J-2, as amended, the *Alberta Rules of Court* and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

How the application is proposed to be heard or considered:

13. Oral submissions by counsel at an application before the Honourable Justice K. M. Horner at the Calgary Courts Centre in Calgary, Alberta, on the returnable date noted hereon, or so soon thereafter as counsel may be heard.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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 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 A

COURT FILE NUMBER	1601-11552	CLERK'S STAMP
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	NATIONAL BANK OF CANADA IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED JANUARY 15, 2016, AS AMENDED	
DEFENDANT	TWIN BUTTE ENERGY LTD. IN THE MATTER OF THE RECEIVERSHIP OF TWIN BUTTE ENERGY LTD.	
DOCUMENT	ORDER FOR FINAL DISTRIBUTION, APPROVAL OF RECEIVER'S FEES AND DISBURSEMENTS, APPROVAL OF RECEIVER'S ACTIVITIES AND DISCHARGE OF RECEIVER	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fulbright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 Phone: +1 403.267.8222 Fax: +1 403.264.5973 Email: howard.gorman@nortonrosefulbright.com / aditya.badami@nortonrosefulbright.com Attention: Howard A. Gorman, Q.C. / Aditya M. Badami File No.: 1000151706	

DATE ON WHICH ORDER WAS PRONOUNCED: June 21, 2018
NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Justice K. M. Horner
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the **Receiver**) of the current and future assets, undertakings and properties of Twin Butte Energy Ltd. (the **Debtor**) for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities, and discharge of the Receiver; **AND UPON** having read the Fourteenth Report of the Receiver dated June 13, 2018 (the **Fourteenth Report**); **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED 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. Capitalized terms not defined herein have the meaning given to those terms in the Fourteenth Report.

Final Distribution

3. The Receiver is authorized and directed to make a final distribution to:
 - (a) Alberta Finance in the approximate amount of \$152,757, in accordance with the proposed final distribution described in paragraph 22 of the Fourteenth Report;
 - (b) the Former Executives in the approximate amount of \$585,250, in accordance with the proposed final distribution described in paragraph 22 of the Fourteenth Report; and
 - (c) the holders of the Twin Butte 6.25% Convertible Unsecured Subordinated Debentures due December 31, 2018, pursuant to the Convertible Debenture Indenture between Twin Butte and Valiant Trust Company dated December 13, 2013 the remaining balance in the approximate amount of \$1,011,665 in accordance with the proposed final distribution described in paragraphs 22-24 of the Fourteenth Report, and such distribution shall be made in the manner set out in paragraph 2 of the Order (Distributions to Debenture Holders) dated September 20, 2017, including with respect to the payment of the fees and disbursements of Bennett Jones LLP, and granted in the within proceedings.

Receiver's and Counsel's Accounts

4. The Receiver's accounts for fees and disbursements, as set out in the Fourteenth Report are hereby approved without the necessity of a formal passing of its accounts.
5. The accounts of the Receiver's legal counsel, Norton Rose Fulbright Canada LLP, for its fees and disbursements, as set out in the Fourteenth Report are hereby approved without the necessity of a formal assessment of its accounts.

Receiver's Activities and Discharge of Receiver

6. The Receiver's activities as set out in the Fourteenth Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Fourteenth Report, are hereby ratified and approved.
7. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
8. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
9. Upon the Receiver filing with the Clerk of the Court a certificate in the form attached hereto as Schedule "A" endorsed by the Receiver confirming that:
 - (a) all matters set out in paragraph 6 of this Order have been completed;

- (b) final statements of adjustments in respect of the sales of certain assets of the Debtor to have been completed, and provided to the purchasers;
- (c) the Receiver has prepared, completed, and filed all outstanding GST returns and the 2016 income tax return for the Debtor;

then the Receiver shall be discharged as Receiver of the Debtor and shall be authorized to destroy the Debtor's corporate books and records if not claimed by the Debtor's former directors within 30 days of the Receiver's being discharged, provided however that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

- 10. 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.
- 11. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER

1601-11552

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

NATIONAL BANK OF CANADA IN ITS
CAPACITY AS ADMINISTRATIVE AGENT
UNDER THAT CERTAIN AMENDED AND
RESTATED CREDIT AGREEMENT DATED
JANUARY 15, 2016, AS AMENDED

DEFENDANT

TWIN BUTTE ENERGY LTD.

IN THE MATTER OF THE RECEIVERSHIP OF
TWIN BUTTE ENERGY LTD.

DOCUMENT

RECEIVER'S CERTIFICATE

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

Howard A. Gorman, Q.C. / Aditya Badami
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aditya.badami@nortonrosefulbright.com
Tel: +1 403.267.8222
Fax: +1 403.264.5973

Lawyers for FTI Consulting Canada Inc., Receiver of Twin Butte
Energy Ltd.
File no.: 1000151706

RECITALS

- A. This Receiver's Certificate is the certificate referred to in paragraph 9 of the Order of the Honourable Justice Horner of the Court of Queen's Bench of Alberta, Judicial District of Calgary, dated June 21, 2018, a copy of which is attached hereto.
- B. Capitalized terms not otherwise defined herein are as defined in the Fourteenth Report of the Receiver dated June 11, 2018 (the **Fourteenth Report**).

CERTIFICATION

FTI Consulting Canada Inc., solely in its capacity as Court-appointed receiver (the **Receiver**) of Twin Butte Energy Ltd. and not in its personal capacity, hereby certifies that:

- 1. All funds in the receivership were received and distributed as described in accordance with paragraph 3 of the Order for Final Distribution attached as Schedule "A" to the Application returnable June 21, 2018, and attached hereto;
- 2. The Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof; and
- 3. The administration of the receivership proceedings as described in the Receiver's reports to the Court has been completed.

This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertaking, property and assets of Twin Butte Energy Ltd., and not in its personal capacity.

Per: _____

Name: Deryck Helkaa

Title: Senior Managing Director