

COURT FILE NUMBER

15 01 - 09424

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

NATIONAL BANK OF CANADA

DEFENDANT

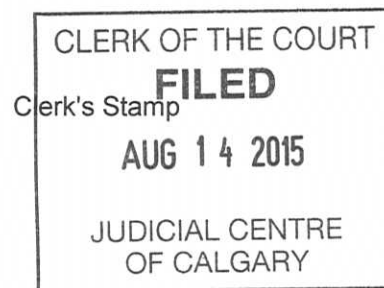
WALDRON ENERGY CORPORATION

DOCUMENT

STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File No. 01124572-0581



NOTICE TO DEFENDANT(S):

You are being sued. You are the defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

I. PARTIES

1. The Plaintiff, National Bank of Canada (the "**Bank**") is a Canadian Bank with branch offices in Calgary, Alberta.
2. The Defendant, Waldron Energy Corporation (the "**Debtor**"), is an Alberta registered company with its registered and business office located in Calgary, Alberta.

II. THE LOAN INDEBTEDNESS

3. The Bank, as lender, has provided various loans to the Debtor through a series of loan agreements as amended and restated from time to time (the "**Loan Agreements**").
4. In accordance with the Loan Agreements, the Bank advanced loans to the Debtor from time to time. However, as at August 6, 2015, the Debtor was in default under the Loan Agreements.
5. Pursuant to a Loan Amending and Extension Agreement (the "**Extension Agreement**"), the Bank agreed to waive certain defaults under the Loan Agreements. The Debtor requested that the Bank enter into the most recent Extension Agreement to permit it to negotiate an asset sale

between the Debtor and Gray Dusenberry Oil and Gas LP (the "**GDLP Transaction**"), the proceeds of which were intended to be used to reduce the amount of the Debtor's indebtedness to the Bank.

6. The Extension Agreement also provided for the cancellation of certain facilities under the Loan Agreements, and that except as specifically amended therein, the terms and covenants of the Loan Agreements remained in full force and effect in respect of the remaining indebtedness of the Debtor to the Bank.
7. As at August 6, 2015, the total indebtedness owing to the Bank by the Debtor was in excess of **\$7,738,541.66**, plus associated interest, costs and disbursements, with additional interest and other charges accruing thereon at the rates and on the terms set out in the Loan Agreements.

III. SECURITY

8. As security for the amounts advanced by the Bank pursuant to the Loan Agreements, the Debtor granted various security to the Bank. The various security includes:
 - a. Floating Charge Debenture;
 - b. General Security Agreement,
 - c. General Assignment of Book Debts,
 - d. Pledge Agreement,
 - e. First Supplemental Debenture, and
 - f. First Supplemental Pledge Agreement.(collectively the "**Security**")
9. The Loan Agreements and Security, collectively, provide that the following are Events of Default, entitling the Bank to exercise all remedies thereunder and to take steps to enforce the Security:
 - (a) where the Debtor fails to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable to the Bank when such payment is due;
 - (b) where the Debtor is in default of its obligations to any third party under any material agreement, or if an Event of Default under any material agreement occurs; and
 - (c) if any Material Adverse Effect, as defined in the Loan Agreements, occurs.

IV. EVENTS OF DEFAULT AND DEMAND FOR REPAYMENT

10. In addition to its indebtedness to the Bank, the Debtor owes money to Toscana Capital Corporation ("**Toscana**") under a term loan and operating line of credit facility (the "**Toscana Facility**"). The agreements between the Debtor and Toscana providing for the Toscana Facility are material agreements as defined in the Loan Agreements.
11. Pursuant to a Subordination Agreement between the Bank, the Debtor, and Toscana, the Debtor's obligations under the Toscana Facility rank subordinate to its indebtedness to the Bank under the Loan Agreements.

12. The Debtor is in default of its obligations under the Toscana Facility, and Toscana has issued a demand for immediate repayment as a result.
13. In addition, the Debtor is currently in default under the Loan Agreements, which defaults include:
 - (a) the Debtor has failed to make payments under the Loan Agreements to the Bank when due;
 - (b) the Debtor is in default under the Toscana Facility, which is a default under the Loan Agreements; and
 - (c) other events of default, including but not limited to events resulting in Material Adverse Effects as defined in the Loan Agreements.

(collectively, the "Defaults")

V. DEMAND AND NOTICE.

14. On August 7, 2015, the Bank's counsel delivered to the Debtor a demand letter, together with a notice pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3 (the "Demand and Notice").
15. Since the giving of the Demand and Notice, no payout nor payment has been received by the Bank.

V. CONCLUSION

16. As a result of the Defaults, including the Debtor's refusal or failure to repay the amounts owing under the Loan Agreements on demand, the Bank is entitled to take steps to enforce the Security, including, but not limited to, the appointment of a receiver over the undertakings, property and assets of the Debtor.
17. As a result, the Bank claims as against the Debtor the following relief:
 - (a) a declaration as to the amounts owing to the Bank by the Debtor and judgment in the amount found to be owing;
 - (b) a declaration that the Security held by the Bank is valid and enforceable;
 - (c) the appointment of an Interim Receiver and a Receiver and Manager or, alternatively, the appointment of a Receiver over all of the assets of the Debtor;
 - (d) interest on the outstanding amounts as set out in the Loan Agreements, or, alternatively, pursuant to the provisions of the *Judgment Interest Act*, R.S.A. 2000, c. J-8;
 - (e) costs on a solicitor and his own client basis in accordance with the terms of the Loan Agreements, the related Security, and the Extension Agreement, or in the alternative, costs;
 - (f) to the extent necessary, an Order abridging the time for the commencement of these proceedings and applications herein under Section 244(1) of the BIA;

(g) such further and other relief as this Honourable Court may deem appropriate.

18. The Bank proposes that the trial of this action be held at the Court Centre, in the City of Calgary, in the Province of Alberta and estimates that the time for trial of this action will be less than 25 days.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

- 20 days if you are served in Alberta
- 1 month if you are served outside Alberta but in Canada
- 2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff(s)' address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.