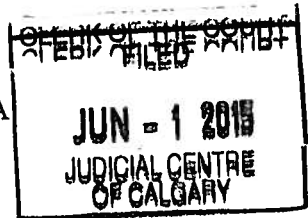


COURT FILE NUMBER: 1401-02489
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF: NATIONAL BANK OF CANADA
DEFENDANTS: COAST RESOURCES LTD., 101033165
SASKATCHEWAN LTD., VIEWFIELD OIL & GAS
LTD. and COAST SERVICES INC.
APPLICANT: FTI CONSULTING CANADA INC., in its capacity as
Court-appointed Receiver and Manager of the assets,
undertakings and property of COAST RESOURCES
LTD., 101033165 SASKATCHEWAN LTD.,
VIEWFIELD OIL & GAS LTD. and COAST
SERVICES INC.



DOCUMENT: **APPLICATION BY FTI CONSULTING CANADA INC., in
its capacity as Court-appointed Receiver and Manager of the
assets, undertakings and property of COAST RESOURCES
LTD., 101033165 SASKATCHEWAN LTD., VIEWFIELD
OIL & GAS LTD. and COAST SERVICES INC.**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION FOR PARTY FILING THIS
DOCUMENT **McDougall Gauley LLP**
1500 – 1881 Scarth Street
Regina, Saskatchewan S4P 4K9
Solicitor: Mr. Michael W. Milani, Q.C.
Telephone: (306) 565-5117
Facsimile: (306) 359-0785
Email: mmilani@mcdougallgauley.com
File Number: 542259-1

NOTICE TO RESPONDENT

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

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

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

Date: Monday, June 8, 2015
Time: 2:00 p.m.
Where: Calgary Courts Centre, 601 – 5 Street S.W., Calgary AB T2P 5P7
Before Whom: The Honourable Madam Justice J. Streckf

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 following Orders:
 - (a) an Order approving the activities of the Receiver since the Date of Appointment, including approving its receipts and disbursements; and
 - (b) an Order authorizing and directing the second interim distribution of funds by the Receiver to National Bank of \$660,000.00 and the retention by the Receiver of the holdbacks of \$207,248.00;

substantially in the form of the Order attached hereto and marked as Schedule "A".

2. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem just and appropriate.

Grounds for making this application:

3. Pursuant to the Order made March 6, 2014 (the "**Receivership Order**") FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") of the assets, undertaking and properties (the "**Property**") of Coast Resources, 1010, Viewfield and Coast Services.
4. Pursuant to the Orders made January 8, 2015 the sale of Property and an interim distribution of sale proceeds were approved by the Court.
5. As described in the Second Report of the Receiver dated May 27, 2015 (the "**Receiver's Second Report**") the proposed utilization and distribution of sale proceeds, are just, appropriate and in the best interests of the administration of the receivership estate and the stakeholders affected thereby.

6. The details of the receipts and disbursements since the Date of Appointment are described in the Receiver's Second Report. As at May 12, 2015 the Receiver held \$867,248.00 in cash on hand. The Receiver is seeking authorization from the Court to distribute \$660,000.00 of that amount.

7. The remaining secured claim of National Bank is approximately \$2,400,070.00. There are also claims in respect of the Remaining Liens.

8. Based on information reviewed by the Receiver and the Receiver's Counsel, the registrations of the Remaining Liens comply with the requirements set out in *The Builders' Lien Act* (Saskatchewan) and the claimants hold valid and subsisting builders' liens.

9. The Receiver has assessed matters and determined that the law is not settled and is evolving, and the priority or entitlement to the amounts received by the Receiver on account of the FHI Working Interest (of approximately \$90,000.00) may require determination by the Court.

10. Such further and other grounds as may appear at the motion.

Material or evidence to be relied on:

11. (a) the pleadings and proceedings had and taken herein;
- (b) this Notice of Application with proof of service;
- (c) the Receiver's Second Report;
- (d) the proposed form of Order attached as Schedule "A" to this Notice of Application;
- (e) the inherent jurisdiction of this Honourable Court to control its own process; and
- (f) such further and other material as counsel may advise and this Honourable Court may allow.

Applicable rules:

12. (a) *Alberta Rules of Court* Rules 6.3(1), 6.9(1)(a), 6.47(e) and (f), 11.27 and 11.29.
- (b) Such further and other Rules as counsel may advise.

Applicable Acts and regulations:

13. (a) The *Judicature Act*, R.S.A. 2000, c J-2, as amended, and in particular section 8 thereof.
- (b) The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and in particular section 243 thereof.
- (c) The *Builders' Lien Act*, S.S. 1984-85-86, c. B-7.1, as amended, and in particular sections 22 and 71 thereof.
- (d) Such further and other Acts and Regulations as counsel may advise.

Any irregularity complained of or objection relied on:

14. None.

How the application is proposed to be heard or considered:

15. Oral argument and the Receiver's Second Report.

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 at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.

SCHEDULE "A"
TO THE NOTICE OF APPLICATION

COURT FILE NUMBER: 1401-02489

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF: NATIONAL BANK OF CANADA

DEFENDANTS: COAST RESOURCES LTD., 101033165
SASKATCHEWAN LTD., VIEWFIELD OIL & GAS
LTD. and COAST SERVICES INC.

APPLICANT: FTI CONSULTING CANADA INC., in its capacity as
Court-appointed Receiver and Manager of the assets,
undertakings and property of COAST RESOURCES
LTD., 101033165 SASKATCHEWAN LTD.,
VIEWFIELD OIL & GAS LTD. and COAST
SERVICES INC.

DOCUMENT: **ORDER RESPECTING ADDITIONAL DISTRIBUTION
AND HOLDBACKS**

ADDRESS FOR SERVICE AND CONTACT INFORMATION FOR PARTY FILING THIS DOCUMENT McDougall Gauley LLP
1500 – 1881 Scarth Street
Regina, Saskatchewan S4P 4K9
Solicitor: Mr. Michael W. Milani, Q.C.
Telephone: (306) 565-5117
Facsimile: (306) 359-0785
Email: mmilani@mcdougallgauley.com
File Number: 542259-1

DATE ON WHICH ORDER WAS PRONOUNCED: June [•], 2015

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice
J. Streckfuss

LOCATION OF HEARING: Calgary, Alberta

FURTHER INTERIM DISTRIBUTION ORDER

UPON THE APPLICATION of counsel to FTI Consulting Canada Inc., in its capacity as Court-appointed receiver and manager (the **"Receiver"**) of the assets, undertaking and properties of Coast Resources Ltd. (**"Coast Resources"**), 101033165 Saskatchewan Ltd. (**"1010"**), Viewfield Oil & Gas Ltd. (**"Viewfield"**) and Coast Services Inc. (**"Coast Services"**), and together with Coast Resources, 1010 and Viewfield, the **"Debtor"**), for an Order approving the interim distribution of funds as outlined in the Receiver's Second Report dated May 27, 2015 (the **"Receiver's Second Report"**);

AND UPON HAVING READ the pleadings and proceedings had and taken herein, and the Affidavit of Service;

AND UPON hearing the submissions of counsel for the Receiver, of counsel for National Bank of Canada, and from any other interested parties who may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the 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 the time for service of this application is abridged to that actually given.
2. All capitalized terms not defined herein shall have the respective meanings ascribed to them in the Receiver's Second Report.
3. The Receiver's statement of receipts and disbursements for the period from the Date of Appointment to May 12, 2015, as set out in the Receiver's Second Report, is hereby approved.
4. The Receiver is hereby authorized and directed to make a distribution of \$660,000.00 to National Bank (the **"Distribution"**), and to retain holdbacks totalling \$207,248.00, as follows:
 - (a) FHI Working Interest (estimated value) - \$90,000;
 - (b) Professional Fees - \$50,000;

(c) Operating and Administrative Expenses - \$35,248; and

(d) GST Payable - \$32,000.

5. The actions taken by the Receiver to date, as reported in the Receiver's Second Report, are hereby approved and ratified.

6. The Receiver is hereby further authorized to take any act and execute any document that may be, in the opinion of the Receiver, necessary to effect the Distribution.

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. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories, and in particular the Province of Saskatchewan, or in the United States to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order as to provide such assistance to the Receiver, as an officer of the 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.

9. 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.

J.C.Q.B.A.