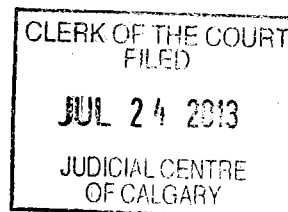


Form 27  
[Rule 6.3 and 10.52(1)]



Clerk's stamp:

COURT FILE NO. 1301-06644  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED  
PLAINTIFF NATIONAL BANK OF CANADA  
DEFENDANTS ARGOSY ENERGY INC. and RADIUS RESOURCES  
CORP.

DOCUMENT **INTERIM DISTRIBUTION APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
BLAKE, CASSELS & GRAYDON LLP  
3500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, AB T2P 4J8  
Attn: Kelly Bourassa/Ryan Zahara  
Telephone: 403-260-9697/9628  
Facsimile: 403-260-9700  
E-mail: kelly.bourassa@blakes.com  
ryan.zahara@blakes.com  
File Ref.: 79294/5

**NOTICE TO RESPONDENT**

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

You have the 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 Wednesday, July 31, 2013  
Time 3:30 p.m.  
Where Calgary Courts Centre, Justice Chambers  
Before Whom 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. FTI Consulting Canada Inc. ("**FTI**"), in its capacity as court-appointed receiver and manager (the "**Receiver**") of Argosy Energy Inc. and Radius Resources Corp. (collectively, the "**Debtors**") seeks an order in the form attached hereto as Schedule "A":
  - (a) abridging the time for service of this application and declaring that this motion is properly returnable today, if necessary, and further service of the application, other than to those listed on the Service List attached hereto as Schedule "B" is hereby dispensed with;
  - (b) authorizing and directing the Receiver to make an interim distribution or distributions to National Bank of Canada (the "**Bank**"); and
  - (c) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

**Grounds for making this application:**

2. The grounds upon which the Receiver relies in making the within Application are as follows:
  - (a) pursuant to an Order granted by this Honourable Court on May 30, 2013 (the "**Receivership Order**"), FTI was appointed as Receiver over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate (the "**Assets**"), including all proceeds thereof, of the Debtors;
  - (b) on May 30, 2013, this Honourable Court authorized and directed the Receiver to finalize an agreement of purchase and sale with Long Term Asset Management Inc. (the "**LTA APA**"), and authorized and directed the Receiver to conclude the transactions contemplated by the LTA APA (the "**LTA Transaction**");
  - (c) on July 3, 2013, the Receiver concluded the LTA Transaction;

- (d) the Bank holds valid and enforceable security over the Assets and their proceeds;  
and
- (e) such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

- 3. The Receiver intends to rely upon the following materials:
  - (a) the Receivership Order;
  - (b) the Receiver's First Report dated July 24, 2013;
  - (c) all previous materials filed in these proceedings to date; and
  - (d) such further and other materials as counsel may advise and this Honourable Court may permit.

**Applicable rules:**

- 4. The Receiver will rely upon and refer to the Alberta *Rules of Court* during the making of the Application.

**Applicable Acts and regulations:**

- 5. The Receiver will rely upon and refer to the following during the making of the Application:
  - (a) the provisions of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

**Any irregularity complained of or objection relied on:**

- 6. None.

**How application is proposed to be heard or considered:**

- 7. Oral submission by counsel at an application in chambers.

**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 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"**

Clerk's stamp:

COURT FILE NO. 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANTS ARGOSY ENERGY INC. and RADIUS RESOURCES  
CORP.

DOCUMENT **INTERIM DISTRIBUTION ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP  
3500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, AB T2P 4J8  
Attn: Kelly Bourassa/Ryan Zahara  
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[ryan.zahara@blakes.com](mailto:ryan.zahara@blakes.com)  
File.: 79294/5

**DATE ON WHICH ORDER WAS PRONOUNCED: July 31, 2013**

**LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers**

**NAME OF JUSTICE WHO MADE THIS ORDER: Justice J. Streckf**

**UPON** the application of FTI Consulting Canada Inc. ("FTI") in its capacity as court-appointed receiver and manager (the "**Receiver**") of Argosy Energy Inc. and Radius Resources Corp. (the "**Debtors**"); **AND UPON** reading the Receiver's First Report dated July 24, 2013 (the "**First Report**"), filed; **AND UPON** hearing counsel for the Receiver, counsel for National Bank of Canada (the "**Bank**"), and counsel for other interested parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Receivership Order granted May 30, 2013 by the Honourable Justice B.E.C. Romaine (the "**Receivership Order**") and the First Report.
2. The various security granted by Argosy to the Bank to secure their obligations pursuant to the demand credit facilities (the "**Argosy Security**") constitute valid and enforceable obligations of Argosy, and are first ranking in priority to all other liens, claims and encumbrances of any kind over the property, assets and undertaking of Argosy, other than (i) the court-ordered charge created under paragraph 17 of the Receivership Order, and (ii) any lien, claim or encumbrance which has arisen or may arise by operation of statute or law to the extent these are determined (by agreement of the Bank or by further order of this Court) to be payable in priority to the Argosy Security.
3. The various security granted by Radius to the Bank to guarantee payment to the Bank of all present and future debts and liabilities of Argosy to the Bank (the "**Radius Security**") constitute valid and enforceable obligations of Radius, and are first ranking in priority to all other liens, claims and encumbrances of any kind over the property, assets and undertaking of Radius, other than (i) the court-ordered charge created under paragraph 17 of the Receivership Order, and (ii) any lien, claim or encumbrance which has arisen or may arise by operation of statute or law to the extent these are determined (by agreement of the Bank or by further order of this Court) to be payable in priority to the Radius Security. The Argosy Security and Radius Security shall be collectively referred to as the "**Security**".
4. There is indebtedness owing by the Debtors to the Bank under the Security of approximately \$21.9 million plus interest and fees accrued to the date of payment in full of such amounts.
5. The Receiver is hereby authorized and directed to make an interim distribution or distributions (the "**Distributions**") to the Bank up to \$4,750,000, as set out in the First Report, subject to any necessary reserves as determined by the Receiver.

6. Service of this Order on the Service List by way of facsimile or electronic transmission shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

---

J.C.C.Q.B.A.

**SCHEDULE "B"**

COURT FILE NUMBER            1301-06644

COURT                            COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT            CALGARY

PLAINTIFF                        NATIONAL BANK OF CANADA

DEFENDANT                       ARGOSY ENERGY INC. and RADIUS RESOURCES CORP.

**SERVICE LIST**  
updated July 23, 2013

<i>Counsel</i>	<i>Telephone</i>	<i>Fax</i>	<i>Counsel For</i>
<b>FTI CONSULTING INC.</b> 1000, 888 – 3rd Street SW Calgary, AB T2P 5C5  <b>DERYCK HELKAA</b> E-mail: <a href="mailto:Deryck.Helkaa@fticonsulting.com">Deryck.Helkaa@fticonsulting.com</a>  <b>DUSTIN OLVER</b> E-mail: <a href="mailto:dustin.olver@FTIconsulting.com">dustin.olver@FTIconsulting.com</a>	   (403) 444-5372  (403) 44-5383	(403) 444-6699	Receiver
<b>BLAKE, CASSELS &amp; GRAYDON LLP</b> 3500, 855 – 2nd Street SW Calgary, AB T2P 4J8  <b>KELLY BOURASSA</b> E-mail: <a href="mailto:kelly.bourassa@blakes.com">kelly.bourassa@blakes.com</a>  <b>RYAN ZAHARA</b> E-mail: <a href="mailto:ryan.zahara@blakes.com">ryan.zahara@blakes.com</a>	   (403) 260-9697	(403) 260-9700	Receiver
<b>McCARTHY TÉTRAULT LLP</b> 3300, 421 – 7 <sup>th</sup> Avenue SW Calgary, AB T2P 4K9  <b>SEAN COLLINS</b> E-mail: <a href="mailto:scollins@mccarthy.ca">scollins@mccarthy.ca</a>  <b>WALKER MacLEOD</b> E-mail: <a href="mailto:wmacleod@mccarthy.ca">wmacleod@mccarthy.ca</a>	   (403) 260-3531  (403) 260-3710	(403) 260-3501	National Bank of Canada
<b>NORTON ROSE CANADA LLP</b> 3700, 400 – 3 <sup>rd</sup> Avenue SW Calgary, AB T2P 4H2  <b>HOWARD GORMAN</b> E-mail: <a href="mailto:howard.gorman@nortonrose.com">howard.gorman@nortonrose.com</a>  <b>KYLE KASHUBA</b> E-mail: <a href="mailto:Kyle.Kashuba@nortonrose.com">Kyle.Kashuba@nortonrose.com</a>	   (403) 267-8144  (403) 267-8399	(403) 264-5973	Argosy Energy Inc.



<p><b>DAVIS LLP</b> 1000, 250 – 2<sup>nd</sup> Street SW Calgary, AB T2P 0C1</p> <p><b>PETER S. JULL Q.C.</b> E-mail: <a href="mailto:pjull@davis.ca">pjull@davis.ca</a></p> <p><b>TREVOR WONG-CHOR</b> E-mail: <a href="mailto:twong-chor@davis.ca">twong-chor@davis.ca</a></p> <p><b>MICHAEL STYCZEN</b> E-mail: <a href="mailto:mstyczen@davis.ca">mstyczen@davis.ca</a></p>	<p>(403) 776-8811</p> <p>(403) 698-8711</p> <p>(403) 698-8703</p>	<p>(403) 776-8855</p>	<p>Long Term Asset Management Inc.</p>
<p><b>FASKEN MARTINEAU</b> 3400, 350 – 7<sup>th</sup> Avenue SW Calgary, AB T2P 3N9</p> <p><b>ARIF CHOWDHURY</b> E-mail: <a href="mailto:achowdhury@fasken.com">achowdhury@fasken.com</a></p>	<p>(403) 261-5379</p>	<p>(403) 261-5351</p>	<p>Rapid Rod Services Ltd.</p>
<p><b>CARSCALLEN LLP</b> 1500, 407 – 2<sup>nd</sup> Street SW Calgary, AB T2P 2Y3</p> <p><b>GLENN BLACKETT</b> E-mail: <a href="mailto:blackett@carscallen.com">blackett@carscallen.com</a></p>	<p>(403) 298-8474</p>	<p>(403) 262-2952</p>	<p>Ensign Drilling Partners</p>
<p><b>SAYER ADVISORS</b></p> <p><b>TOM PAVIC</b> E-mail: <a href="mailto:TPavic@sayeradvisors.com">TPavic@sayeradvisors.com</a></p> <p><b>RYAN FERGUSON YOUNG</b> E-mail: <a href="mailto:RfYoung@sayeradvisors.com">RfYoung@sayeradvisors.com</a></p> <p><b>ALAN TAMBOSSO</b> E-mail: <a href="mailto:ATambosso@sayeradvisors.com">ATambosso@sayeradvisors.com</a></p>			
<p><b>STIKEMAN ELLIOTT LLP</b> 4300, 888 – 3 Street SW Calgary, AB t2P 5C5</p> <p><b>MICHAEL MESTINSEK</b> E-mail: <a href="mailto:mmestinsek@stikeman.com">mmestinsek@stikeman.com</a></p>	<p>(403) 266-9078</p>		
<p><b>ALBERTA ENERGY</b> 9945 – 108 Street Edmonton, Alberta T5K 2G6</p> <p><b>PETER MITTAL</b> E-mail: <a href="mailto:peter.mittal@gov.ab.ca">peter.mittal@gov.ab.ca</a></p>	<p>(780) 427-1848</p>		

<b>SONIC OILFIELD SERVICE LTD.</b> Bay 8, 1771 – 30 <sup>th</sup> Street SW Medicine Hat, AB T1B 3N5	(403) 504-0678	(403) 504-0768	
<b>JACAR ENERGY SERVICES</b> <b>CASCADE ENERGY SERVICES</b> 600, 333 – 11 Ave. SW Calgary, AB T2R 1L9	(403) 213-4721	(403) 213-3364	
<b>T.C. MOBILE VESSELS LTD.</b> 716 – 2 <sup>nd</sup> Ave. E. Brooks, AB T1R 0M9	(403) 362-7945	(403) 362-8003	
<b>FINDLAY SMITH LLP</b> 300, 1550 – 8th Street SW Calgary, AB T2R 1K1  <b>JILL W. WILKIE</b> E-mail: <a href="mailto:jwilkie@findlaysmith.com">jwilkie@findlaysmith.com</a>	(403) 283-1925	(403) 270-8033	Hallmark Tubulars Ltd.