

COURT FILE NUMBER 1501-01523
~~1201~~

COURT COURT OF QUEEN'S BENCH
OF ALBERTA

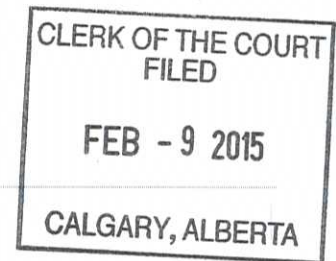
JUDICIAL CENTRE CALGARY

PLAINTIFF(S) NATIONAL BANK OF CANADA

DEFENDANT(S) PALLISER OIL & GAS CORPORATION

DOCUMENT **APPLICATION
(Appoint Receiver)**

Clerk's Stamp



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Norton Rose Fulbright Canada LLP
3700 Devon Tower
400 Third Avenue SW
Calgary, Alberta T2P 4H2
Phone: 403-267-8222
Fax: 403-264-5973
Attention: Howard A. Gorman, Q.C. / Randal Van de Mosselaer
File No. 01124572-0585

NOTICE TO RESPONDENT(S):

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:	February 12, 2015
Time:	2:00 P.M.
Where:	Calgary Courts Centre
Before Whom:	The Honourable Mr. Justice S. J. Lovecchio

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. Abridging, if necessary, the time for service of this application and deeming service good and sufficient.
2. Appointing FTI Consulting Canada Inc. ("FTI") as receiver and manager over the assets, undertakings and property of Palliser Oil & Gas Corporation ("Palliser") on the terms and conditions contained in the draft Receivership Order attached as Schedule A.

3. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may permit.

Grounds for making this application:

4. The National Bank of Canada (the "Bank"), as Lender, provided various secured loans to Palliser as Borrower under various loan agreements. The Loan Agreements, including amendments, include a Commitment Letter dated September 2, 2011 as amended or restated February 2, 2012, May 15, 2012, June 4, 2012, September 11, 2012, October 22, 2012, December 31, 2012, March 27, 2013, May 16, 2013, June 18, 2013, October 29, 2013, and December 17, 2013, providing for a Revolving Operating Demand Loan, an Acquisition Demand Loan, and a Mastercard Facility (collectively, the "**Loan Agreements**").
5. At the request of Palliser, the Bank agreed to enter into a Loan Amending and Extension Forbearance Agreement dated July 29th, 2014, as amended October 31, 2014, November 28, 2014, December 5, 2014, December 12, 2014, December 19, 2014, January 9, 2015, and January 16, 2015 (the "**Forbearance Agreement**");
6. In accordance with the terms of the Loan Agreements, the Bank advanced various loans to Palliser. As at January 27, 2015 and continuing to this date, the total indebtedness of Palliser to the Bank is in excess of \$40,337,542.23 (the "**Indebtedness**").
7. It is an express term of the Loan Agreements that the Indebtedness was repayable on either demand by the Bank or upon an event of default by Palliser.
8. It was an express term of the Forbearance Agreement that the Indebtedness would mature and be repayable, in full, on or before January 26, 2014.
9. Palliser is in default under the terms of the Loan Agreements and the Forbearance Agreement.
10. The Bank issued a Demand and Notice to Palliser pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 on January 27, 2015 but Palliser has failed or neglected to repay the Indebtedness, or any part thereof.
11. It was a term of the Loan Agreements and security that upon default by Palliser, the Bank would be entitled to the appointment of a Court-appointment receiver and manager.
12. The appointment of FTI as receiver and manager or, alternatively as receiver over the assets, undertakings and property of Palliser is just, equitable, convenient and necessary to preserve the Bank's security.
13. FTI has consented to act as receiver and manager or, alternatively, receiver over the assets, undertakings and property of Palliser.
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Materials or evidence to be relied on:

15. All pleadings and proceedings filed herein, including the Affidavit of Elizabeth Pineda sworn February 2, 2015

16. The Consent to Act as Receiver executed by a duly authorized representative of FTI.
17. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

18. Part 6, Division 7, Rule 6.47.

Applicable Acts and regulations:

19. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and, particularly, section 243 thereon, and the *Judicature Act*, R.S.A. 2000, c. J-2, as amended and, particularly, section 13(2) thereof.

Any irregularity complained of or objection relied on:

20. N/A

How the application is proposed to be heard or considered:

21. Oral submissions by counsel at an application in Justice Chambers as scheduled.

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.