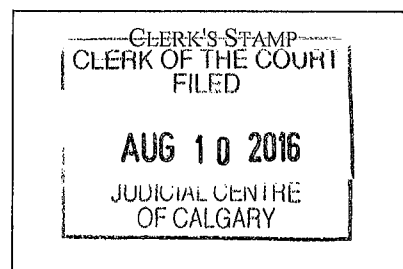


FORM 27
[RULES 6.3 AND 10.52(1)]



COURT FILE NUMBER 1601 – 03113
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF QUICKSILVER RESOURCES
CANADA INC., 0942065 B.C. LTD. and 0942069
B.C. LTD.

DOCUMENT

APPLICATION (Stay Extension)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
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Client File No.: 39944.88

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: Monday, August 15, 2016
Time: 10:00 a.m.
Where: Calgary Courts Centre
601 – 5th Street SW, Calgary AB
Before Whom: The Honourable Mme. Justice B. E. Romaine
on the Commercial List

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

This Application is being made by Quicksilver Canada Resources Inc. ("**QRCI**") and 0942065 B.C. Ltd. ("**LNG Co**" and together with QRCI, the "**Applicants**"). All capitalized terms not otherwise defined in this Order are as defined in the Affidavit of J. David Rushford, sworn March 8, 2016 (the "**Rushford Affidavit No. 1**").

Remedy claimed or sought:

1. If necessary, an Order abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient.
2. An Order further extending the stay of proceedings in this matter *nunc pro tunc*, from August 5, 2016 up to and including September 30, 2016.
3. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem just and appropriate in the circumstances.

Grounds for making this application:

Stay Extension Order

4. On March 8, 2016, the Honourable Mr. Justice D. B. Nixon granted the Initial Order in this Action granting, among other things, a stay of proceedings from the date of the Initial Order up to and including April 7, 2016 (the "**Stay Period**").
5. On April 5, 2016, the Honourable Mr. Justice S. J. LoVecchio granted an Order (the "**First Stay Extension Order**") which, among other things, extended the Stay Period up to and including June 2, 2016.
6. On May 26, 2016, the Honourable Madam Justice K. M. Eidsvik granted an Order (the "**Second Stay Extension Order**") which, among other things, extended the stay period up to and including August 5, 2016.
7. Since the Second Stay Extension Order was granted, the Applicants have taken significant steps to advance these restructuring proceedings, including but not limited to:
 - (a) cooperating with the Monitor to facilitate its monitoring of the Applicants' business and operations;

- (b) closing the sale transactions with respect to all of the substantial assets of the Applicants and working with the purchasers and regulatory bodies on post-closing matters;
 - (c) communicating with the Applicants' primary creditors and stakeholders and their advisors regarding a Plan of Compromise and Arrangement (a "**Plan**") that will allow for the most efficient method of monetizing the assets of the Applicants, determining claims against the Applicants and their directors and officers, and distributing proceeds to creditors;
 - (d) implementing the Claims Procedure approved by the Court on May 26, 2016;
 - (e) on June 28, 2016, making applications to this Honourable Court which resulted in Orders, among other things, appointing Miles Davison LLP as representative ("**Representative Counsel**") for certain terminated employees of the Applicants, authorizing the bankrupting of Makarios Midstream Inc. ("**MMI**") and dealing in an orderly fashion, with various licences related to the British Columbia oil and gas business conducted by the Applicants and MMI;
 - (f) working with the Monitor to assess the claims submitted pursuant to the Claims Procedure and working with the Monitor and various creditors, including Representative Counsel, to seek to efficiently resolve all disputes items regarding creditors' claims against the Applicants; and
 - (g) continuing to operate and manage the Applicants' business in the ordinary course, subject to the terms of the Initial Order.
8. The Applicants are working in good faith and with due diligence in these proceedings, it is in the best interest of the Applicants and all of their stakeholders that the Stay Period be extended up to and including September 30, 2016 (the "**Third Stay Extension**"), and it is appropriate in the circumstances to so order.
9. It is anticipated that by the end of the Third Stay Extension, the Applicants will be able to finalize the Plan, seek the approval of this Honourable Court to call meetings of the

Applicants' creditors to vote on the Plan, and possibly even apply for sanction of the Plan (should the Plan be approved by the requisite majorities of the Applicants' creditors).

10. The Applicants will have sufficient cash on hand to fund their operations and these proceedings during the Third Stay Extension.
11. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

12. The pleadings and proceedings filed in the within action, including the Initial Order and the Affidavit of Bob McGregor, sworn August 10, 2016.
13. The Monitor's Sixth Report, to be filed.
14. The inherent jurisdiction of this Honourable Court.
15. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

16. None.

Applicable Acts and regulations:

17. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Any irregularity complained of or objection relied on:

18. None.

How the application is proposed to be heard or considered:

19. In person, with the Applicants and any interested parties present before the Honourable Madam Justice B. E. Romaine in Commercial List Chambers on August 15, 2016.

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.