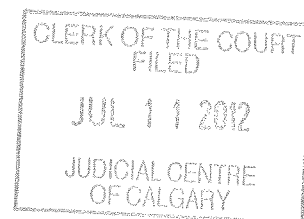


Form 27
[Rule 6.3 and 10.52(1)]



Clerk's stamp:

COURT FILE NO. 1201-07521
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT TRAFINA ENERGY LTD.
DOCUMENT **APPLICATION RE: SALE APPROVAL**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa
Telephone/Facsimile: 403-260-9697/403-260-9700
E-mail: kelly.bourassa @blakes.com
File Ref.: 79294/3

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 Monday, July 16, 2012
Time 11:00 a.m.
Where Calgary Courts Centre, Justice Chambers
Before Whom Honourable Justice 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., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Trafina Energy Ltd. (“**Trafina**”) seeks an order in the form attached hereto as Schedule “B”:
 - (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 “A” is hereby dispensed with;
 - (b) approving the sale of the Assets, as defined in the asset purchase and sale agreement dated July 11, 2012 (the “**Sale Agreement**”), between the Receiver and Quattro Exploration and Production Ltd. (the “**Purchaser**”) on the terms set forth in the Sale Agreement, and in accordance with sub-paragraphs 3(l)(ii) and 3(m) of the receivership order granted on June 13, 2012 by the Honourable Justice K.M. Eidsvik (the “**Receivership Order**”) in these proceedings;
 - (c) vesting in the Purchaser all of Trafina’s right, title and interest, free and clear of all liens and encumbrances (except the Permitted Encumbrances as defined in the Sale Agreement), in and to the Assets;
 - (d) approving the Amended and Restated Receivership Order in the form attached hereto as Schedule “C”; and
 - (e) 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) prior to the commencement of these receivership proceedings Trafina completed a marketing process of the Assets;

- (b) as a result of these efforts, the Purchaser submitted an offer to purchase the Assets (the “**Pre-Receivership Offer**”), but was unable to close the Pre-Receivership Offer due to operational issues;
- (c) as a result of the operational issues and the granting of the Receivership Order, the Pre-Receivership Offer was terminated;
- (d) following the granting of the Receivership Order, the Purchaser contacted the Receiver and advised that it remained interested acquiring the Assets;
- (e) after completing additional due diligence, the Purchaser submitted an offer to the Receiver for the Assets (the “**Post-Receivership Offer**”);
- (f) the Receiver and the Purchaser executed the Sale Agreement with respect to the Post-Receivership Offer subject only to Court approval;
- (g) Trafina's marketing efforts of the Assets prior to the Receivership were lengthy and thorough;
- (h) the Purchase Price (as defined in the Sale Agreement) represents the best realizable value that could reasonably be obtained for the Assets in the present circumstances;
- (i) the Receivership Order inadvertently references section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) rather than section 243 of the BIA; and
- (j) 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, filed;
- (b) the Receiver’s First Report dated July 11, 2012, filed; and

- (c) 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"

COURT FILE NUMBER

1201-07521

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT

CALGARY

PLAINTIFF

NATIONAL BANK OF CANADA

DEFENDANT

TRAFINA ENERGY LTD.

SERVICE LIST

<i>Counsel</i>	<i>Telephone</i>	<i>Fax</i>	<i>Counsel For</i>
BURNET DUCKWORTH & PALMER LLP 2400, 525 – 8 th Ave. SW Calgary, AB T2P 1G1 DOUGLAS S. NISHIMURA E-mail: dsn@bdplaw.com	(403) 260-0269	(403) 260-0332	National Bank of Canada
NORTON ROSE LLP 3700, 400 Third Avenue SW Calgary, AB T2P 4H2 RANDAL S. VAN DE MOSSELAER E-mail : randal.vandemosselaer@nortonrose.com	(403) 267-8196	(403) 264-5973	Trafina Energy Ltd.
FTI Consulting Inc. 1000, 888 – 3 rd Street SW Calgary, AB T2P 5C5 DERYCK HELKAA E-mail: deryck.helkaa@fticonsulting.com	(403) 444-5372	(403) 444-6758	Court-appointed Receiver
BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2 nd Street SW Calgary, AB T2P 4J8 KELLY J. BOURASSA E-mail: kelly.bourassa@blakes.com	(403) 260-9697	(403) 269-9700	Receiver
MacPHERSON LESLIE & TYLERMAN 1500 Saskatoon Square 410 – 22 nd Street East Saskatoon, SK S7K 5T6 JEFFREY M. LEE E-mail: jmlee@mlt.com	(306) 975-7136	(306) 975-7145	Saskatchewan counsel to Receiver

CARSCALLLEN LLP 1500, 407 – 2 nd Street SW Calgary, AB T2P 2Y3 GLENN BLACKETT E-mail: blackett@carscallen.com	(403) 298-8474	(403) 262-2952	Ensign Drilling Partnership
TINGLEMERRETT LLP 1250 Standard Life Building 639 - 5 th Ave. S.W. Calgary, AB T2P 0M9 SCOTT REEVES E-mail: sreeves@tinglemerrett.com	(403) 571-8015	(403) 571-8008	Quattro Exploration Production Ltd.
SASKATCHEWAN MINISTRY OF ENERGY AND RESOURCES Petroleum Development Branch Energy & Resources 300, 2103 – 11 th Avenue Regina, SK S4P 3Z8 TOM COLERIDGE E-mail: tom.coleridge@gov.sk.ca	(306) 798-3083	(306) 787-2478	

SCHEDULE "B"

Clerk's stamp:

COURT FILE NO. 1201-07521
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT TRAFINA ENERGY LTD.
DOCUMENT **SALE APPROVAL AND VESTING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa
Telephone/Facsimile: 403-260-9697/403-260-9700
E-mail: kelly.bourassa@blakes.com
File.: 79294/3

DATE ON WHICH ORDER WAS PRONOUNCED: July 16, 2012

LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Streckfuss

UPON the application of FTI Consulting Canada Inc. (“**FTI**”) in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Trafina Energy Ltd. (“**Trafina**”) **AND UPON** reading the Receiver’s First Report dated July 11, 2012 (the “**First Report**”), filed, the Asset Purchase and Sale Agreement dated July 11, 2012 (the “**Sale Agreement**”) between the Receiver and Quattro Exploration and Production Ltd. (the “**Purchaser**”) and the Affidavit of Service of [•] sworn July [•], 2012, filed; **AND UPON** hearing counsel for the Receiver, counsel for National Bank of Canada, counsel for the Purchaser, and counsel for other interested parties; **AND UPON** it appearing that the Sale Agreement represents the best realizable value for the Assets (as defined below) in the present circumstances;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the Application and materials in support thereof be and is hereby abridged to the date of actual service and that service be and is hereby approved, the Application is properly returnable today and all parties entitled to notice of this Application have been properly served and further service is hereby dispensed with.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report and the Sale Agreement, as applicable.
3. The Sale Agreement and the transaction contemplated therein (the “**Transaction**”) pursuant to which the Purchaser has agreed to purchase from the Receiver all of Trafina’s right, title and interest (whether absolute or contingent, legal or beneficial), if any, in and to the Assets, be and is hereby approved.
4. Approval is hereby granted to the Receiver and the Receiver is hereby authorized and directed to proceed with the Transaction and in particular, the sale by the Receiver to the Purchaser of all of Trafina’s right, title and interest in and to the Assets, and to take all steps necessary to complete the Transaction and, for greater certainty, the sale of the Assets is also approved pursuant to paragraphs 3(l)(ii) and 3(m) of the Receivership Order.
5. Upon Closing of the Transaction, all of the right, title, interest, estate and equity of redemption of Trafina, and any parties claiming through it in and to the Assets will be extinguished and all of Trafina’s right, title and interest in and to the Assets, including the legal and beneficial ownership of title to the Assets, shall, without further instrument of transfer or assignment, vest absolutely and forever in the Purchaser in accordance with and as contemplated by the Sale Agreement, free and clear of and from any and all estate, right, title, interest, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes (including any unpaid property taxes in respect of the Assets), judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances, or other rights, limitations or restrictions of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever including, without limitation, any rights or interests of

any creditors of Trafina whether or not any of the foregoing have attached or been perfected, registered or filed, whether secured, unsecured or otherwise, whether liquidated, unliquidated or contingent (collectively, the “**Claims**”) and, for greater certainty, this Court orders that all of the Claims, except for Permitted Encumbrances, as set forth in Schedule “A” hereto, affecting or relating to Trafina’s right, title and interest in the Assets are hereby expunged and discharged as against the Assets.

6. The Purchaser shall, by virtue of the completion of the transaction, have no liability of any kind whatsoever to any persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the “**Claimants**”), in respect of any Claims any of the Claimants may have against Trafina.
7. Other than a certified copy of this Order and a letter from Blake, Cassels & Graydon LLP, counsel to the Receiver, authorising the use of this Order (the “**Authorisation Letter**”), no further authorisation or approval or other action by any governmental authority or regulatory body exercising jurisdiction over the Assets shall be required for the Closing and post-Closing implementation of the transaction contemplated in the Sale Agreement.
8. The Receiver is authorised and directed to deliver to the Purchaser at Closing a general conveyance and post-Closing such specific conveyances, as the Purchaser, acting reasonably, determines necessary to convey the Assets, signed by the Receiver in the manner provided for in Paragraph 10 of this Order, and upon filing of a certified copy of this Order and the Authorisation Letter, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Assets to the Purchaser except for Permitted Encumbrances. Without limiting the foregoing:

- (a) the Ministry of Energy and Resources for Saskatchewan acting pursuant to sections 101(2), 113 and 114 of the *Petroleum and Natural Gas Regulation*, S.R. 8/69, as amended and sections 51 and 60 of the *Builders' Lien Act*, R.S.S. 1985, c B-7.1, as amended, is hereby directed to cancel and discharge the claims registered against the estate or interest of Trafina in and to the Assets located in the Province of Saskatchewan except for those Permitted Encumbrances identified in Schedule "A" to this Order. For further certainty, the Minister of Energy and Resources shall not cancel and discharge the registration of such builders' liens, security interests or builders' lien statements registered against estates or interests other than the estate or interest of Trafina.
9. The net proceeds of the sale of the Assets shall stand in the place and stead of the Assets and all Claims not identified as Permitted Encumbrances shall, to the extent that they are not paid from the net sale proceeds or otherwise, cease to be attached to or encumber or otherwise form a lien or a claim against the Assets and shall attach to the net sale proceeds with the same validity, priority and in the same amounts, and subject to the same defences, that existed when the Claims attached to the Assets.
10. Any transfers, assignments, or other conveyances in respect of the Assets to be registered at any Land Titles Office, the Saskatchewan Ministry of Energy and Resources or any other government agency, shall be deemed to be validly executed if signed in the following manner:
- FTI Consulting Canada Inc., in its capacity as
Receiver and Manager of Trafina Energy Ltd.,
and not in its personal capacity.
- Per: _____
11. The Purchase Price represents the best possible and realizable value for the Assets in the present circumstances.
12. All of the interest, right, title, estate and equity of redemption of Trafina and any persons claiming by, through or under Trafina or the Receiver in and to the Assets, will upon the closing of the Transaction contemplated in the Sale Agreement, be fully and finally extinguished.

13. Notwithstanding the pendency of these proceedings and the provisions of any federal or provincial statutes neither the Sale Agreement nor the Transaction contemplated thereby will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
14. In completing the Transaction subject to the terms and conditions of the Sale Agreement, the Receiver is further authorized:
 - (a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transaction as the Receiver, in its discretion, may deem reasonably necessary or advisable to conclude the Transaction or in furtherance of this Order;
 - (b) to enter into such amendments to the Sale Agreement which are not material, whereupon any reference in this Order to the Sale Agreement shall be and include a reference to the Sale Agreement as amended; and
 - (c) to take such steps as are necessary or incidental to the performance of its obligations pursuant to the Sale Agreement, including to make any necessary post-closing adjustments as may be required.
15. The Receiver shall be at liberty from time to time to apply to this Court for advice and directions with respect to the Sale Agreement and the Transaction. The Receiver shall be authorized and empowered to apply, upon such notice, if any, as it may consider necessary or desirable, to this Court to make such orders and provide such other aid and assistance to the Receiver, as this Court may deem necessary or appropriate.
16. To the extent necessary, this Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, and in particular the Court of Queen's Bench of Saskatchewan, 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 orders and to provide such assistance to the Receiver, as an officer of this 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.

17. Service of this Order 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.Q.B.A.

Schedule "A"
Permitted Encumbrances

General Encumbrances

- (a) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule A.1 to the Sale Agreement;
- (b) any Right of First Refusal or any similar restriction applicable to any of the Assets;
- (c) the terms and provisions of the Title and Operating Documents;
- (d) any deed or agreement under which Trafina holds any interest relating to the Lands or the Leases in trust for any Person;
- (e) all obligations under the AFEs and the Major Agreements outstanding on, as and from the Effective Date;
- (f) the terms and conditions of the Leases, including, without limitation, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Leases in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantee's interest in any of the Leases;
- (g) the right reserved to or vested in any grantor, government or other public authority by the term of any Lease or by the Regulations to terminate any Lease;
- (h) easements, rights of way, servitudes or other similar rights in land, including without in any way limiting the generality of the foregoing, rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (i) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets, but excluding all such taxes incurred up to the Effective Date that have not been paid;
- (j) agreements for the sale, processing, transportation or marketing of Petroleum Substances, which are terminable on thirty (30) days notice (without an early termination penalty or other cost);
- (k) any authority under the Regulations and any rights reserved to or vested in any municipality or Governmental Authority to control or regulate any of the Assets in any manner;

- (l) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Trafina's share of the costs and expenses thereof which are not due or delinquent on the Effective Date or, if then due or delinquent, are being contested in good faith by the Vendor on the Effective Date;
- (m) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (n) agreements and plans relating to pooling or unitization of any of the Lands;
- (o) the Major Agreements or agreements respecting the operation of Wells by contract field operators;
- (p) provisions for penalties and forfeitures under agreements as a consequence of nonparticipation in operations; and
- (q) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets;

SCHEDULE "C"

COURT FILE NUMBER
COURT
JUDICIAL CENTRE
PLAINTIFF(S)
DEFENDANT(S)

COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY
NATIONAL BANK OF CANADA
TRAFINA ENERGY LTD.

Clerk's Stamp:

DOCUMENT

AMENDED AND RESTATED RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
1200, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: Trevor Batty
Phone Number: (403) 260-0263
Fax Number: (403) 260-0332
Email Address: tbatty@bdplaw.com
File No. 66197-23

DATE ON WHICH ORDER WAS PRONOUNCED: ~~June 13, 2011~~ July 16, 2012

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUSTICE WHO MADE THIS ORDER: Justice ~~K.M.J. Eidsvik~~ Strekauf

CONSENT RECEIVERSHIP ORDER

UPON the joint application of National Bank of Canada ("NBC") in respect of Trafina Energy Ltd. ("Trafina") and FTI Consulting Canada Inc. in its capacity as receiver and manager ("Receiver") of Trafina to amend the Order granted by Justice K.M. Eidsvik (the "Receivership Order") on June 13, 2012 (and dated June 13, 2011); AND UPON having read the Application, the Affidavit of Elizabeth Pineda, sworn June 12, 2012, filed; AND UPON reading the consent of FTI Consulting Canada Inc. ("FTI") to act as receiver and manager ("Receiver") of Trafina, the Receivership Order, and the Receiver's First Report dated July 11, 2012, filed; AND UPON hearing counsel for NBC, the Receiver and other interested parties; AND UPON noting the consent of counsel for Trafina; IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant Effective June 13, 2012 and pursuant to section 47243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), and sections 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, 99(a) of the *Business Corporations Act*, R.S.A. 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c.P-7, FTI is hereby appointed Receiver, without security, of all of Trafina' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of Trafina, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of Trafina;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a

temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Trafina or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Trafina and to exercise all remedies of Trafina in collecting such monies, including, without limitation, to enforce any security held by Trafina;
- (g) to settle, extend or compromise any indebtedness owing to or by Trafina;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of Trafina, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Trafina;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to Trafina, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court.
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of Trafina;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Trafina, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Trafina;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Trafina may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including Trafina, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) Trafina, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of Trafina, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and

all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a “Proceeding”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST TRAFINA OF THE PROPERTY

8. No Proceeding against or in respect of Trafina or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of Trafina or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against Trafina, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or Trafina to carry on any business which Trafina are not lawfully entitled to carry on, (ii) exempt the Receiver or Trafina from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Trafina, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an “eligible financial contract” (as defined in section ~~11.1(1)~~2 of the

~~Companies' Creditors Arrangement Act~~(BIA) with Trafina from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with Trafina or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to Trafina are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of Trafina' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of Trafina or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to employees' rights to terminate their employment, all employees of Trafina shall remain the employees of Trafina until such time as the Receiver, on Trafina' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by Trafina, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property,

the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

A. complies with the order, or

B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by Section 14.06 of the BIA or any other applicable legislation.

RECEIVER'S ACCOUNTS

16. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its

accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

17. The Receiver and its legal counsel shall pass their accounts from time to time.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

19. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.
20. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
21. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
22. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof

shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

23. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

24. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
25. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of Trafina.
26. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 orders and to provide such assistance to the Receiver, as an officer of this 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.
27. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
28. The Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from Trafina' estate with such priority and at such time as this Court may determine.
29. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

~~CONSENTED TO June 13, 2012~~

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

~~Norton Rose LLP, counsel for Trafina Energy Ltd.~~

Per: _____

— Randall van De Mosselaer

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____
 AMOUNT \$ _____

1. THIS IS TO CERTIFY that _____, the receiver and manager (the "Receiver") of all of the assets, undertakings and properties of _____ appointed by Order of the Court of Queen's Bench of Alberta, (the "Court") dated the ____ day of June, 2012 (the "Order") made in action number _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at *.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, _____.

_____, solely in its capacity
as Receiver of the Property (as defined in the
Order), and not in its personal capacity

Per: _____

Name:

Title:

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