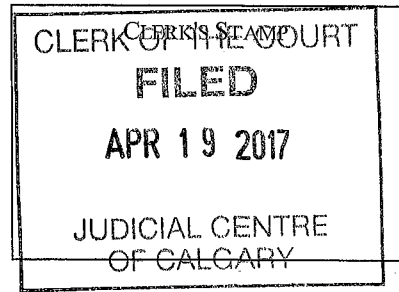


FORM 49  
[RULE 13.19]



COURT FILE NUMBER 1601-11552

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT **NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED JANUARY 15, 2016, AS AMENDED**

RESPONDENT **TWIN BUTTE ENERGY LTD.**

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
855, 4500 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Alexis Teasdale  
Telephone No.: 403-298-4485 / 3067  
Fax No.: 403-265-7219  
Client File No.: 76739.1

**AFFIDAVIT OF MIKE MAGUIRE**

**Sworn on April 19, 2017**

I, Mike Maguire, of Sainte-Marie, Quebec, SWEAR AND SAY THAT:

1. I am a private investor and President of Gestion Mike Maguire Inc. I hold a total of \$1,290,000 of the 6.25% Convertible Unsecured Subordinated Debentures due December 31, 2018 (the "**Debentures**") issued by Twin Butte Energy Ltd. ("**Twin Butte**"), with \$891,000 being held by Gestion Mike Maguire Inc., a company owned wholly by me. The remaining \$399,000 is held by me personally. As such, I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on

information and belief, in which case I verily believe the same to be true. I am authorized by the other members of the *Ad Hoc* Committee (defined below) to swear this Affidavit.

### **THE *AD HOC* COMMITTEE**

2. Along with Murray Bockhold, Daniel Shapiro, John Benneke, Eric Do Couto, Lee Goldman, Bill Tribe and Jacques Courtois, I have acted as part of an *Ad Hoc* Committee of registered and beneficial holders of the Debentures (the "***Ad Hoc* Committee**"). Currently, the *Ad Hoc* Committee represents approximately 24% of all holders of the Debentures ("**Debentureholders**").
3. The genesis of the *Ad Hoc* Committee was when an independent group of Canadian private investors, fund managers and investment advisors wanted to organize to oppose the proposed transaction between Twin Butte and Reignwood Resources Holding Pte. Ltd. ("**Reignwood**") that was announced by Twin Butte on June 24, 2016 (the "**Reignwood Transaction**"), which Twin Butte sought to implement by way of a Plan of Arrangement under the *Canada Business Corporations Act* ("**CBCA**"). A true copy of the June 24, 2016 Press Release in which Twin Butte announced the Reignwood Transaction is attached as **Exhibit "1"** to this Affidavit.

### **THE *AD HOC* COMMITTEE'S OPPOSITION OF THE REIGNWOOD TRANSACTION**

4. The Reignwood Transaction offered cash consideration to Debentureholders in the amount of \$140 per \$1,000 principal amount of Debentures, plus accrued and unpaid interest and cash consideration of \$0.06 per share to all of the outstanding common shareholders of Twin Butte. The cash amount (an aggregate sum of \$11.9 million) being offered to Debentureholders represented a very significant discount (approximately 86%) off the \$85 million face value of the Debentures, and was in fact less than the cash amount of \$21 million being offered to Twin Butte's shareholders and management, in their capacity as shareholders (Twin Butte management held various shares and share award entitlements). The *Ad Hoc* Committee considered the Reignwood Transaction to be unfair to Debentureholders, and also contrary to the fundamental principle that shareholders rank behind creditors.

5. The group of concerned Debentureholders and representatives that ultimately became the *Ad Hoc* Committee started to grow from 3.8% of Debentures on or about July 6, 2016, the date of a news article published in Bloomberg regarding Twin Butte and the Reignwood Transaction, to approximately 24% today, as more Debentureholders inquired about the group over time. When the *Ad Hoc* Committee reached critical mass of over 10% of Debentures in the summer of 2016, it requested quotes from law firms and investment banks to support its efforts to try to oppose the Reignwood Transaction, or seek other alternatives that would offer fair consideration to Debentureholders. A true copy of the July 6, 2016 Bloomberg article is attached as **Exhibit "2"** to this Affidavit.
  
6. Despite the potentially high costs of obtaining professional help, it became obvious to our small unrelated group of advisors and retail investors (with members across the country, from Quebec to British Columbia), that we would not be able to negotiate with Twin Butte, its financial advisor, bidder or its banks, without formal representation. The group also determined that engaging a firm based in Calgary would be preferable. Our communications with Twin Butte management indicated a refusal by them to look at any option other than the Reignwood Transaction, even though it seemed that proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**") could be available to Twin Butte. The consistent message that Twin Butte seemed to be delivering was that Debentureholders had to take what they were offered in the CBCA arrangement, or they would receive zero in a receivership. Twin Butte's representatives also suggested that if the CBCA arrangement failed, Twin Butte's management would resign, and the company would be rudderless entering receivership and would therefore be of little value. As it turned out, most if not all employees remained to work for the business after the appointment of the Receiver, even the CEO who resigned but was retained by the Receiver as a consultant on an as-needed basis. I am informed by Macquarie Capital (as defined below) and believe that the former CEO of Twin Butte is becoming leader of Long Run Exploration Ltd., an entity related to the new owner of Twin Butte, and that the former COO of Twin Butte has been or will be hired to run the new owner of Twin Butte.
  
7. On or about July 15, 2016 the *Ad Hoc* Committee retained Macquarie Capital Markets Canada Ltd. ("**Macquarie Capital**") and members began signing engagement letters

with Macquarie Capital on July 19. The *Ad Hoc* Committee was impressed with Macquarie Capital's credentials and expertise and retained Macquarie Capital principally due to:

- (a) Macquarie Capital's depth of knowledge of the Canadian oil & gas landscape and its players;
  - (b) Macquarie Capital's involvement as financial advisor of Long Run Exploration Ltd. which had consummated a transaction by way of a CBCA Plan of Arrangement in late June 2016, in which Long Run had also offered compensation to its shareholders and less than par to its debentureholders. However, it was a significantly superior return (cash consideration of \$750 per \$1,000 principal amount of debentures, plus accrued and unpaid interest, and with a 257% premium offered to debtholders and a 215% premium offered to shareholders) compared to the Reignwood Transaction being proposed by Twin Butte; and
  - (c) Macquarie Capital's fee structure was based entirely on performance, such that the mandate would yield a fee to Macquarie Capital only if the final transaction or proceeds to Debentureholders exceeded the value being offered by Twin Butte via the Reignwood Transaction. This was very important to our group, because it is comprised of retail investors and their representatives. We were not in a position to fund large upfront fees to obtain the expertise of a top financial advisor like Macquarie Capital.
8. Attached as **Confidential Exhibits "3"** and **"4"** to this Affidavit are copies of the standard forms of the engagement letters entered into between the *Ad Hoc* Committee and Macquarie Capital, which contain commercially sensitive information, and the terms of which are required to be kept confidential. The *Ad Hoc* Committee will seek to have Confidential Exhibits "3" and "4" sealed on the Court file.
9. To successfully carry out the work necessary to oppose the Reignwood Transaction, the *Ad Hoc Committee* also required legal representation. The *Ad Hoc* Committee engaged Bennett Jones LLP ("**Bennett Jones**") as legal counsel, on the advice of Macquarie

Capital. Attached as **Exhibit "5"** to this Affidavit is a copy of the form of the engagement letter entered into between the members of the *Ad Hoc* Committee and Bennett Jones. Members of the *Ad Hoc* Committee personally funded, on a *pro rata* basis, a \$40,000 retainer for Bennett Jones.

10. Based on both my own personal knowledge and information from Murray Bockhold and other members of the *Ad Hoc* Committee, I believe that the *Ad Hoc* Committee, with the assistance of Macquarie Capital and Bennett Jones, took the following steps to oppose the Reignwood Transaction:
  - (a) held discussions with the Twin Butte Special Committee to seek to have them revise their offer to Debentureholders, to explore other proposals and to agree to commission a fairness opinion for Debentureholders;
  - (b) received calls from Debentureholders and discussed the particulars of the Reignwood Transaction;
  - (c) reviewed the economics of the proposed Reignwood Transaction in the context of comparable transactions to demonstrate why the value provided to Debentureholders was not fair based on market precedents;
  - (d) held discussions with Twin Butte's lenders regarding the possibility of an alternative pre-packaged transaction to be implemented pursuant to the CCAA;
  - (e) had discussions with Twin Butte's financial advisor Peters & Co., to seek to have them re-auction Twin Butte's assets because energy prices had increased since the assets were last marketed; and
  - (f) had discussions with Reignwood's advisors.
  
11. On August 9, 2016, the day before the vote on the proposed CBCA arrangement, Twin Butte announced that it had engaged Canaccord Genuity Corp. ("**Canaccord**") as a financial advisor and Canaccord had provided the board of directors of Twin Butte with a fairness opinion indicating that the consideration was fair, from a financial point of view, to Debentureholders. Twin Butte also announced that it would postpone to August 29,

2016 the meeting of securityholders to vote on the unaltered CBCA arrangement (despite the fact that, as I am advised by Macquarie Capital and believe, Twin Butte's banking syndicate (the "**Banking Syndicate**") advised Macquarie Capital that it would not consent to an extension). Attached as **Exhibit "6"** to this Affidavit is a true copy of Twin Butte's August 9, 2016 Press Release.

12. The *Ad Hoc* Committee strongly disagreed with the conclusion of the fairness opinion and believed that the fairness opinion did not address the concerns inherent in the offer to Debentureholders. Further, the *Ad Hoc* Committee believed the opinion was qualified and also questioned why it was furnished by Canaccord instead of Peters & Co., as would have been customary, given that Peters & Co. provided the shareholder fairness opinion. The *Ad Hoc* Committee outlined these concerns in its August 24, 2016 Press Release, which is attached as **Exhibit "7"** to this Affidavit. Among other things, the fairness opinion did not address the relative merits of the Arrangement "as compared to other arrangements or business strategies that might be available to Twin Butte" nor did it address "the underlying business decision to enter into the Arrangement Agreement". The *Ad Hoc* Committee strongly believed that other alternative superior transactions were available, including remarketing Twin Butte's assets in the improved energy pricing environment.
13. The *Ad Hoc* Committee, with the assistance of Macquarie Capital, tried to engage with Twin Butte's Special Committee, its banking syndicate (the "**Banking Syndicate**") and Reignwood after the August 10 vote was postponed, to try to find a solution to the impasse, as we believed that Twin Butte was postponing the vote because it had early indications that the Debentureholders would vote to defeat the CBCA arrangement. With no change to Twin Butte's original offer, the likelihood of a "no" vote on August 29 appeared more likely.
14. As noted above, the *Ad Hoc* Committee believed that Twin Butte's assets were worth more than was being offered in the Reignwood Transaction. Business conditions for Twin Butte had improved as energy prices had recovered significantly since the early part of 2016, and since the time when Twin Butte had agreed to the Reignwood Transaction. The *Ad Hoc* Committee started to contemplate a pre-packaged CCAA or recapitalization

proposal for Twin Butte, which was cash flow positive per its second quarter financial statements published on August 11, 2016.

15. At the request of Macquarie Capital and the *Ad Hoc* Committee, a meeting was held with the members of Twin Butte's Special Committee on August 16, 2016 at the offices of Burnet, Duckworth & Palmer LLP ("**BDP**"), Twin Butte's legal counsel. In attendance and representing Twin Butte were Jim Brown, John Brussa and Warren Steckley. On behalf of the *Ad Hoc* Committee were Murray Bockhold of Bockhold Investment Management Group and Sandy Edmonstone from Macquarie Capital. I am informed by Murray Bockhold and believe that:

- (a) he and Mr. Edmonstone advised the Special Committee that the *Ad Hoc* Committee had secured enough votes to ensure the Reignwood Transaction would be voted down by Debentureholders and that he and Mr. Edmonstone had an alternative proposal for the Special Committee to consider;
- (b) he and Mr. Edmonstone discussed a proposal consisting of DIP financing together with a debt equity swap and a concurrent \$30 million equity injection by way of a rights offering;
- (c) he and Mr. Edmonstone advised the Special Committee that, should it be required, we had a buyer for roughly 10% of Twin Butte's production that would enable bank debt to be paid down by roughly 25%;
- (d) when asked if they would participate in a rights offering, all three Special Committee members replied "yes" and acknowledged this was a viable alternative worth pursuing in the event the Debentureholders voted "no" on August 29;
- (e) the Special Committee members agreed to meet Mr. Bockhold and Mr. Edmonstone after the vote to pursue this alternative further under a CCAA filing; and that
- (f) he and Sandy Edmonstone also discussed an alternative split of the consideration from the proposed transaction whereby Debentureholders would convert their

debt holdings at the equity offer price and realize a greater share of the total consideration as a result.

16. On August 25, 2016, Twin Butte responded to the *Ad Hoc* Committee press release of August 24, 2016 stating among other things that "A proposal to convert debentureholders into equity shares was provided by Mr. Bockhold [a member of the *Ad Hoc* Committee] and Mr. Edmonstone [of Macquarie Capital] to Reignwood's advisors and they have informed Twin Butte that they will not entertain such proposal. In fact, Reignwood is firm that there will be no changes to their current offer." A true copy of Twin Butte's Press Release is attached as **Exhibit "8"** to this Affidavit .
17. Despite this entrenchment by Twin Butte, the *Ad Hoc* Committee continued looking for alternatives that would benefit all Debentureholders including an alternative transaction proposal that was submitted to Twin Butte for review on the morning of the postponed vote on the Reignwood Transaction, August 29, 2016.
18. I am advised by Macquarie Capital and believe that on August 25, 2016, John Brussa informed Sandy Edmonstone that there was insufficient Debentureholder support to pass Twin Butte's CBCA arrangement. I am further advised by Macquarie Capital and believe that John Brussa further indicated that Murray D'Angelo of National Bank, the Administrative Agent of the Banking Syndicate, had offered to arrange for the payment of the legal and financial advisory costs of the *Ad Hoc* Committee if its members voted in support of the CBCA arrangement.
19. On August 29, 2016, the Debentureholders voted on Twin Butte's CBCA arrangement, with 68% voting against. As a result, Twin Butte's CBCA arrangement failed. Attached as **Exhibit "9"** to this Affidavit is a copy of Twin Butte's Press Release announcing the defeat of the CBCA arrangement.
20. I am informed by Mr. Bockhold and believe that further to the understanding reached at the August 16, 2016 meeting between Mr. Bockhold, Mr. Edmonstone, and the Twin Butte Special Committee, a meeting was held with Twin Butte's Special Committee immediately following the adjournment of the vote. Mr. Bockhold has further informed me that in addition to the original participants, there was Chase Edgelow from Macquarie



Capital, Juliamai Giffen from Bennett Jones, Fred Davidson of BDP and Rob Wollman, President and CEO of Twin Butte. Macquarie Capital and the *Ad Hoc* Committee presented the same proposal and recapitalization plan, including a DIP financing term sheet and re-confirmed their commitment and support for a CCAA filing. Mr. Bockhold has informed me that quite unexpectedly, and contrary to their statements on August 16, the feedback from Twin Butte and their counsel was that the Banking Syndicate would not support such a plan. Mr. Bockhold has further informed me that parties in attendance on behalf of the *Ad Hoc* Committee were reminded of their fiduciary duties to all stakeholders and that CCAA provided Twin Butte with a "win-win" path for all participants.

21. On August 30, 2016, the *Ad Hoc* Committee made public its proposal and recapitalization plan, to have Twin Butte file for CCAA protection, convert the Debentures into shares to reduce debt, raise capital and potentially proceed with select sales of assets for which Macquarie Capital was aware of strong market interest. Attached as **Exhibit "10"** to this Affidavit is a true copy of the *Ad Hoc* Committee's August 30, 2016 Press Release. All of these steps were intended to allow Twin Butte and all its stakeholders to benefit from the strengthening energy market. Unfortunately, Twin Butte announced late on August 30, 2016 that it had received a Notice of Intention to Enforce Security and a Receivership Application from the Banking Syndicate and that Twin Butte had agreed to waive its 10-day notice period under that Notice of Intention.
  
22. During this phase, the *Ad Hoc* Committee with its advisors Macquarie Capital and Bennett Jones advanced the interests of all Debentureholders, with a view to improving the very low offer or significant discount to par made for the Debentures, with all solutions being considered including accepting the Reignwood Transaction. However, given market data intelligence, recent industry transaction metrics, the overall value of the Reignwood Transaction and improved capital markets for the industry compared to early 2016 (as well as the fundamental principle that shareholders can only be paid after creditors are repaid), it seemed that Debentureholders should fare better than under the Reignwood Transaction. Regardless, and despite being presented with a viable alternative transaction, Twin Butte remained steadfast and continued its warning that the

only alternative to the Reignwood Transaction was a receivership, in which Debentureholders and shareholders would receive nothing.

23. Among other things, I am informed by Macquarie Capital and believe that on August 31, 2016, they received a call from a Chinese-based firm inquiring whether an offer for Twin Butte that paid \$0.30 per \$1.00 to the Debentureholders would be satisfactory to the Debentureholders. It was clear that more value for the Debentureholders than that offered in the Reignwood Transaction could be available.
24. While impossible to measure, there is no doubt that the involvement of the *Ad Hoc* Committee and its advisors, various press releases and pressure against the Reignwood Transaction contributed to the rejection by Debentureholders of the arrangement with 68% of votes having been exercised against. If no public opposition had been raised and with the full and continued support from Twin Butte, there is a good probability that Debentureholders would have voted in favour of the CBCA arrangement. As an example of what security holders will do in the face of a potential loss and in the absence of any other immediate alternative or information, a relatively large Debentureholder contacted me on August 31, 2016 to see if we could negotiate to resuscitate the original deal as proposed with Reignwood. Further, I am informed by Macquarie Capital and believe that multiple other holders expressed a similar sentiment in conversations with Macquarie Capital.

#### **THE *AD HOC* COMMITTEE'S ACTIVITIES DURING THE RECEIVERSHIP**

25. After the successful opposition of Twin Butte's CBCA arrangement, the Banking Syndicate applied to this Honourable Court, seeking the appointment of FTI Consulting Canada Inc. as Receiver of Twin Butte (the "**Receiver**"). That Order was granted on September 1, 2016.
26. The focus of the *Ad Hoc* Committee shifted to ensuring that the maximum possible value was recovered from Twin Butte's assets in the receivership, for the benefit of all Debentureholders.

27. On September 8, 2016, via a letter to the Receiver from Bennett Jones, and on advice from Macquarie Capital, the *Ad Hoc* Committee strongly opposed the Receiver's original proposal to have Peters & Co. as the only sales agent for the Receivership SISP. The *Ad Hoc* Committee opposed this single-firm appointment because Peters & Co. Ltd. had been a financial advisor to Twin Butte, along with National Bank Financial Inc. ("NBFI"), since Twin Butte's announcement to explore strategic alternatives on December 9, 2015. The process run by Peters & Co. and NBFI had culminated with the rejected Reignwood Transaction. National Bank of Canada, an affiliate of NBFI, was also the Administrative Agent for the Banking Syndicate. The *Ad Hoc* Committee felt that new players, including at least one financial advisor with international scope and reach, were required to solicit the best potential offers for Twin Butte's assets. The *Ad Hoc* Committee also questioned whether NBFI had been in a conflict because National Bank of Canada was the Administrative Agent for the Banking Syndicate.
28. As a result of the *Ad Hoc* Committee's letter, the Receiver reconsidered its position and decided to recommend two co-financial advisors, being CIBC Capital Markets and Peters & Co. Following a request for more offers and two Court applications, the Court appointed CIBC Capital Markets and Peters & Co. to act as the financial advisors for the Receivership SISP.
29. Throughout the Receivership SISP, Macquarie Capital and the *Ad Hoc* Committee continued to discuss the Twin Butte business and assets with hedge funds, private equity firms, oil & gas companies and others, to assess and generate interest for a purchase of some or all of Twin Butte's assets, or for other alternative transactions. This included considering raising capital from *Ad Hoc* Committee members themselves and other sources and finding a management team. I am informed by Macquarie Capital and believe that discussions were also held with the current Twin Butte management to potentially be part of a team that would see the company emerge from receivership. I am further advised by Macquarie Capital and believe that it contacted various parties to encourage them to bid and that one of the bidders contacted by Macquarie Capital made it into Phase 2 of the SISP process. Macquarie Capital also attended court proceedings throughout the Receivership SISP.

30. I am informed by Macquarie Capital and believe that it has extensive background with the bidder that ultimately made the successful bid for Twin Butte's assets, having successfully completed three corporate or asset sale transactions with that party. I am further informed by Macquarie Capital and believe that, notably, the successful bidder did not participate in the Twin Butte sale process that preceded the receivership but only became involved in the process after the appointment of Macquarie Capital as financial advisor to the *Ad Hoc* Committee. I am advised by Macquarie Capital and believe that it also introduced other parties to the sale process run by the Receiver, two of which submitted bids (which were ultimately unsuccessful).
31. Throughout the SISP, the *Ad Hoc* Committee has continued to look out for and defend the interest of all Debentureholders. The addition of another sales agent would not have occurred without the involvement of the *Ad Hoc* Committee and its advisors.
32. As reported by the Receiver, interest in the SISP was high. There were 30 bidders in Phase 1 of the SISP (the deadline for which was November 17, 2016), 9 of whom made *en bloc* offers for all of Twin Butte's assets and 21 of whom made offers to purchase various individual asset packages. 7 of these bidders advanced to Phase 2 and all of them submitted binding bids by the Phase 2 deadline on December 15, 2016.
33. With the announcement by the Receiver on January 10, 2017 that the winning bid from HOC would provide for a "substantial distribution to the unsecured creditors", the *Ad Hoc* Committee via Bennett Jones obtained confidential information from the Receiver relative to the bid, to consider whether it should oppose or support the January 18, 2017 Court application to approve the proposed sale, based on the recovery that would be achieved by all the Debentureholders.
34. Pursuant to confidentiality undertakings, the Receiver provided some information to the *Ad Hoc* Committee including the confidential purchase price, on January 16, 2017. Based on the fact that the winning bid appeared to offer fair value for Twin Butte's assets, the *Ad Hoc* Committee decided not to oppose the sale.
35. Since that time, the *Ad Hoc* Committee, through counsel, has communicated frequently with the Receiver to gain additional information about the financial status of Twin Butte,

including the anticipated creditor claims against Twin Butte and anticipated recovery for all the Debentureholders.

36. At the sale approval application and subsequent hearings in the Receivership process, the *Ad Hoc* Committee, through Bennett Jones, has advised the Court that it wishes to participate in the anticipated claims process for the benefit of all Debentureholders, and also seek to have all Debentureholders share its professional costs. The *Ad Hoc* Committee, through counsel, has also had discussions and meetings with the Receiver regarding these matters.
37. The *Ad Hoc* Committee has spent considerable time, money and effort defending the interest of all Debentureholders and it is the only party who has done so, both in assessing and monitoring the various developments in the Receivership, and appearing in Court to represent all Debentureholders' interests. Collectively, the members of the *Ad Hoc* Committee have committed many hundreds of hours to improving the recovery of the Debentureholders, in addition to personally incurring significant out-of-pocket costs including travel to Calgary for meetings with Twin Butte and various stakeholders. The members of the *Ad Hoc* Committee are not seeking any compensation for these personal amounts. Rather, they are only asking that their third party legal and financial advisory expenses be shared among all Debentureholders.
38. From time to time various Debentureholders who are not part of the *Ad Hoc* Committee, have expressed their thanks for the efforts of the *Ad Hoc* Committee. Attached as **Exhibit "11"** to this Affidavit is a true copy of a letter of support received from Peter Benneke.
39. The value of the winning bid in the Receivership SISP, which provided full recovery to the Banking Syndicate and a "substantial" recovery for unsecured creditors, validates the *Ad Hoc* Committee's efforts to push back against the view espoused by Twin Butte, that Debentureholders would receive nothing in a receivership.
40. The *Ad Hoc* Committee believes that its participation in the Receivership claims process, including but not limited to potentially participating in a court application with respect to the issue of whether the Debentures are subordinated to other creditor claims against

Twin Butte, will continue to benefit the Debentureholders, who are collectively the largest economic stakeholder of Twin Butte. The *Ad Hoc* Committee believes there are further opportunities to maximize the recovery of all Debentureholders and it continues to work to achieve that goal.

41. Despite setbacks, a much more protracted process than originally expected and the real possibility of obtaining nothing, Macquarie Capital and its representatives never wavered from its engagement with the *Ad Hoc* Committee to seek the highest obtainable value for the benefit of all the Debentures.

#### **THE *AD HOC* COMMITTEE'S PROFESSIONAL COSTS**

42. To date, the *Ad Hoc* Committee has incurred costs of approximately \$120,000 with respect to the legal representation of Bennett Jones and between \$1.2 million and \$2.0 million with respect to the financial advisory services of Macquarie Capital. Attached as **Exhibit "12"** to this Affidavit is a copy of the outstanding invoice issued by Bennett Jones to the *Ad Hoc* Committee. The *Ad Hoc* Committee previously made a payment of \$40,000 to Bennett Jones, which was applied to the \$120,000 in costs, and also paid a disbursement of approximately \$5,000 to Canada Newswire in respect of the press releases made on behalf of the *Ad Hoc* Committee. Given that Macquarie Capital's compensation is based entirely on performance, rather than a work fee, the *Ad Hoc* Committee has not made any payments to Macquarie Capital to date. The estimate of Macquarie Capital's fees provided above cannot be quantified precisely because Macquarie Capital's fees are tied to ultimate Debentureholder recovery.

43. I believe that the ongoing involvement of Macquarie Capital and Bennett Jones will provide additional substantial benefit to all the holders of Debentures by, among other things:

- (a) providing additional financial and legal advice to the *Ad Hoc* Committee regarding the claims of other creditors in the anticipated claims process;
- (b) advising on and conducting further negotiations and/or litigation to take all necessary steps to enhance the position and recovery of all holders of the

Debentures including, among other things, the issue of the potential subordination of the Debentureholders' claims *vis-à-vis* other creditors' claims; and

- (c) exploring whether the remaining Twin Butte corporate shell has value that can be realized for stakeholders.
44. I understand that Macquarie Capital's fee arrangement with the *Ad Hoc* Committee was set based on having approximately 25% of the Debentureholder class engaged and reflected the potential liability associated with this level of exposure including potential reputational damage and lost fees. Further, Macquarie Capital's fee arrangement was designed with ultimately advising a larger group of debentureholders in mind. Specifically, the Macquarie Capital fee was smaller than a typical fee on the basis that they expected to advise a larger group and wanted the fee to be reasonable for each individual holder.
45. I estimate that the additional fees to be incurred by Bennett Jones to the conclusion of this matter will be between \$25,000 and \$75,000 and the additional fees to be incurred by Macquarie Capital to the conclusion of this matter will be approximately \$500,000 to \$1 million (as noted above, this amount cannot be quantified precisely because the fee is dependent on ultimate Debentureholder recovery).
46. Since the *Ad Hoc* Committee holds the information regarding the purchase price for Twin Butte's assets subject to confidentiality provisions, it cannot publicly disclose that information. However, Macquarie Capital has prepared an analysis showing the improvement in the (estimated) recovery to the Debentureholders, as between the receivership SISP sale and the Reignwood Transaction. That analysis is marked as **Confidential Exhibit "13"** to this Affidavit and the *Ad Hoc* Committee will seek to have it sealed on the Court file.
47. Each Debentureholder's *pro rata* share of the aggregate cost of the *Ad Hoc* Committee's legal and financial advisory services, is approximately \$26 per \$1,000 face value Debenture to \$37 per \$1,000 face value Debenture (including estimated fees to conclusion). That cost is a small percentage of the estimated improvement to each Debentureholder's recovery, as estimated in Confidential Exhibit "13".

48. I am of the view, as are the other members of the *Ad Hoc* Committee, that it would be just and equitable if all the Debenture holders together shared the costs incurred to date and to be incurred hereafter by Macquarie Capital and Bennett Jones. The Debenture holders are collectively, the largest economic stakeholder of Twin Butte and no other group has come forward to represent or advance their collective interests.
49. It would be inequitable if the *Ad Hoc* Committee, who collectively represent only about 25% of the total amount of Debentures outstanding, were required to bear 100% of the costs incurred in improving the realization of all the Debentureholders.
50. I make this Affidavit in support of the *Ad Hoc* Committee's application for a Funding Order, in the proposed form set out in the Application filed with this Honourable Court.

SWORN BEFORE ME at the City of )  
Saint-Lambert, Quebec, this 19<sup>th</sup> day of )  
April, 2017. )  
\_\_\_\_\_)  
A Notary Public *Me MiroB...*)  
in and for the Province of Quebec *NOTAIRE*)

*Mike Maguire*  
\_\_\_\_\_  
MIKE MAGUIRE





THIS IS **EXHIBIT "1"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017



A Notary Public in and for the  
Province of Quebec



## Twin Butte Energy Ltd. and Reignwood Resources Holding Pte. Ltd. Jointly Announce Plan of Arrangement

CALGARY, June 24, 2016 /CNW/ - (TSX: TBE) – Twin Butte Energy Ltd. ("**Twin Butte**" or the "**Company**") and Reignwood Resources Holding Pte. Ltd. (the "**Purchaser**") are pleased to announce today that they have entered into a definitive arrangement agreement (the "**Arrangement Agreement**") pursuant to which the Purchaser has agreed to acquire: i) all of the outstanding common shares of Twin Butte ("**Twin Butte Shares**") for cash consideration of \$0.06 per share (the "**Share Consideration**"), and ii) all of the outstanding 6.25% convertible unsecured subordinated debentures due December 31, 2018 of Twin Butte (the "**Debentures**") for cash consideration of \$140 per \$1,000 principal amount of Debentures, plus accrued and unpaid interest thereon (the "**Debenture Consideration**"). The proposed transaction (the "**Transaction**") is to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta).

The Purchaser is a partnership of the Reignwood Group and Horizon Holding Group, both privately held corporations domiciled in Hong Kong and Canada, respectively. The Reignwood Group is a global multi-industrial conglomerate active in sixteen industries including consumer products, real estate, hospitality and lifestyle, healthcare, aviation, ocean engineering, construction management and leasing. The Reignwood Group holds investments in over sixty subsidiaries worldwide and maintains a commitment to the green, healthy development concept through the promotion of business and cultural exchanges between China, Asia and the West.

### STRATEGIC RATIONALE

On December 9, 2015, Twin Butte announced the initiation of a strategic alternatives process led by a Special Committee of the Twin Butte board of directors (the "**Twin Butte Board**"), supported by management and their financial co-advisors (Peters & Co. Limited and National Bank Financial Inc.) to review alternatives to enhance shareholder value. The process was, in the context of the Company's ongoing semi-annual review of its credit facilities and the continued weakness in commodity prices, focused on addressing anticipated near term liquidity challenges associated with the expected inclusion of a non-revolving term component to the existing bank facility.

On January 15, 2016, Twin Butte announced the reduction of the Company's bank credit facility from \$275 million to \$225 million, consisting of a \$115 million revolving syndicated bank facility, a \$25 million operating facility and an \$85 million non-revolving credit facility. The non-revolving facility was due April 30, 2016.

The extensive review process led to the evaluation of numerous strategic alternatives including asset sales, alternative debt financing and corporate transaction opportunities. Following a thorough review of each alternative, Twin Butte's Board and management team have determined that the Transaction represents the best alternative in the requisite time for all Twin Butte stakeholders. Furthermore, all of the directors and executive officers of Twin Butte have entered into support agreements and have agreed to vote an aggregate of approximately 3.9% of the outstanding Twin Butte Shares and 0.08% of the outstanding Debentures in favor of the Transaction, subject to the provisions of such support agreements.

The Transaction offers a liquidity event and cash consideration to all stakeholders, and effectively recapitalizes the Company, materially improving the balance sheet. The Purchaser has committed to certain minimum levels of future investment to capitalize on Twin Butte's high quality medium and heavy oil development opportunities and optimize existing producing assets further arresting declines and positioning Twin Butte for future growth. Twin Butte's head office and management will remain in Alberta, while continuing the operations and ensuring ongoing employment for the Company's staff.

The Purchaser has also reached agreement with Twin Butte's senior secured lenders with respect to the terms and conditions of a new credit facility to be available to the Company upon closing of the Transaction. Upon closing of the Transaction, the Twin Butte Shares and the Debentures will be delisted from the Toronto Stock Exchange (the "TSX").

### **THE ARRANGEMENT AGREEMENT AND APPROVALS**

The Transaction is subject to various closing conditions, including receipt of Court approval, Twin Butte shareholder and debentureholder approval, and regulatory approvals, including approvals under the *Investment Canada Act* (Canada) and the *Competition Act* (Canada).

The Arrangement Agreement contains customary representations and warranties of each party and interim operational covenants by Twin Butte. The Arrangement Agreement also provides for, among other things, customary board support and non-solicitation covenants, subject to a "fiduciary out" for unsolicited "superior proposals" in favor of Twin Butte and a provision for the right to match any superior proposal in favor of the Purchaser.

The Arrangement Agreement provides for a mutual non-completion fee of \$5 million. The non-completion fee is payable in the event that the Transaction is not completed or is terminated by either party in certain circumstances, including if Twin Butte enters into an agreement with respect to a superior proposal or if the Twin Butte Board withdraws or modifies its recommendation with respect to the Transaction.

An annual and special meeting (the "**Meeting**") of Twin Butte shareholders and Twin Butte debentureholders will be called to consider, among other things, the Transaction. The Transaction will require the approval of 66<sup>2</sup>/<sub>3</sub>% of the votes cast by the Twin Butte shareholders and, if required, the approval of a majority of a minority after excluding the votes cast in respect of the Twin Butte Shares held by certain directors and officers of Twin Butte, and 66<sup>2</sup>/<sub>3</sub>% of the principal amount of the Debentures held by Twin Butte debentureholders and, if required, the approval of a majority of a minority after excluding the votes cast in respect of the Debentures held by certain directors and officers of Twin Butte, in each case present in person or by proxy at the Meeting. The Twin Butte shareholders and debentureholders will vote as separate classes of securities at the Meeting.

To enable the Company to complete the Transaction, Twin Butte has entered into a forbearance and amending agreement to the existing credit agreement with its bank syndicate in connection with the Company's failure to repay the \$85 million non-revolving credit facility on June 23, 2016 and the extension of the revolving period of the Company's \$140 million revolving credit facility from June 23, 2016 to the earlier of closing of the Transaction and termination of the Arrangement Agreement. The payment default upon maturity of the Company's \$85 million non-revolving credit facility on June 23, 2016 will constitute an event of default under the Company's credit agreement. The bank syndicate has agreed to forbear from exercising its rights and remedies related thereto and to any non-payment of interest on the outstanding Debentures until the earlier of closing of the Transaction, subject to

certain milestones being met in accordance with the forbearance and amending agreement, and termination of the Arrangement Agreement. The bank syndicate requires that the Transaction close by August 15, 2016, as such date may be extended for up to 90 days as required to obtain regulatory approvals for the Transaction.

The Company is restricted from making any payment of interest on the outstanding Debentures while it is in default under the credit agreement. As a result, the semi-annual interest payment on the Debentures payable June 30, 2016 will be required to be deferred. However, this interest will be paid upon closing of the Arrangement in connection with the acquisition of the Debentures, together with all other accrued and unpaid interest on the Debentures, in accordance with the Arrangement. The TSX has advised the Company that the Debentures, when they commence trading on June 27, 2016, will trade on an interest flat basis until further notice. The TSX has advised that it will not report accrued interest regarding any trades made on an interest flat basis to its participating organizations.

Further details with respect to the Transaction will be included in the information circular to be mailed to Twin Butte shareholders and debentureholders in connection with the Meeting. The Meeting is expected to be held in mid-August 2016 with closing of the Transaction anticipated to occur thereafter in August 2016 upon satisfaction of all conditions precedent thereto. A copy of the Arrangement Agreement and the information circular will be filed on Twin Butte's SEDAR profile and will be available for viewing at [www.sedar.com](http://www.sedar.com).

#### **RECOMMENDATION OF THE TWIN BUTTE BOARD**

Based on the Fairness Opinion (as defined below) and the recommendation of the special committee of the Twin Butte Board, and after consulting with its financial and legal advisors, among other considerations, the Twin Butte Board has unanimously: (i) determined that the Transaction is in the best interests of Twin Butte, the Twin Butte shareholders and the Twin Butte debentureholders; (ii) resolved to recommend that Twin Butte shareholders and Twin Butte debentureholders vote in favor of the Transaction; and (iii) determined that the consideration to be received by Twin Butte shareholders and Twin Butte debentureholders pursuant to the Transaction is fair to the Twin Butte shareholders and the Twin Butte debentureholders, respectively.

#### **ADVISORS**

Peters & Co. Limited acted as co-financial advisor to Twin Butte in connection with the Transaction and has provided its verbal fairness opinion that, subject to review of the final form of documents affecting the Transaction, as at the date of the Arrangement Agreement, the consideration to be received by Twin Butte shareholders pursuant to the Transaction is fair, from a financial point of view to Twin Butte shareholders. National Bank Financial Inc. is also acting as co-financial advisor to Twin Butte. Burnet, Duckworth & Palmer LLP acted as legal counsel to Twin Butte.

Deloitte Corporate Finance Inc. acted as exclusive financial advisor to the Purchaser and provided professional services including transaction origination and structuring, resource evaluation, tax advisory, financial due diligence and secured lender negotiation. Osler, Hoskin & Harcourt LLP acted as legal counsel to the Purchaser.

#### **About Twin Butte**

Twin Butte Energy Ltd. is a value oriented intermediate producer with a deep, low risk, drilling inventory focused on medium and heavy oil reservoirs. The common shares of Twin Butte are listed on the TSX under the symbol "TBE" and the Debentures are listed on the TSX under the symbol "TBE.DB".

Reader Advisory

#### *Forward-Looking Statements*

*Certain information set forth in this press release, including information and statements which may contain words such as "could", "plans", "should", "anticipates", "expects", "believes", "will" and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements, including but not limited to statements regarding: the Transaction and the anticipated timing of closing; mailing of the information circular related to the Meeting and the timing thereof and timing of the Meeting; the pending deferral of the Debenture interest payment and the treatment of the Debentures on the TSX; the benefits of the Transaction for Twin Butte, its stakeholders and employees and for Canada. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Twin Butte's control. Completion of the Transaction is subject to a number of conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain approval of Twin Butte's shareholders or debentureholders may result in the termination of the Arrangement Agreement. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the Transaction will be set forth in the information circular, which will be available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Twin Butte could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Twin Butte will derive therefrom. Twin Butte disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

SOURCE Twin Butte Energy Ltd.

For further information: about Twin Butte, please contact: Twin Butte Energy Ltd.: Rob Wollmann, President and Chief Executive Officer; R. Alan Steele, Vice President Finance, Chief Financial Officer and Corporate Secretary, Tel: (403) 215-2045, Website: [www.twinbutteenergy.com](http://www.twinbutteenergy.com)

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# Twin Butte Creditors on Short End Try to Start 'No Sale' Drive

by Scott Deveau and Allison McNeely

05 July 2016 10:00 PM

Updated on 06 July 2016 8:50 AM

- Canada oil company bondholders say deal benefits stockholders
- 'Unnerving precedent' seen, though alternatives are scarce

Twin Butte Energy Ltd.'s plan to sell itself is starting to face resistance from some bondholders who say the deal rewards equity holders in the troubled Canadian energy company at their expense.

The oil-and-gas producer that's been staving off default in recent months agreed to sell itself last month to a group consisting of Hong Kong and Canadian domiciled Reignwood Group Co. and Horizon Holding Group. Under the terms, equity holders would receive 6 Canadian cents per share, or C\$21 million (\$16 million), while the convertible-debt holders would receive 14 percent of the face value, or C\$12 million.



That breakdown has run afoul of some Twin Butte bondholders who say they collectively hold about 3.8 percent of its C\$80.6 million in outstanding convertible debt and are trying to enlist other creditors to vote against the deal, according to two people with knowledge of the matter who requested to not be named because it is private. The dissident creditors need more than a third of the votes cast at a meeting expected in mid-August to go against the plan in order for it to be rejected, and one analyst said they may succeed.

"We believe that debt holders will be unwilling to support the proposal," Aaron Bilkoski, a Calgary-based analyst with Toronto-Dominion Bank's TD Securities unit, said in a note to clients last month after the deal was announced. "Not only does the plan result in debt holders receiving less cash than a more junior security class, supporting the transaction sets an unnerving precedent for similar situations in the future."

The company's shares fell 9.1 percent to 5 Canadian cents at 10:46 a.m. in Toronto. The convertible debentures jumped as much as 3.5 percent to 15 Canadian cents on the dollar.



The Canadian company's efforts to find a buyer follow other troubled Calgary oil and gas companies like Penn West Petroleum Ltd., Lightstream Resources Ltd. and Connacher Oil &

Gas Ltd. that have looked for ways to solve their debt and cash-flow problems amid the oil rout.

Twin Butte's market capitalization has tumbled to C\$19.5 million from a peak of nearly C\$862 million on April 23, 2014, as the price of oil has fallen 56 percent from a June 2014 high and prevented the company from generating enough cash from its Alberta operations to meet its debt obligations. In December, Twin Butte began a strategic review of its options, including a debt restructuring and a sale of all or part of the company.

## Forbearance Agreement

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The company announced the sale to the Reignwood group on June 24 after its bankers granted it multiple short-term credit-line extensions, some as short as one day, to keep pursuing alternatives. It entered into a forbearance agreement with its bank syndicate after defaulting on its payment due June 23 on an C\$85 million subordinated credit facility. Twin Butte had C\$294 million in debt as of March 31, according to the company's first-quarter results.

The company is required to close the sale by Aug. 15, with a possible extension of up to 90 days to meet regulatory approvals. It requires the acceptance of two-thirds of the company's convertible-debt holders.

"The proposed transaction in our collective judgment is the best alternative, in the current circumstances, available to the company," Rob Wollmann, chief executive officer of Twin Butte, said by e-mail. More than 400 companies were contacted during the strategic review, including Canadian and internationally based producers and financial counter-parties, he said.

## Seeking Buyers

The dissident bondholders argue that by granting those quick extensions, Twin Butte's bankers essentially forced the company to sell itself, leading to the low offer from Reignwood and Horizon, the people said. They are urging the company to explore other alternatives, including asset sales, new management, a restructuring or a better offer.

The dissidents have reached out to other Canadian oil and gas players to gauge their interest in acquiring part or all of the company, according to the people, especially in light of the premium paid recently in the Calgary energy space, including the C\$975 million paid by Teine Energy for a group of Penn West Petroleum Ltd.'s Saskatchewan properties last month.

It's "not surprising at all" that some debenture holders would be opposed to the deal with Reignwood and Horizon, said Ken Lin, an equity analyst at Paradigm Capital Inc. The stock is worth nothing because there's no way to pay off the debt.

Still, "I think this is the best deal that they could have received," he said. "You look at who the group was that purchased the shares, it's an Asian group. So that means that no one domestically was interested in this company."

## 'More Tolerable'

There has been a recent case where equity holders received a premium over the convertible-debt holders, Calgary Sinoenergy Investment Corp.'s acquisition of Long Run Exploration Ltd. in December valued at C\$765 million including debt, TD's Bilkoski said.

The Long Run transaction was approved by both the equity- and bondholders although, as Bilkoski notes, the convertible-debt holders were made 75 percent whole, which was "much more tolerable" than the 14 percent offered to Twin Butte holders.


Such an outcome probably isn't in the cards for Twin Butte, Paradigm Capital's Lin said, and that the only other option would be to seek bankruptcy protection.

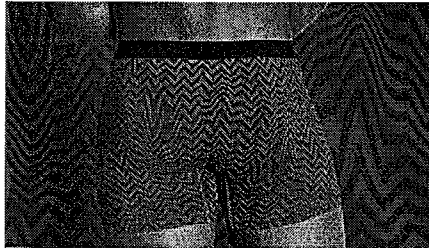
While some debenture holders will be upset with the sale, "they'll end up voting in favor of it because there's no other alternative, really," he said. "Any resolution is probably better than going through bankruptcy."

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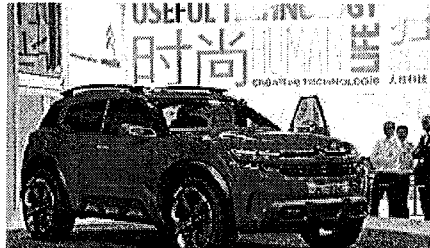
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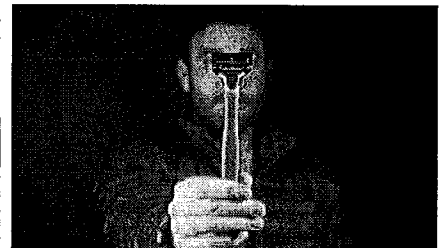
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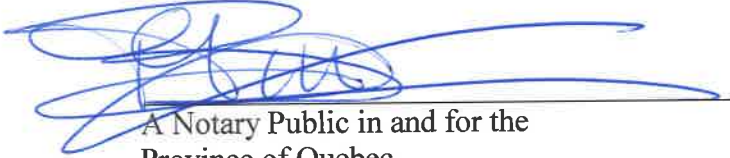


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Trump's education secretary wants to limit costs at a time when more than 1 million Americans are annually defaulting.

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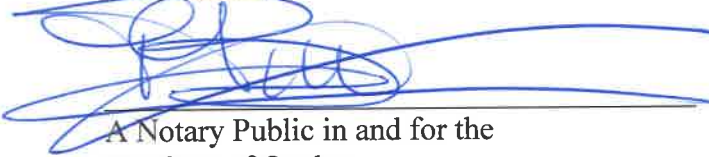
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Province of Quebec



Will Osler  
Partner  
Direct Line: 403.298.3426  
e-mail: oslerw@bennettjones.com

August 12, 2016

**By Email:**

Bockhold Investment Management Group  
Suite 400, 1285 West Pender Street  
Vancouver, BC V6E 4B1

Dear Sirs:

**Re: Plan of Arrangement - Twin Butte Energy Ltd. ("Twin Butte")**

We are pleased that you have decided to engage Bennett Jones LLP ("Bennett Jones") to assist in connection with this matter. We are writing to explain the scope of the legal services we will provide, the professional fees and expenses we will charge, and to confirm the terms of our engagement.

**Clients.** We have been engaged by the individuals and corporations listed above and in Schedule A hereto ("you" or "the client") or, each of which is the beneficial or legal owner of debentures issued by Twin Butte, to perform the services described below. This retainer does not create a solicitor/client relationship with other parties related to you, such as parents, subsidiaries, affiliates, employees, officers, directors, shareholders or partners.

**Scope of Engagement.** We confirm that you have retained us as counsel to provide legal advice and potentially representation in court proceedings related to a proposed Plan of Arrangement (the "Arrangement") respecting Twin Butte as set out in the Management Information Circular dated July 11, 2016 (the "Retainer").

**Client Liaison and Firm Liaison.** When acting under a joint retainer such as this, it is essential that we are given clear instructions and have a clear method by which to contact you. We understand that Murray Bockhold will be the person with authority on behalf of each of you to provide instructions to us, and to receive information and advice from us. In the event that there is a change of designated contact person, we will require written confirmation of such change from each of you. This arrangement does not prevent any of you from communicating with us, or us with any of you.

**Staffing and Hourly Rates.** Our time and expenses will be charged, as described in this letter and the attached Terms of Engagement, at normal and customary hourly rates applicable to each lawyer and staff assigned to work on the matter as established by our firm from time to time. The current

hourly rates of the lawyers who, at this time, have been identified as likely to work on this engagement, are as follows:

<i>Lawyer</i>	<i>Hourly Rate</i>
Robert Staley	\$1,025.00
Will Osler	\$ 730.00
Justin Lambert	\$ 555.00

We may also assign other lawyers or paralegals in the firm to work on certain aspects of this matter, as needed, at our customary rates.

Our hourly rates are subject to periodic reviews and adjustment, and we reserve the right to revise our hourly rates in accordance with such general reviews. The hourly rates noted for this engagement will not be adjusted prior to the end of this calendar year.

As set out in the attached Terms of Engagement for Legal Services, we are proposing a modified fee arrangement as set out therein.

**Advance Payments.** We require an initial financial retainer of \$25,000.00 before commencing work on this matter. This money will be kept in a trust account, and will be applied to our initial account when rendered. When an account is rendered, you may be asked to bring the advance back up to its previous level. Any unused portion of amounts advanced will be refundable at the conclusion of the Retainer.

**Confidentiality and Conflicts.** Given the size of our firm, its multiple offices and numerous clients, it is necessary to clearly address issues of confidentiality within the firm and conflicts among clients.

The firm and lawyers of the firm keep the confidences of clients. We assure you that the information on this file will be kept confidential and will not be disclosed, beyond what is required for carrying out the mandate or required by law, to anyone outside the firm. In common with our treatment of all confidential information, at no time will any confidential information be disclosed or used for the benefit of any other client.

The firm has some clients that it acts for on a general basis and others whom it advises on discrete matters. It is possible that adverse relationships (including litigation) may exist or may develop in the future between you and other Bennett Jones' clients. In retaining Bennett Jones, you consent and agree that Bennett Jones may represent other clients, without prior notice to you, (some of whom engage in business activities which may be competitive with you) on matters that may be considered adverse to your interests, as long as Bennett Jones has not been engaged by you on specific matters in respect of which the other client seeks representation, and you agree that you will not assert that Bennett Jones' representation in connection with this engagement constitutes a basis for disqualifying Bennett Jones from representing other clients in any other matters whether or not adverse to your interests.

August 12, 2016

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Without limitation, we confirm that you are aware we have previously provided advice to Macquarie Capital Markets Canada Ltd. ("Macquarie"), including in relation to Twin Butte and the Arrangement, and in relation to the negotiation of an agreement between Macquarie and certain of you relating to Macquarie's provision of advisory services to certain of you respecting the Arrangement. We are not aware of any conflict of interest between you and Macquarie in relation to the Retainer or otherwise. If one develops, we will be entitled to continue to provide legal advice to Macquarie, but will refer you out to independent legal counsel. You will not assert a conflict or otherwise object to us continuing to act for Macquarie in any matter whatsoever, including in respect of matters related to Twin Butte.

**Joint Retainer.** In situations such as this, where we are asked to represent more than one client, we wish to make clear that any information provided to us by you must, subject to legally implied obligations of confidentiality affecting information obtained in the course of litigation or otherwise, be shared with all of you. While we are not aware of any direct conflict of interest among you, as mentioned it is conceivable that one may arise. In the event that a conflict of interest develops that you are unable to resolve among yourselves, absent any agreement to the contrary, we will have to cease acting for you and refer you out to separate counsel.

We understand that there are other debentureholders who may wish to retain us along with you. We confirm that you are agreeable to adding new clients to the joint Retainer. Should we be approached by such persons and be prepared to act for them, we will give notice to Mr. Bockhold or such other contact person as you may collectively designate that the person wishes to be added to the Retainer and the action(s) and, if there is no objection received within 3 business days, we may accept them as a client upon signing a counterpart execution page to this agreement. Should we receive executed counterpart pages with appropriate retainers, we may accept the referenced investors as clients without further consultation.

**Disclosure.** In order to enable us to render effectively the legal services contemplated, you have agreed to disclose fully and accurately all facts and keep us informed of all developments relating to the Retainer. We necessarily must rely on the accuracy and completeness of the facts and information you and your agents provide to us.

**Withdrawal or Termination.** Our relationship is based upon mutual consent and you may terminate our representation at any time, with or without cause, by notifying us. Your termination of our services will not affect your responsibility for payment of fees for legal services rendered and of additional costs incurred before termination and in connection with an orderly transition of the matter.

We are subject to the rules of professional conduct applicable in the jurisdictions in which we practice. These rules list several types of conduct or circumstances that require or permit us to withdraw from representing a client, including for example, nonpayment of fees or costs, misrepresentation or failure to disclose material facts, fundamental disagreement, and conflict of interest with another client. We will try to identify in advance and discuss with you any situation that may lead to our withdrawal, and if withdrawal ever becomes necessary, we will give you written notice of our withdrawal.

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If we are required or elect to withdraw for any reason, you agree that you will take all steps necessary to free us of any obligation to perform further professional services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and additional costs accrued on your behalf to the date of withdrawal.

If this letter and the attached Terms of Engagement for Legal Services correctly reflect your understanding of the terms and conditions of the Retainer, please so indicate by executing this letter in the space provided below and return it to the undersigned.

Yours truly,

**BENNETT JONES LLP**



Will Osler

JRL: mvv

Enclosure: Terms of Engagement & Schedule A

UNDERSTOOD AND AGREED to this \_\_\_\_\_ day of August, 2016

**BOCKHOLD INVESTMENT  
MANAGEMENT GROUP**

Per: \_\_\_\_\_  
Name:  
Title:

August 12, 2016  
Page 4

If we are required or elect to withdraw for any reason, you agree that you will take all steps necessary to free us of any obligation to perform further professional services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid for all services rendered and additional costs accrued on your behalf to the date of withdrawal.

If this letter and the attached Terms of Engagement for Legal Services correctly reflect your understanding of the terms and conditions of the Retainer, please so indicate by executing this letter in the space provided below and return it to the undersigned.

Yours truly,

**BENNETT JONES LLP**




Will Osler

JRL: mvv

Enclosure: Terms of Engagement & Schedule A

UNDERSTOOD AND AGREED to this 13<sup>rd</sup> day of August, 2016

**BOCKHOLD INVESTMENT  
MANAGEMENT GROUP**

Per:   
Name:  
Title:

## Terms of Engagement for Legal Services

This statement sets forth certain standard terms of our engagement as your counsel and is intended as a supplement to the engagement letter that we have entered into with you as our client. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you as reflected in the engagement letter.

### 1. The Scope of Our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our engagement letter, and absent an express agreement to the contrary does not include any affiliates of such person or entity (e.g., if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, any members of the trade association). If you are a corporation, we are ultimately responsible to your board of directors. If you believe this engagement includes additional entities or persons as our clients you should inform us immediately.

It is also our policy that the solicitor-client relationship will be considered terminated upon our completion of any services that you have retained us to perform. If you later retain us to perform further or additional services, our solicitor-client relationship will be revived subject to the terms of engagement that we agree on at that time.

This engagement shall be subject to the rules and codes of professional conduct of those jurisdictions in which the work is performed.

### 2. Providers of Legal Services

Customarily, each client of our firm is served by a principal lawyer contact. The principal lawyer should be someone in whom you have confidence and with whom you enjoy working. You may request a change of principal lawyer at any time. Please feel free to contact the Managing Partner of any one of our offices or of the firm in that regard. Subject to the supervisory role of the principal lawyer, your work or parts of it may be performed by other lawyers and legal assistants in our firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis. Whenever practicable, we will advise you of the names of those lawyers and legal assistants who work on your matters.

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### 3. Setting of Fees

Our fees are our charges for our services. To the extent that legal fees are subject to taxes, such taxes will be added to accounts. Fees for the Retainer will be determined on a general hourly rate or time basis.

In other words, the basis for determining fees is the time spent on the matter. In determining the chargeable time for a matter, we include telephone calls, meetings, preparation time, sending correspondence, receiving and reviewing correspondence, drafting documents, travel time, reviewing documents and files, research, court appearances and generally all time spent in providing legal services to you in the matter. Records of time and/or services rendered are kept, and where appropriate, will be included in the accounts sent to you.

The time charges for a matter will depend on the hourly rate of the lawyer or lawyers doing the work.

Hourly rates may be changed from time to time. If you have any questions about our rates, do not hesitate to ask them.

Interim accounts will be based on the amount of time spent on the matter to the point in time the interim account is sent.

We will apply a 20% discount to our fees in this matter. You agree that you will pay us a success fee equal to 20% of our pre-discount fees if the Arrangement is re-negotiated or otherwise amended or some other event occurs which sees you paid consideration in respect of the debentures held by you which is greater than that contemplated in the Arrangement as at the date of this agreement.

### 4. Other Charges

Under the applicable rules of professional conduct in those jurisdictions in which we practice, we are allowed to recover certain "Other Charges" for non-legal services. You will be charged for other charges relating to charges incurred on your behalf. Examples of Other Charges are on-line research charges, photocopy, printing, courier charges and FAX transmissions.

### 5. Disbursements

"Disbursements" are payments we make to third parties to carry your matter forward. Some examples of Disbursements are agents' fees, travel expenses, Land Titles Office fees, Corporate Registry fees, transcripts, court filing fees, surveys, search and certificate fees and generally any other payments we must make to third parties on your behalf. You will be responsible for paying our Disbursements on your matter. You will also be responsible for paying taxes on the Disbursements, where applicable.



6. Billing Arrangements and Terms

Our billing rates are based on the assumption of prompt payment. Consequently, unless other arrangements are made, fees for services and other charges will be billed monthly and are payable within 30 days of receipt. Accounts unpaid after 30 days will be subject to interest calculated on the outstanding balance until the account is paid in full at the rate that may be prescribed from time to time by our governing bodies.

We will render our invoices to Mr. Bockhold or such other person as is designated to receive our invoices on your behalf. Each of you will be jointly and severally liable for the entire amount of each invoice, and the success fee (if any) calculated as set out above.

7. Advance Payments

From time to time, we may require a payment to cover the fees and disbursements for the next block of work to be done. This money will be kept in a trust account, will be used for the payment of Other Charges and Disbursements as they are incurred, and will be applied to payment of fees when an account is rendered. When an account is rendered, you may be asked to bring the advance back up to its previous level. Any unused portion of amounts advanced will be refundable at the conclusion of the Retainer.

8. Client and Firm Documents

We will maintain any documents that you furnish to us in our client file or files for specific matters undertaken under the Retainer. At your request, we will return your documents to you at the conclusion of the specific matter or the Retainer. It is your obligation to tell us which, if any, of the documents that you furnish us that you want returned. We will return those documents to you promptly after our receipt of payment for outstanding fees, Other Charges and Disbursements. Our own files pertaining to each matter, including the work performed by our lawyers, will be retained by our firm. Any documents retained by the firm will be kept for a certain period of time, and ultimately we will destroy them in accordance with our record retention program then in effect.

In the event we are authorized or requested by you or on your behalf, or required by law as we may determine, or by any legal process, to produce any of (a) our files, (b) your files stored with us or (c) our personnel as formal or informal witnesses or information sources with respect to our engagement or potential engagements, you agree to pay or reimburse us for our professional time (at then applicable hourly rates for personnel who have hourly rates and on a reasonable basis otherwise) and ancillary services and expenses as incurred in preparing and implementing a response to such a request or requirement. As used in the preceding sentences, the term "files" includes all documents and data in any form, including but not limited to original documents, physical copies, images and computer media.

August 12, 2016  
Page 8

9. Reporting of Decisions

As you know, from time to time litigation matters result in publicly reported judicial decisions. By signing this Retainer, you agree that we may refer to our involvement on your behalf in any publicly reported judicial decisions relating to this Retainer in any client promotional materials, including on our website or otherwise.

August 12, 2016  
Page 9

SCHEDULE A

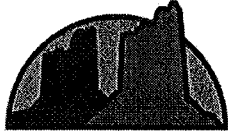


THIS IS **EXHIBIT "6"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017

A handwritten signature in blue ink, appearing to be "J. B. B.", written over a horizontal line.

A Notary Public in and for the  
Province of Quebec





**TWIN BUTTE**  
ENERGY LTD.

## **TWIN BUTTE ANNOUNCES ADDITIONAL FAIRNESS OPINION AND POSTPONEMENT OF MEETING**

Calgary, Alberta, August 9, 2016 (TSX: TBE) – Twin Butte Energy Ltd. ("Twin Butte" or the "Company") announces that it has engaged Canaccord Genuity Corp. ("Canaccord") as a financial advisor and that Canaccord has provided the board of directors of the Company with an opinion, as of the date hereof, that the consideration to be received by debentureholders of Twin Butte pursuant to the proposed plan of arrangement (the "Arrangement") in respect of Twin Butte and its securityholders and involving Reignwood Resources Holding Pte. Ltd. (the "Purchaser") and Reignwood Resources Trading UK Limited is fair, from a financial point of view, to the Twin Butte debentureholders. A full copy of the written fairness opinion will be filed on Twin Butte's SEDAR profile and will be available for viewing at [www.sedar.com](http://www.sedar.com) and on Twin Butte's website at [www.twinbutteenergy.com](http://www.twinbutteenergy.com).

In order to provide Twin Butte's securityholders with time to consider the conclusions set forth in Canaccord's fairness opinion, Twin Butte has elected to postpone its annual and special meeting of securityholders, which was originally scheduled for 9:00 a.m. (Calgary time) on August 10, 2016 until 9:00 a.m. (Calgary time) on August 29, 2016. The July 11, 2016 record date and the place of the meeting will remain the same. As a result of the postponement of the meeting to August 29, 2016, Twin Butte has extended the return deadline for proxies to forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the date of the postponed meeting. Subject to the satisfaction or waiver of all conditions to closing, the parties now expect the Arrangement to close in late September.

In connection with the postponement of the meeting and related matters, Twin Butte has entered into an amending agreement to the arrangement agreement with the Purchaser to give effect to (among other things) the postponement of the meeting, without the consent of Twin Butte's lenders under its credit agreement. Failure to obtain such consent to the amending agreement, and the matters set forth therein, is an event of default under Twin Butte's credit agreement. Twin Butte intends to seek waivers from its lending syndicate for the entering into of the amending agreement and matters set forth therein. There are no assurances that the lenders will consent to the amending agreement, including any of the matters set forth therein, agree to any necessary waivers or refrain from exercising any rights or remedies they have, including accelerating the repayment of the Company's outstanding bank debt and enforcing their security by appointing a receiver to liquidate the Company's assets and manage the Company's affairs. In such events, the Arrangement will be terminated. A copy of the amending agreement will be filed on Twin Butte's SEDAR profile and will be available for viewing at [www.sedar.com](http://www.sedar.com).

The board of directors of Twin Butte has previously stated, and subsequent to the receipt and consideration of the Canaccord fairness opinion continues to support its determinations, that: (i) the Arrangement is in the best interests of Twin Butte and the Twin Butte securityholders; (ii) Twin Butte securityholders vote in favor of the Arrangement; and (iii) the consideration to be received by Twin Butte securityholders pursuant to the Arrangement is fair to the Twin Butte securityholders.

Canaccord's written fairness opinion sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Canaccord in connection with the delivery of the fairness opinion. The summary of the fairness opinion is qualified in its entirety by reference to the full text of the written fairness opinion which will be filed on Twin Butte's SEDAR profile and will be available for viewing at [www.sedar.com](http://www.sedar.com) and on Twin Butte's website at [www.twinbutteenergy.com](http://www.twinbutteenergy.com).

Peters & Co. Limited has also provided the board of directors of Twin Butte with an opinion, as of June 23, 2016, that the consideration to be received by the shareholders of Twin Butte pursuant to the Arrangement is fair, from a financial point of view, to the shareholders of Twin Butte.

Securityholders who have not voted in respect of the Arrangement or wish to change their vote may do so by following the instructions set forth on the proxy or voting instruction form provided to them. Securityholders may revoke a previously voted proxy with an instrument in writing, including another proxy, signed by the securityholder and delivered care of Twin Butte to Computershare Trust Company of Canada. In order to revoke a proxy previously delivered by an intermediary or its agent, on their behalf, beneficial securityholders should carefully follow any revocation instructions set forth on the voting instruction form provided to them by their intermediary or agent.

Questions concerning voting may be directed to:

**Laurel Hill Advisory Group**  
**North American Toll-Free Number: 1-877-452-7184**  
**Collect Calls Outside North America: 416-304-0211**  
**Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)**

For further information about Twin Butte, please contact:

Twin Butte Energy Ltd.

Rob Wollmann

President and Chief Executive Officer

R. Alan Steele

Vice President Finance, Chief Financial  
Officer and Corporate Secretary

Tel: (403) 215-2045

Website: [www.twinbutteenergy.com](http://www.twinbutteenergy.com)

## Reader Advisory

*Certain information set forth in this press release, including information and statements which may contain words such as "could", "plans", "should", "anticipates", "expects", "believes", "will" and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements, including but not limited to statements regarding: the date of the postponed meeting, the timing for closing and the proxy cut offs for such postponed meeting and the filing of certain items on SEDAR and on Twin Butte's website. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Twin Butte's control, including the rights of the lenders to exercise any rights or remedies under the credit facility. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the Arrangement are set forth in the information circular, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition to the foregoing, the conclusions set out in the fairness opinion are subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Canaccord in connection with such fairness opinion and are made as at the date of such opinion. The fairness opinion has been prepared for the sole benefit of the board of directors of Twin Butte. Canaccord's fairness opinion is not to be construed as a recommendation to any securityholder as whether to vote in favor of the Arrangement. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Twin Butte could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Twin Butte will derive therefrom. Twin Butte disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

THIS IS **EXHIBIT "7"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017



A Notary Public in and for the  
Province of Quebec





## Twin Butte Energy debentureholders continue to oppose proposed transaction with Reignwood Resources that favors equityholders

CALGARY, Aug. 24, 2016 /CNW/ -

Dear Debentureholder,

We are an informal committee of concerned debentureholders of Twin Butte Energy Ltd. ("Twin Butte"), formed to oppose Twin Butte's proposed transaction with Reignwood Resources Holding Pte. Ltd. If implemented, the transaction would result in the payment of \$140 per \$1,000 of principal value for debentureholders or \$11.9 million, while \$22.4 million is paid to out of the money equity. If such equity consideration was rightfully paid to debentureholders it would result in a substantially higher value to debentureholders of up to \$404 per \$1,000 of principal value per debenture. We have retained Macquarie Capital Markets Canada Ltd. as our advisor and Bennett Jones LLP as our legal counsel.

It is a fundamental principle of Canadian law that equityholders of an insolvent company should not be compensated on account of their equity until after debt has been paid in full. An arrangement that provides for *any* payments to equity violates this fundamental principle. We believe the arrangement has been structured to protect insiders on the board and in management who hold substantial equity claims. Management will receive compensation pursuant to a change of control provision while retaining full employment following the transaction, and is expected to receive a cash payment pursuant to the 1,080,050 share awards issued by Twin Butte in the second quarter of 2016.

As evidenced by the fact that the company did not obtain a fairness opinion with respect to the debentures before proposing the arrangement, as was provided with respect to equity, it's clear that from the outset Twin Butte has had no regard for the interests of debentureholders. When it failed to gain sufficient support and was forced to postpone meetings of security holders, Twin Butte secured a fairness opinion on the debentures that is purely conclusory from a dealer rather than Peters & Co. and National Bank that were intimately involved in the process. These are the same two firms that led the December 2013 offering for the debentures that you currently own. The debenture fairness opinion fails to explain how it can be fair to debenture holders to pay *anything* to equity when debentures are not being paid in full.

We have had multiple discussions with key stakeholders, including Twin Butte's Special Committee, Reignwood's representative, Twin Butte's financial advisor, Peter's & Co, and National Bank on behalf of the lending syndicate. They remain entrenched in their position and resolutely refused to address our fundamental concerns.

We have analyzed a number of transaction alternatives that may result in increased consideration for the debentureholders. We would like to discuss these alternatives with you as soon as possible, to take advantage of a brief window ahead of the special meeting to implement such alternatives. Your support is important to increase the strength of our united front and provide the best opportunity for a meaningful increase to the consideration you will receive as a debentureholder. The debentureholders deserve a better deal.

To maximize our leverage so we can get a better deal, we plan to vote NO to the Arrangement at the special meeting of Twin Butte securityholders which will now be held on August 29, 2016. In addition, the debentureholders are prepared to direct the indenture trustee to take formal enforcement steps to protect their rights. To ensure your voice is heard, and to strengthen our hand in dealing with Twin Butte and Reignwood, we are asking for your support. The most tangible way to express your support is to execute the attached form of proxy.

We would welcome an opportunity to speak with you about these developments, and we would welcome your support.

On behalf of the Informal Committee of Concerned Debentureholders of Twin Butte,

Murray Bockhold  
Bockhold Investment Management Group

SOURCE Murray Bockhold

For further information: Macquarie Capital: Sandy Edmonstone, (403) 260-8463, sandy.edmonstone@macquarie.com; Chase Edgelow, (403) 539-8526, chase.edgelow@macquarie.com; Bennett Jones: Will Osler, (403) 298-3426, oslerw@bennettjones.com; Robert Staley, (416) 777-4857, staleyr@bennettjones.com

## FORFAITS PERSONNALISÉS

Jetez un coup d'œil sur nos forfaits personnalisés ou créez le vôtre selon vos besoins de communication particuliers.

Commencez dès aujourd'hui .

## ADHÉSION À CNW

Remplissez un formulaire d'adhésion à CNW ou communiquez avec nous au 1-877-269-7890.

## **RENSEIGNEZ-VOUS SUR LES SERVICES DE CNW**

Demandez plus d'informations sur les produits et services de CNW ou communiquez avec nous au 1-877-269-7890.

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APRIL, 2017



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Province of Quebec



## Twin Butte Responds to Open Letter to Debenture Holders

CALGARY, Aug. 25, 2016 /CNW/ - (TSX: TBE) – Twin Butte Energy Ltd. ("Twin Butte" or the "Company") wishes to respond to the claims made in a press release from Mr. Murray Bockhold yesterday, which included a number of inaccurate statements. The facts have been previously disclosed to all stakeholders and re-iterated to Mr. Bockhold (Bockhold Investment Management Group) and Mr. Edmonstone (Macquarie Capital) in a meeting held with members of the special committee of the board of directors of Twin Butte.

The facts are as follows:

- The Company announced it was entering into a strategic alternatives process in December 2015.
- The Company's bank syndicate determined in January 2016, primarily due to the reduction in forecast commodity prices, that the Company's credit facilities were being reduced significantly, requiring repayment of the Company's \$85 million non-revolving credit facility by April 30, 2016.
- The Company, with support of Peters & Co. Limited, and National Bank Financial, ran a fulsome strategic alternatives process involving over 450 potential counterparties, which culminated in the Company entering into the arrangement agreement with Reignwood Resources Holding Pte. Ltd. the ("Purchaser") and Reignwood Resources Trading UK Limited on June 23, 2016 after extensive arm's length negotiations between the Company and the Purchaser.
- Subsequent to April 30, 2016 the Company's bank syndicate has provided multiple extensions of the maturity date of the Company's \$85 million non-revolving credit facility. The Company is currently operating under a forbearance agreement with its bank syndicate pursuant to which the bank syndicate has agreed to forbear from exercising its rights and remedies for default under Twin Butte's credit agreement subject to certain conditions including that the Company's previously announced plan of arrangement (the "Arrangement") with the Purchaser is completed by September 26, 2016.
- The offer received from Reignwood Resources Holding Pte Ltd. ("Reignwood") was structured by Reignwood and their advisors and was non-negotiable. As the offer from Reignwood was the only offer received that preserved value for all stakeholders, including the Company's debentureholders and shareholders, as well as its other creditors, including the bank syndicate, the board of directors accepted Reignwood's offer. No other offers received during the process provided any compensation for debentureholders or shareholders.
- The consideration under the arrangement provided a 20% premium to debentureholders and a 5% discount to shareholders based on the 20 day VWAP of the debentures and shares, respectively on announcement of the Arrangement on June 24, 2016.
- A proposal to convert debentureholders into equity shares was provided by Mr. Bockhold and Mr. Edmonstone to Reignwood's advisors and they have informed Twin Butte that they will not entertain such proposal. In fact, Reignwood is firm that there will be no changes to their current offer.

In the event of an adverse vote by either the debentureholders or the shareholders, the Arrangement Agreement may be terminated and the Arrangement abandoned at any time. The Company would also be in default under its senior lending facility, entitling the senior lenders to take all steps to enforce their security. Neither the bank syndicate nor Reignwood are willing to make any changes to the arrangement terms.

The Board of Twin Butte has a broad responsibility and fiduciary duty to balance the interests of all stakeholders including the secured lenders, debentureholders, shareholders and employees. In fulfilling these responsibilities, the Board concluded, after examining all alternatives, that the Arrangement represented the most equitable sharing of value between the stakeholders and represented the highest aggregate value available to all of the stakeholders. The Arrangement represents a financial restructuring and the opportunity for the company to continue as a going concern. The Arrangement alternative is vastly superior to the possibility of insolvency, which the Board believes will lead to greater value destruction for all stakeholders.

Mr. Bockhold has made numerous inaccurate assertions in his press release that the company wishes to respond to with facts:

- [Assertion] Debentureholders should be entitled to up to \$404 per \$1,000 of principal value of debentures.
  - [Fact] *The Arrangement provides value to all of the Company's stakeholders, not just the debentureholders and no other offer is being contemplated by Reignwood. If the Arrangement is not approved the banking syndicate, as the Company's senior secured creditors, may exercise their rights to appoint a receiver and look to liquidate the Company's assets with the goal of maximizing funds for repayment of its secured position in full, first. Twin Butte firmly believes that the terms of the Arrangement in place today is the best offer that will be received, with all subsequent offers representing lower value to all stakeholders.*
- [Assertion] Debentureholders rank ahead of shareholders in the arrangement
  - [Fact] *The claim of a holder of an unsecured, subordinated debenture in a realization scenario is misrepresented. The arrangement is not a realization in an insolvency proceeding, but rather an offer from a third party to acquire the claims against the assets of the debentureholders for \$140 for each \$1,000 of principal amount of debentures. The board of directors, supported by the fairness opinion of Canaccord Genuity Corp., has concluded that the recovery to debentureholders from accepting this offer will be far superior to the recovery from a realization against the assets in an insolvency. In the context of the bids received for the assets of Twin Butte in the strategic process, the board of directors believes that it is highly unlikely that the debentureholders will have any recovery at all.*
- [Assertion] The arrangement was structured to protect insiders and the Board
  - [Fact] *The proposed Arrangement represents the only offer received by the Company, that provided any value to the debentureholders and shareholders beyond satisfying the Company's obligations to repay the amounts owing under its credit facilities. In the Board's view, the Arrangement represents the best and only choice to preserve value for all stakeholders. To believe that a superior offer is going to come forward if the Company is forced into insolvency proceedings after the extensive process that was undertaken is highly speculative. The Purchaser views the management and employees of the Company as crucial to the continued operation of the Company as a going concern.*
- [Assertion] The 1,080,050 share awards granted in Q2 went to executive or insiders.
  - [Fact] *The executive and insiders have not received any share awards in the past year and these were for staff that had been blacked out during the scheduled January grant.*
- [Assertion] The debenture fairness opinion is not valid
  - [Fact] *The fairness opinion obtained by the Twin Butte Board with respect to the debentures is a customary fairness opinion provided in the context of Canadian plan of arrangement transactions, such as the Arrangement. Canaccord Genuity Corp. was chosen as a completely independent advisor to the process and was provided access to all documentation and information to form their own independent, impartial opinion with respect to the Arrangement.*

We would encourage all stakeholders to contact Twin Butte or their advisors if they are looking for the facts.

The board of directors of Twin Butte has previously stated, and continues to support its determinations, that: (i) the arrangement is in the best interests of Twin Butte and the Twin Butte securityholders; (ii) Twin Butte securityholders vote in favor of the arrangement; and (iii) the consideration to be received by Twin Butte securityholders pursuant to the arrangement is fair to the Twin Butte securityholders.

Securityholders who have not voted in respect of the arrangement or wish to change their vote may do so by following the instructions set forth on the proxy or voting instruction form provided to them. Securityholders may revoke a previously voted proxy with an instrument in writing, including another proxy, signed by the securityholder and delivered care of Twin Butte to Computershare Trust Company of Canada. In order to revoke a proxy previously delivered by an intermediary or its agent, on their behalf, beneficial securityholders should carefully follow any revocation instructions set forth on the voting instruction form provided to them by their intermediary or agent.

The proxy vote cut-off will be extended until 9:00 am MDT on Monday August 29<sup>th</sup> which is the starting time for the annual and special meeting of securityholders.

Reader Advisory

Certain information set forth in this press release, including information and statements which may contain words such as "could", "plans", "should", "anticipates", "expects", "believes", "will" and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements, including but not limited to statements regarding: the anticipated benefits and reasons for the arrangement, the potential consequences if the

*arrangement does not proceed, and the Company's belief with respect to the value of any future offers with respect to the Company, or its assets. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Twin Butte's control, including the rights of the lenders to exercise any rights or remedies under the credit facility and the value of any third party offer. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the arrangement are set forth in the information circular, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition to the foregoing, the conclusions set out in the fairness opinions received by the board of the Company are subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by such advisors in connection with such fairness opinions and are made as at the date of such opinions. The fairness opinions were prepared for the sole benefit of the board of directors of Twin Butte and should not to be construed as a recommendation to any securityholder as whether to vote in favor of the arrangement. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Twin Butte could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Twin Butte will derive therefrom. Twin Butte disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.*

SOURCE Twin Butte Energy Ltd.

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**For further information:** Questions concerning voting may be directed to: Laurel Hill Advisory Group, North American Toll-Free Number: 1-877-452-7184, Collect Calls Outside North America: 416-304-0211, Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com); For further information about Twin Butte, please contact: Jim Saunders, Executive Chairman, Rob Wollmann, President and Chief Executive Officer, R. Alan Steele, Vice President Finance, Chief Financial Officer and Corporate Secretary, Tel: (403) 215-2045, Website: [www.twinbutteenergy.com](http://www.twinbutteenergy.com)

OO: Twin Butte Energy Ltd.

CNW 10:12e 25-AUG-16

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APRIL, 2017



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## Twin Butte Energy Announces Results of Securityholder Meeting

CALGARY, Aug. 29, 2016 /CNW/ - Twin Butte Energy Ltd. (TSX: TBE) ("Twin Butte" or the "Company") announces that at the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares (the "Shares") of Twin Butte and holders (the "Debentureholders" and together with the Shareholders, the "Securityholders") of 6.25% convertible unsecured subordinated debentures of Twin Butte due December 31, 2018 (the "Debentures") held today, the Shareholders voted approximately 78% in favor (approximately 76% in favour after excluding votes cast by certain persons whose votes may not be included in determining minority approval of a business combination pursuant to Multilateral Instrument 61-101 – *Protection of Minority Securityholders In Special Transactions*) of a resolution (the "Arrangement Resolution") of the Securityholders to approve a proposed plan of arrangement (the "Arrangement") whereby Reignwood Resources Holding Pte. Ltd. (the "Purchaser") would indirectly acquire all of the outstanding Shares and all of the outstanding Debentures. However, the Arrangement Resolution also required the approval of not less than 66 2/3% of the principal amount of Debentureholders present in person or represented by proxy at the Meeting and voted upon the Arrangement Resolution. Debentureholders voted approximately 32% in favor of the Arrangement Resolution at the Meeting, and as such, the Arrangement was not approved at the Meeting.

As the Arrangement Resolution did not receive the requisite approval of the Debentureholders at the Meeting, the arrangement agreement previously entered between Twin Butte and the Purchaser with respect to the Arrangement may be terminated by either Twin Butte or Purchaser. In such event, no break fee will be payable by either Twin Butte or the Purchaser as a result of such termination.

The failure of the Debentureholders to approve the Arrangement Resolution at the Meeting terminates the forbearance period provided by Twin Butte's senior lenders under Twin Butte's forbearance agreement with its syndicate of senior secured lenders. As a result, such lenders are now entitled to exercise any rights or remedies they have, including accelerating the repayment of the Company's outstanding bank debt and enforcing their security by appointing a receiver to liquidate the Company's assets and manage the Company's affairs. Twin Butte intends to engage in proactive discussions with its lenders in this regard.

Twin Butte will not be proceeding with its scheduled application for a final order of the Court of Queen's Bench of Alberta to approve the Arrangement on September 2, 2016.

At the Meeting, Shareholders also approved, among other annual matters, the election of seven nominees of Twin Butte as directors of Twin Butte, with Shares represented at the Meeting voting by way of ballot in favour and withheld from voting for each of the individual nominees as follows:

Nominee	Votes For	% For	Votes Withheld	% Withheld
R. James Brown	85,283,450	78.46	23,408,442	21.54
John A. Brussa	84,515,166	77.76	24,176,726	22.24
David M. Fitzpatrick	85,289,464	78.47	23,402,428	21.53
Thomas J. Greschner	85,113,070	78.31	23,578,822	21.69
James Saunders	84,896,568	78.11	23,795,324	21.89
Warren D. Steckley	85,288,706	78.47	23,403,186	21.53
William A. Trickett	85,448,228	78.62	23,243,664	21.38

All other resolutions presented at the Meeting with respect to annual business for the Shareholders were approved by Shareholders at the Meeting. Detailed voting results for all resolutions will be posted under Twin Butte's SEDAR profile at [www.sedar.com](http://www.sedar.com).

SOURCE Twin Butte Energy Ltd.

%SEDAR: 00001562E

**For further information:** Twin Butte Energy Ltd.: Rob Wollmann, President and Chief Executive Officer; R. Alan Steele, Vice President Finance, Chief Financial Officer and Corporate Secretary; Jim Saunders, Executive Chairman; Tel: (403) 215-2045, Website: [www.twinbutteenergy.com](http://www.twinbutteenergy.com)

CO: Twin Butte Energy Ltd.

CNW 13:33e 29-AUG-16



THIS IS **EXHIBIT "10"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017



A Notary Public in and for the  
Province of Quebec



## **Twin Butte Energy Debentureholders Outline Proposed Alternative Transaction as Presented to the Special Committee of Twin Butte's Board**

*Corrected source*

CALGARY, Aug. 30, 2016 /CNW/ -

Dear Twin Butte Securityholders,

We, the ad hoc committee of unaffiliated senior debentureholders (the "Ad Hoc Group") of Twin Butte Energy Ltd. ("Twin Butte"), wish to update Twin Butte's securityholders concerning recent developments in connection with the proposed restructuring of Twin Butte:

- Immediately following the special meeting of the Twin Butte securityholders held on August 29, 2016, the Ad Hoc Group presented an alternate restructuring proposal (the "Alternate Proposal") to the Special Committee of Twin Butte's Board (the "Special Committee").
- The Alternate Proposal outlines a proposed plan whereby Twin Butte would file for creditor protection under the Companies' Creditors Arrangement Act ("CCAA") in order to complete a concurrent selected asset sale, private placement and rights offering that would allow Twin Butte to emerge from CCAA creditor protection with significantly reduced leverage and material interest savings.
- The Alternate Proposal (attached) represents a near-term viable solution for the benefit of all Twin Butte securityholders. The Ad Hoc Group asked for a short window to formalize the proposal and that Twin Butte remove barriers currently in place that restrict implementation. Specifically, we have requested that Twin Butte release parties contacted during the strategic alternatives process from the standstill clauses under their confidentiality agreements, and received no substantive response to this request. Following the removal of these barriers to action, we strongly believe that we would be in a position to provide a revised proposal with limited conditions or risk of closing in an expedited period.
- In light of the materially improved commodity price environment between current strip pricing and when the corporate bid from Reignwood Resources Holding Pte. Ltd. ("Reignwood") was received, the Ad Hoc Group believes that the completion of the selected asset sale, private placement and rights offering would allow Twin Butte to continue as a going concern after emergence from CCAA.
- Twin Butte's asset base is highly levered to changes in oil price and as such, multiple alternatives exist today for Twin Butte that were previously unavailable at the bottom of the cycle when the initial strategic alternative process was initiated and when the Reignwood offer was accepted:
  - Western Canadian Select spot prices have increased by \$9.56 per barrel since March 11, 2016, the bid date for the strategic alternatives process run by Peters & Co. Limited and National Bank Financial Inc.
  - This increase is highly material and significantly improves Twin Butte's netback relative to the Q1 2016 period in which Twin Butte's netback was negative at \$(2.35)/boe.
- The Ad Hoc Group understands that this Alternate Proposal has been provided to the Lending Syndicate by the Special Committee. Twin Butte has not indicated what response, if any, the company has received from the Lending Syndicate.
- The Ad Hoc Group believes that the Alternate Proposal provides Twin Butte with a preferred alternative to receivership, which would be to the benefit of all of Twin Butte's stakeholders including the Lending Syndicate, debentureholders, shareholders, and the employees of Twin Butte and all other stakeholders.

We look forward to the opportunity to engage with the Lending Syndicate and the Special Committee to discuss and advance the Alternate Proposal.

*Attached is a redacted copy of the term sheet provided to the Special Committee August 29, 2016 outlining the proposed terms of the Alternate Transaction Proposal.*

#### **SUMMARY OF PRINCIPAL TERMS AND CONDITIONS**

This term sheet dated as of August 29, 2016 describes the principal terms on which Twin Butte Energy Ltd. ("**Twin Butte**" or the "**Company**") will complete a series of transactions under which Twin Butte's (i) CDN\$140 million revolving facility (the "**Revolving Facility**") and associated CDN\$85 million term loan, (ii) C\$85 million of 6.25% Convertible Unsecured Subordinated Debentures due December 31,

2018 (the "**Debentures**"), iii) unsecured creditor and other claimants and (iv) existing common shares (the "**Existing Common Shares**") will be restructured pursuant to a recapitalization and restructuring plan to be implemented through proceedings to be commenced under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**" and the "**CCAA Transaction**").<sup>1</sup>

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<sup>1</sup> *This Summary of Principal Terms and Conditions does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions will be entered into on the basis of mutually satisfactory definitive documentation after, among other things, satisfactory completion of due diligence (including without limitation financial, operational, technical, legal and tax due diligence) and receipt of necessary internal and external approvals.*

## **PRINCIPAL TERMS OF CCAA TRANSACTION**

### **I. CCAA Transaction**

#### **Affected Persons**

<b>Debentures</b>	" <b>Debenture Claims</b> " shall consist of all outstanding obligations, liabilities and indebtedness owed to the Debentureholders, including, without limitation, any and all outstanding principal and all accrued and unpaid interest owing under the documents governing the Debentures.
<b>General Unsecured Claims</b>	" <b>General Unsecured Claims</b> " means claims of any unsecured creditor as that term is defined in the CCAA.
<b>Existing Shareholders</b>	" <b>Existing Shares</b> " means the common shares of the Company currently outstanding, including, without limitation, all options, warrants, rights, shareholder rights plans, performance share units or similar instruments derived from, relating to, or convertible or exchangeable therefore.
<b>Priority Claims</b>	" <b>Priority Claims</b> " shall consist of any priority claims (taxes, unpaid wages, etc.) required to be paid pursuant to section 6 of the CCAA.
<b>DIP Financing</b>	The Ad Hoc Committee has procured a term sheet for a DIP Financing from [redacted] attached hereto as Appendix "A".
<b>Private Placement</b>	The Company will complete a "best efforts" treasury offering of common shares in an amount up to \$19,000,000 on a private placement basis. The offering price of the common shares pursuant to the Private Placement will be subject to the maximum permissible discount pursuant to the rules of the Toronto Stock Exchange (the "TSX").
<b>Rights Offering</b>	The Company will complete a rights offering (the " <b>Rights Offering</b> ") in an amount up to \$11,000,000, with an exercise price offering price subject to the maximum permissible discount pursuant to the rules of the TSX. Current holders of Existing Shares and holders of Debentures will each as a group be entitled to subscribe for up to \$5,500,000 rights pursuant to the Rights Offering. Allocations to subscribers will be made on a <i>pro rata</i> basis. The Ad Hoc Committee will provide a stand-by commitment for the Rights Offering.
<b>New Common Shares</b>	<p>Approximately [·] new common shares of the Company (the "<b>New Common Shares</b>") will be issued on implementation of the CCAA Transaction, such that following completion of the CCAA Transaction it is anticipated that the New Common Shares will be allocated approximately 68% to holders of Debentures and to holders of General Unsecured Claims (as of a record date to be determined) as a group, approximately 27% to participants in the Private Placement and the Rights Offering, and approximately 5% to participants in the New Employee Incentive Plan (as defined below).</p> <p>The allocation of New Common Shares is based upon the maximum proceeds outlined above and is subject to reallocation.</p> <p>All rights in respect of Existing Shares shall be cancelled upon plan implementation.</p> <p>For certainty, no equity or equity derivative securities will be issued on implementation of the CCAA Transaction, other than pursuant to the New Employee Incentive Plan.</p>
<b>Bank Debt</b>	<p>The Banks agree that Twin Butte's debt shall equal the fair market value of debt as per Note 5 in the Company's Q2 2016 financial statements, and agree to an extension of the forbearance agreement for a minimum of 60 days, if applicable.</p> <p>Twin Butte shall use any proceeds raised pursuant to the Private Placement, Rights Offering and Asset Sale Process (as defined below) for further reduction of debt.</p> <p>The Banks agree to provide the remaining debt in the form of a New Revolving Facility (as defined below).</p>
<b>Asset Sale Process</b>	The Company will undertake a process to sell certain assets identified by the Ad Hoc Committee. Net proceeds of any such sales will be used to repay bank debt upon closing.

## **II. Implementation**

**CCAA Plan** The restructuring and recapitalization will be implemented pursuant to a Plan of Arrangement and Compromise (the "Plan"). The Plan shall have two classes of creditors, being: a) Secured Class - Consisting of the current banking syndicate and receiving the treatment set forth herein, and b) Unsecured Class - consisting of Debentures and General Unsecured Claims. The Plan will include provision for the Asset Sale Process described above.

The indicative timeline for the implementation of the Plan is as follows:

Day 1 - Obtain Initial Order under CCAA

Day 10 - Obtain Claims Process Order

Day 30 - File Plan and Seek Meeting Order

Day 51 - Meeting

Day 55 - Apply for Sanction Order

Day 60 - Implementation of Plan

## **III. Other Claims and Interests**

**Non-Priority Unsecured Claims** All non-priority, unsecured claims, leases and executory contracts (other than the Debentures) will either be unaffected under the CCAA Transaction and remain in place under their existing terms or will be treated in a manner acceptable to the Company and the Ad Hoc Committee.

## **IV. Other Conditions**

<b>Revolving Credit Facility</b>	The Revolving Facility shall be replaced with a new revolving credit facility (the " <b>New Revolving Facility</b> ") on terms and conditions acceptable to the Company and the Ad Hoc Committee. The New Revolving Facility will be based on the fair market value of debt as described above in "Bank Debt". The New Revolving Facility shall be available to the Company following implementation of the CCAA Transaction with a redetermination date not before November 30, 2017.
<b>Listing of New Common Shares</b>	The Company and the Ad Hoc Committee shall engage in good faith discussions regarding listing, reporting, registration rights and the public nature of reorganized Twin Butte going forward, following implementation of the CCAA Transaction. For greater certainty, the parties intend that the Company remain a listed company on the TSX.
<b>Ad Hoc Committee Professionals</b>	The fees of Macquarie Capital, the financial advisor to the Ad Hoc Committee, and Bennett Jones LLP, legal advisors to the Ad Hoc Committee shall be paid in accordance with their respective engagement letters, copies of which have been provided to the Company. Macquarie Capital's engagement letter may only be shared with third parties pursuant to a confidentiality agreement in form and substance satisfactory to Macquarie Capital.
<b>Definitive Documents</b>	Definitive agreements, court materials and other documents (the " <b>Definitive Documents</b> ") in connection with CCAA Proceedings, shall be consistent in all respects with the terms of this term sheet and otherwise reasonably acceptable to the Company and the Ad Hoc Committee. The Definitive Documents shall implement the CCAA Transaction in a tax efficient manner acceptable to the Company and the Ad Hoc Committee.
<b>New Employee Incentive Plan</b>	The terms of any employment agreements shall be modified, as a condition to the CCAA Transaction to address Twin Butte's restructured capital structure and specifically to confirm that no amounts shall be payable to any employee, officer or director in connection with any change of control that may arise in connection with or result from the implementation of the CCAA Transaction.  The existing employee incentive programs will be cancelled and replaced by a new incentive plan (the " <b>New Employee Incentive Plan</b> ") to be approved at the discretion of the post-recapitalization Board of Directors.  Approximately [-] New Common Shares will be issued on implementation of the CCAA Transaction pursuant to the New Employee Incentive Plan, such that following completion of the CCAA Transaction it is anticipated that 5% of the New Common Shares will be allocated to the New Employee Incentive Plan. The New Common Shares issued pursuant to the New Employee Incentive Plan will be issued in exchange for no consideration but will be subject to certain performance hurdles.
<b>Corporate Governance</b>	The Ad Hoc Committee will work with the current Board of Directors of the Company to establish the membership of the post-recapitalization Board, provided that the Board will consist of (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee, and (iii) other new individuals acceptable to the Ad Hoc Committee.
<b>Other Approvals and Conditions</b>	The implementation of the Plan shall be subject to court, stock exchange, regulatory, lender and other approvals and conditions precedent as may be required for a transaction of this nature, including without limitation, that there shall be no material adverse change in the Company's business operations. The transactions set forth in this term sheet shall be subject to standard due diligence by the Ad Hoc Committee.
<b>Monitor</b>	[Redacted] shall be retained to serve as the proposed CCAA monitor (the " <b>Proposed Monitor</b> ").

**SCHEDULE "A"**

**[Redacted]**

SOURCE Informal Committee of Concerned Debentureholders of Twin Butte

For further information: On behalf of the Ad Hoc Group, Macquarie Capital Markets Canada Ltd.: Sandy Edmonstone, (403) 260-8463, [sandy.edmonstone@macquarie.com](mailto:sandy.edmonstone@macquarie.com); Chase Edgelow, (403) 539-8526, [chase.edgelow@macquarie.com](mailto:chase.edgelow@macquarie.com); Bennett Jones LLP: Will Osler, (403) 298-3426, [oslerw@bennettjones.com](mailto:oslerw@bennettjones.com); Robert Staley, (416) 777-4857, [staley@bennettjones.com](mailto:staley@bennettjones.com)

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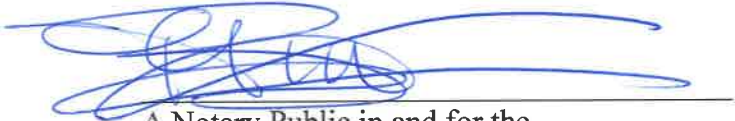
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THIS IS **EXHIBIT "11"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017



A Notary Public in and for the  
Province of Quebec



April 13, 2017

Re: Twin Butte receivership costs

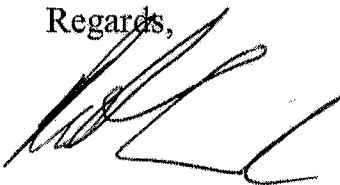
To Whom It May Concern;

It is about time someone stood up for the little guy. This started when the original proposal was first laid out and was voted down. The first members who got the ball rolling so to speak, didn't like how the deal was structured and felt it was not fair to all parties. Noticing that anyone holding debentures had no one in their corner, they took it upon themselves to spread the word through various media outlets in which they outlined all the aspects that could be changed to make the deal fairer for all concerned. This however landed on deaf ears. What I consider to be strong arm tactics were used to scare the investors in order to pass the sale of the company to the original bidder. It was at that point when I became a huge supporter of what this group was trying to accomplish. Without their support and hard work, rallying all the little investors together, this story would have been over a long time ago.

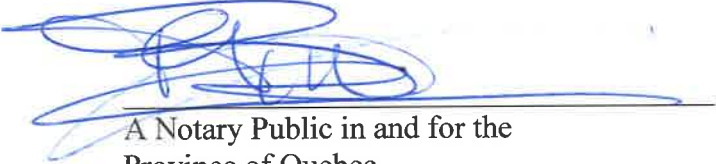
I think it is high time that we as small investors get support. We are being used as cannon fodder by a lot of these publicly traded companies. More people like the Ad Hoc group are needed in order to insure that we, as small investors, are not taken advantage of.

Thank you very much for all of your hard work, time and money spent to date and in the future. It has helped us feel like we have not been forgotten. Even if this process has no material gain for me, I still feel that it was worth the effort to stand up for our beliefs.

Regards,

A handwritten signature in black ink, appearing to be a stylized name, possibly "W. L. C.", written over the "Regards," text.

THIS IS **EXHIBIT "12"** REFERRED TO  
IN THE AFFIDAVIT OF MIKE MAGUIRE  
SWORN BEFORE ME THIS 19<sup>TH</sup> DAY OF  
APRIL, 2017



A Notary Public in and for the  
Province of Quebec





Bennett Jones LLP  
4500 Bankers Hall East  
855 - 2nd Street S.W.  
Calgary, Alberta T2P 4K7

TWIN BUTTE DEBENTUREHOLDERS  
MURRAY BOCKHOLD  
C/O BOCKHOLD INVESTMENT MANAGEMENT GROUP  
SUITE 400, 1285 WEST PENDER STREET  
VANCOUVER, BC V6E 4B1

**Attention: MURRAY BOCKHOLD**

Re: PLAN OF ARRANGEMENT  
Our File Number: 076739.00001

Date: March 31, 2017  
Invoice: 1168188

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**PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:**

Professional Services	\$	115,165.71
Other Charges		201.00
Disbursements		-1,000.00
Total Due before GST/HST	\$	<u>114,366.71</u>
GST/HST	\$	5,718.34
TOTAL Due in CAD	\$	<u><u>120,085.05</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.  
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by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

Date	Lawyer	Description	Hours	Amount
01/08/16	R. W. Staley	[REDACTED]	0.10	\$ 102.50
02/08/16	R. W. Staley	[REDACTED]	1.00	1,025.00
02/08/16	J. L. Giffen	[REDACTED]	1.60	920.00
03/08/16	R. W. Staley	[REDACTED]	1.50	1,537.50
04/08/16	J. L. Giffen	[REDACTED]	3.30	1,897.50
09/08/16	J. L. Giffen	[REDACTED]	0.80	460.00
09/08/16	R. W. Staley	[REDACTED]	0.60	615.00
10/08/16	R. W. Staley	[REDACTED]	1.10	1,127.50
11/08/16	R. W. Staley	[REDACTED]	0.40	410.00
12/08/16	R. W. Staley	[REDACTED]	0.50	512.50
13/08/16	R. W. Staley	[REDACTED]	0.20	205.00
14/08/16	R. W. Staley	[REDACTED]	0.10	102.50

Date	Lawyer	Description	Hours	Amount
15/08/16	R. W. Staley	[REDACTED]	2.00	2,050.00
16/08/16	R. W. Staley	[REDACTED]	0.90	922.50
16/08/16	J. L. Giffen	[REDACTED]	1.50	862.50
16/08/16	K. Nijjar	[REDACTED]	1.70	365.50
17/08/16	K. Nijjar	[REDACTED]	4.50	967.50
17/08/16	J. L. Giffen	[REDACTED]	1.50	862.50
17/08/16	R. W. Staley	[REDACTED]	1.00	1,025.00
17/08/16	J. Kerbel	[REDACTED]	0.30	285.00

Date	Lawyer	Description	Hours	Amount
17/08/16	K. R. Hanc	[REDACTED]	3.00	1,935.00
18/08/16	K. R. Hanc	[REDACTED]	0.60	387.00
18/08/16	R. W. Staley	[REDACTED]	0.80	820.00
18/08/16	J. Kerbel	[REDACTED]	0.20	190.00
21/08/16	R. W. Staley	[REDACTED]	0.20	205.00
22/08/16	R. W. Staley	[REDACTED]	1.30	1,332.50
22/08/16	J. L. Giffen	[REDACTED]	0.80	460.00
23/08/16	J. L. Giffen	[REDACTED]	1.40	805.00
23/08/16	W. S. Osler	[REDACTED]	2.20	1,605.99
23/08/16	R. W. Staley	[REDACTED]	2.40	2,460.00
24/08/16	R. W. Staley	[REDACTED]	1.20	1,230.00

Date	Lawyer	Description	Hours	Amount
24/08/16	L. J. Franklin	[REDACTED]	0.20	42.00
24/08/16	L. J. Franklin	[REDACTED]	0.20	42.00
24/08/16	W. S. Osler	[REDACTED]	1.26	916.22
24/08/16	J. L. Giffen	[REDACTED]	0.60	345.00
25/08/16	J. L. Giffen	[REDACTED]	0.60	345.00
25/08/16	D. Kiefer	[REDACTED]	0.80	172.00
25/08/16	R. W. Staley	[REDACTED]	2.60	2,665.00
25/08/16	K. R. Hanc	[REDACTED]	1.30	838.50
26/08/16	K. J. Zych	[REDACTED]	2.70	2,875.50
26/08/16	R. W. Staley	[REDACTED]	2.00	2,050.00



Date	Lawyer	Description	Hours	Amount
26/08/16	J. L. Giffen	[REDACTED]	2.10	1,207.50
27/08/16	J. L. Giffen	[REDACTED]	1.50	862.50
27/08/16	R. W. Staley	[REDACTED]	1.00	1,025.00
27/08/16	K. J. Zych	[REDACTED]	1.80	1,917.00
28/08/16	K. J. Zych	[REDACTED]	1.60	1,704.00
28/08/16	R. W. Staley	[REDACTED]	0.80	820.00
28/08/16	J. L. Giffen	[REDACTED]	2.60	1,495.00
29/08/16	J. L. Giffen	[REDACTED]	2.90	1,667.50
29/08/16	J. R. Lambert	[REDACTED]	0.20	111.00
29/08/16	R. W. Staley	[REDACTED]	1.20	1,230.00
29/08/16	K. J. Zych	[REDACTED]	0.80	852.00
30/08/16	K. J. Zych	[REDACTED]	1.20	1,278.00

Date	Lawyer	Description	Hours	Amount
30/08/16	R. W. Staley	[REDACTED]	2.50	2,562.50
30/08/16	C. D. Simard	[REDACTED]	0.40	270.00
30/08/16	A. E. Teasdale	[REDACTED]	0.30	166.50
30/08/16	J. R. Lambert	[REDACTED]	1.70	943.50
30/08/16	M. W. Selnes	[REDACTED]	6.00	1,860.00
30/08/16	J. L. Giffen	[REDACTED]	2.30	1,322.50
31/08/16	J. L. Giffen	[REDACTED]	0.50	287.50
31/08/16	A. E. Teasdale	[REDACTED]	2.70	1,498.50
31/08/16	J. R. Lambert	[REDACTED]	0.40	222.00
31/08/16	C. D. Simard	[REDACTED]	1.20	810.00

Date	Lawyer	Description	Hours	Amount
31/08/16	R. W. Staley	[REDACTED]	1.50	1,537.50
31/08/16	K. J. Zych	[REDACTED]	0.90	958.50
01/09/16	K. J. Zych	[REDACTED]	0.70	745.50
01/09/16	C. D. Simard	[REDACTED]	0.80	540.00
01/09/16	R. W. Staley	[REDACTED]	1.10	1,127.50
01/09/16	A. E. Teasdale	[REDACTED]	2.40	1,332.00
01/09/16	J. R. Lambert	[REDACTED]	0.20	111.00
02/09/16	J. R. Lambert	[REDACTED]	0.20	111.00
02/09/16	J. L. Giffen	[REDACTED]	0.30	172.50
02/09/16	R. W. Staley	[REDACTED]	0.10	102.50
06/09/16	R. W. Staley	[REDACTED]	0.60	615.00
06/09/16	C. D. Simard	[REDACTED]	0.80	540.00
06/09/16	J. R. Lambert	[REDACTED]	0.40	222.00

Date	Lawyer	Description	Hours	Amount
07/09/16	C. D. Simard	[REDACTED]	2.60	1,755.00
07/09/16	R. W. Staley	[REDACTED]	0.20	205.00
07/09/16	K. J. Zych	[REDACTED]	0.70	745.50
07/09/16	A. E. Teasdale	[REDACTED]	0.80	444.00
08/09/16	A. E. Teasdale	[REDACTED]	1.80	999.00
08/09/16	C. D. Simard	[REDACTED]	1.50	1,012.50
08/09/16	R. W. Staley	[REDACTED]	0.40	410.00
09/09/16	R. W. Staley	[REDACTED]	0.50	512.50
09/09/16	C. D. Simard	[REDACTED]	0.70	472.50
09/09/16	W. S. Osler	[REDACTED]	0.30	219.00
09/09/16	A. E. Teasdale	[REDACTED]	0.30	166.50
12/09/16	C. D. Simard	[REDACTED]	0.50	337.50
12/09/16	R. W. Staley	[REDACTED]	0.20	205.00
13/09/16	R. W. Staley	[REDACTED]	0.50	512.50

Date	Lawyer	Description	Hours	Amount
13/09/16	C. D. Simard	[REDACTED]	0.50	337.50
13/09/16	W. S. Osler	[REDACTED]	0.20	146.00
15/09/16	C. D. Simard	[REDACTED]	0.70	472.50
15/09/16	R. W. Staley	[REDACTED]	0.20	205.00
20/09/16	R. W. Staley	[REDACTED]	0.10	102.50
20/09/16	C. D. Simard	[REDACTED]	0.10	67.50
20/09/16	A. E. Teasdale	[REDACTED]	0.10	55.50
21/09/16	C. D. Simard	[REDACTED]	0.70	472.50
21/09/16	R. W. Staley	[REDACTED]	0.20	205.00
26/09/16	C. D. Simard	[REDACTED]	0.10	67.50
27/09/16	C. D. Simard	[REDACTED]	0.20	135.00
28/09/16	C. D. Simard	[REDACTED]	0.10	67.50
28/09/16	R. W. Staley	[REDACTED]	0.10	102.50
29/09/16	R. W. Staley	[REDACTED]	0.10	102.50
29/09/16	C. D. Simard	[REDACTED]	0.10	67.50
30/09/16	C. D. Simard	[REDACTED]	0.20	135.00
30/09/16	A. E. Teasdale	[REDACTED]	1.30	721.50
30/09/16	R. W. Staley	[REDACTED]	0.10	102.50
01/10/16	A. E. Teasdale	[REDACTED]	0.70	388.50
02/10/16	A. E. Teasdale	[REDACTED]	1.30	721.50

Date	Lawyer	Description	Hours	Amount
02/10/16	R. W. Staley	[REDACTED]	0.10	102.50
03/10/16	R. W. Staley	[REDACTED]	0.10	102.50
03/10/16	A. E. Teasdale	[REDACTED]	3.60	1,998.00
04/10/16	A. E. Teasdale	[REDACTED]	0.40	222.00
04/10/16	C. D. Simard	[REDACTED]	0.30	202.50
04/10/16	R. W. Staley	[REDACTED]	0.20	205.00
05/10/16	R. W. Staley	[REDACTED]	0.10	102.50
07/10/16	R. W. Staley	[REDACTED]	0.20	205.00
07/10/16	C. D. Simard	[REDACTED]	0.10	67.50
07/10/16	A. E. Teasdale	[REDACTED]	0.70	388.50
08/10/16	A. E. Teasdale	[REDACTED]	0.90	499.50
08/10/16	R. W. Staley	[REDACTED]	0.30	307.50
09/10/16	R. W. Staley	[REDACTED]	0.20	205.00
09/10/16	A. E. Teasdale	[REDACTED]	3.90	2,164.50

Date	Lawyer	Description	Hours	Amount
10/10/16	A. E. Teasdale	[REDACTED]	3.80	2,109.00
10/10/16	R. W. Staley	[REDACTED]	0.40	410.00
11/10/16	R. W. Staley	[REDACTED]	0.20	205.00
11/10/16	A. E. Teasdale	[REDACTED]	3.30	1,831.50
11/10/16	H. Masri	[REDACTED]	0.70	150.50
12/10/16	R. W. Staley	[REDACTED]	0.10	102.50
14/10/16	A. E. Teasdale	[REDACTED]	0.30	166.50
18/11/16	R. W. Staley	[REDACTED]	0.10	102.50
14/12/16	C. D. Simard	[REDACTED]	0.50	337.50
15/12/16	C. D. Simard	[REDACTED]	0.60	405.00
15/12/16	A. E. Teasdale	[REDACTED]	1.40	777.00
29/12/16	A. E. Teasdale	[REDACTED]	0.10	55.50
06/01/17	C. D. Simard	[REDACTED]	0.30	210.00
10/01/17	C. D. Simard	[REDACTED]	0.20	140.00
11/01/17	A. E. Teasdale	[REDACTED]	0.40	226.00
13/01/17	C. D. Simard	[REDACTED]	0.30	210.00

Date	Lawyer	Description	Hours	Amount
16/01/17	C. D. Simard	[REDACTED]	1.70	1,190.00
17/01/17	C. D. Simard	[REDACTED]	0.90	630.00
18/01/17	C. D. Simard	[REDACTED]	2.60	1,820.00
19/01/17	C. D. Simard	[REDACTED]	0.20	140.00
25/01/17	C. D. Simard	[REDACTED]	0.20	140.00
26/01/17	C. D. Simard	[REDACTED]	0.40	280.00
27/01/17	C. D. Simard	[REDACTED]	0.20	140.00
30/01/17	C. D. Simard	[REDACTED]	0.10	70.00
31/01/17	C. D. Simard	[REDACTED]	0.10	70.00
08/02/17	C. D. Simard	[REDACTED]	0.10	70.00
09/02/17	C. D. Simard	[REDACTED]	0.10	70.00
10/02/17	C. D. Simard	[REDACTED]	0.20	140.00
12/02/17	C. D. Simard	[REDACTED]	0.10	70.00
14/02/17	C. D. Simard	[REDACTED]	0.20	140.00
15/02/17	C. D. Simard	[REDACTED]	0.50	350.00
17/02/17	C. D. Simard	[REDACTED]	0.70	490.00
20/02/17	C. D. Simard	[REDACTED]	0.70	490.00
20/02/17	A. E. Teasdale	[REDACTED]	0.10	56.50
21/02/17	C. D. Simard	[REDACTED]	0.60	420.00
22/02/17	C. D. Simard	[REDACTED]	0.10	70.00



Date	Lawyer	Description	Hours	Amount
23/02/17	C. D. Simard	[REDACTED]	0.10	70.00
23/02/17	A. E. Teasdale	[REDACTED]	0.10	56.50
24/02/17	C. D. Simard	[REDACTED]	0.40	280.00
26/02/17	A. E. Teasdale	[REDACTED]	1.50	847.50
27/02/17	A. E. Teasdale	[REDACTED]	0.60	339.00
27/02/17	C. D. Simard	[REDACTED]	0.20	140.00
28/02/17	C. D. Simard	[REDACTED]	0.70	490.00
28/02/17	A. E. Teasdale	[REDACTED]	1.10	621.50
01/03/17	A. E. Teasdale	[REDACTED]	0.60	339.00
01/03/17	J. R. Lambert	[REDACTED]	0.30	169.50
05/03/17	A. E. Teasdale	[REDACTED]	0.40	226.00
06/03/17	A. E. Teasdale	[REDACTED]	0.20	113.00
06/03/17	C. D. Simard	[REDACTED]	0.30	210.00
06/03/17	J. R. Lambert	[REDACTED]	0.20	113.00
07/03/17	C. D. Simard	[REDACTED]	0.20	140.00

Date	Lawyer	Description	Hours	Amount
08/03/17	C. D. Simard	[REDACTED]	0.20	140.00
09/03/17	C. D. Simard	[REDACTED]	0.30	210.00
10/03/17	C. D. Simard	[REDACTED]	0.20	140.00
12/03/17	A. E. Teasdale	[REDACTED]	0.10	56.50
14/03/17	A. E. Teasdale	[REDACTED]	0.10	56.50
14/03/17	C. D. Simard	[REDACTED]	0.70	490.00
16/03/17	C. D. Simard	[REDACTED]	0.30	210.00
19/03/17	C. D. Simard	[REDACTED]	0.10	70.00
20/03/17	C. D. Simard	[REDACTED]	0.10	70.00
21/03/17	C. D. Simard	[REDACTED]	0.60	420.00
24/03/17	C. D. Simard	[REDACTED]	0.70	490.00
24/03/17	A. E. Teasdale	[REDACTED]	0.60	339.00
25/03/17	C. D. Simard	[REDACTED]	0.30	210.00
26/03/17	C. D. Simard	[REDACTED]	0.20	140.00
26/03/17	A. E. Teasdale	[REDACTED]	0.60	339.00
27/03/17	A. E. Teasdale	[REDACTED]	2.70	1,525.50

Date	Lawyer	Description	Hours	Amount
27/03/17	C. D. Simard	[REDACTED]	1.30	910.00
28/03/17	C. D. Simard	[REDACTED]	0.80	560.00
29/03/17	C. D. Simard	[REDACTED]	0.50	350.00
30/03/17	C. D. Simard	[REDACTED]	0.20	140.00
31/03/17	C. D. Simard	[REDACTED]	0.30	210.00
Total Hours and Professional Services			166.16	\$ 115,165.71

Timekeeper	Title	Hours	Rate	Amount
L. J. Franklin	Paralegal	0.40	210.00	\$ 84.00
J. L. Giffen	Associate	24.30	575.00	13,972.50
K. R. Hanc	Partner	4.90	645.00	3,160.50
J. Kerbel	Partner	0.50	950.00	475.00
D. Kiefer	Student	0.80	215.00	172.00
J. R. Lambert	Partner	3.10	555.00	1,720.50
J. R. Lambert	Partner	0.50	565.00	282.50
H. Masri	Student	0.70	215.00	150.50
K. Nijjar	Associate	6.20	215.00	1,333.00
W. S. Osler	Partner	3.96	730.00	2,887.21
M. W. Selnes	Associate	6.00	310.00	1,860.00
C. D. Simard	Partner	19.20	700.00	13,440.00
C. D. Simard	Partner	12.70	675.00	8,572.50
R. W. Staley	Partner	33.30	1025.00	34,132.50
A. E. Teasdale	Partner	30.10	555.00	16,705.50
A. E. Teasdale	Partner	9.10	565.00	5,141.50
K. J. Zych	Partner	10.40	1065.00	11,076.00

Other Charges			
Printing Charges		\$	198.00
Colour Printing Charges			3.00
Total Other Charges		\$	201.00

Date	Disbursements		
24/08/2016	Reversal from Void Check Number: 403904 Bank ID: royal Voucher ID: 662637 Vendor: TWIN BUTTE ENERGY LTD.	\$	(1,000.00)
Total Disbursements		\$	(1,000.00)

GST/HST \$ 5,718.34

March 31, 2017  
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Client: 076739.00001  
Invoice No.: 1168188

TOTAL DUE \$ 120,085.05

TWIN BUTTE DEBENTUREHOLDERS  
MURRAY BOCKHOLD  
C/O BOCKHOLD INVESTMENT MANAGEMENT GROUP  
SUITE 400, 1285 WEST PENDER STREET  
VANCOUVER, BC V6E 4B1

**Attention: MURRAY BOCKHOLD**

Re: PLAN OF ARRANGEMENT  
Our File Number: 076739.00001

Date: March 31, 2017  
Invoice: 1168188

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### Remittance Statement

Professional Services	\$	115,165.71
Other Charges		201.00
Disbursements		-1,000.00
Total Due before GST/HST	\$	114,366.71
GST/HST	\$	5,718.34
TOTAL Due in CAD	\$	<u>120,085.05</u>

**Remit by Wire Transfer to:**

**Beneficiary Account Name:** Bennett Jones LLP  
**Beneficiary Address:** 4500, 855 - 2<sup>nd</sup> Street SW Calgary, AB T2P 4K7 Canada  
**Beneficiary Bank:** Royal Bank of Canada  
**Bank Address:** 339 - 8<sup>th</sup> Avenue SW Calgary, AB T2P 1C4 Canada  
**Account Details:** Bank 003, Transit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4  
**SWIFT Code:** ROYCCAT2

**Intermediary bank:** JP Morgan Chase Bank, New York  
ABA: 021000021, SWIFT Code: CHASUS33

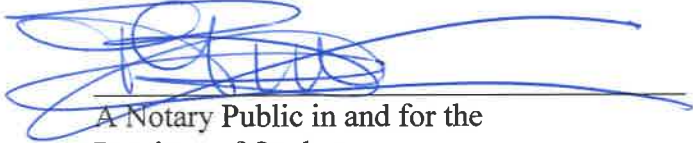
Please include the invoice number on the wire.  
Email notification may be sent to: [bennettjoneseft@bennettjones.com](mailto:bennettjoneseft@bennettjones.com)

**Remit by Credit Card (Visa or MasterCard):**  
Call an Accounts Receivable Specialist at  
(403) 298-3137 or (403) 298-3164 with  
your credit card number, validation code  
and expiry date.

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.  
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at [www.bennettjones.com](http://www.bennettjones.com) or contact our Privacy Officer  
by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119348757

**THIS IS CONFIDENTIAL EXHIBIT "13"**  
**REFERRED TO IN THE AFFIDAVIT OF**  
**MIKE MAGUIRE SWORN BEFORE ME**  
**THIS 19<sup>TH</sup> DAY OF APRIL, 2017**



A Notary Public in and for the  
Province of Quebec



**EXHIBIT "13"**  
**IS A CONFIDENTIAL EXHIBIT**  
**AND HAS BEEN OMITTED**