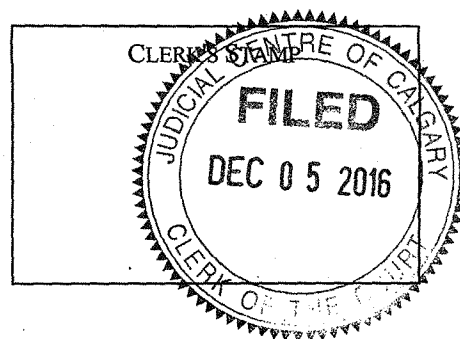


I hereby certify this to be a true copy of
the original order

Dated this 5 day of Dec. 2016

[Signature]
for Clerk of the Court



COURT FILE NUMBER

1601-06765

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF ENDURANCE
ENERGY LTD.

DOCUMENT

**INTERIM DISTRIBUTION AND TRANSITION
ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, Ontario M5K 1K7
CANADA

Phone: (416) 304-1616

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**Attention: Robert I. Thornton /
Leanne Williams / Rachel Bengino**

Client File No: 1751-001

DATE ON WHICH ORDER WAS PRONOUNCED: December 5, 2016

LOCATION OF HEARING OR TRIAL: Calgary Courts Centre

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice LoVecchio

UPON THE APPLICATION of Endurance Energy Ltd. ("Endurance") filed
November 30, 2016 (the "Application"); AND UPON reading the pleadings and proceedings
filed herein; AND UPON hearing the submissions of counsel for Endurance, and the other
parties present;

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

1. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.

DEFINITIONS AND INTERPRETATION

2. All capitalized terms not otherwise defined herein shall be as defined in the Affidavit of Steven VanSickle, sworn November 1, 2016, and that the following terms shall have the following meanings for the purpose of this Order:

- (a) **“Credit Facility”** means the senior secured credit facility pursuant to a credit facility agreement dated June 27, 2013 between Canadian Imperial Bank of Commerce, as Administrative Agent to the Lenders and Endurance, as amended from time to time;
- (b) **“Amended and Restated Initial Order”** means the Initial Order as amended and restated on June 21, 2016 in these CCAA Proceedings;
- (c) **“Lenders”** means the syndicate of lenders that granted the Credit Facility;
- (d) **“Monitor”** means FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor of Endurance; and

DISTRIBUTION

3. The Applicant is authorized, directed and empowered to make a distribution in the amount of \$25,000,000 to the Lenders in partial satisfaction of the amounts owing to the Lenders under the Credit Facility (the **“Lenders Distribution”**).

4. The Applicant is hereby authorized, directed and empowered to take any further steps that it deems necessary or desirable to complete the Lenders Distribution described in paragraph 3, above.

5. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of the Applicant,

the Lenders Distribution shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall they constitute nor be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation, and shall, upon the receipt thereof by the Lenders be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to the Applicant.

EXTINGUISHMENT OF ADMINISTRATION CHARGE

6. The Administration Charge (as defined in the Amended and Restated Initial Order) is hereby discharged and extinguished. All of other provisions of the Amended and Restated Initial Order shall remain in full force and effect unamended.

TRANSITION PROVISIONS

7. Paragraphs 8 - 13 of this Order shall come into force and take effect upon the filing of a Monitor's Certificate confirming same (the "**Monitor's Transition Certificate**"). The Monitor shall have the authority and discretion to file the Monitor's Transition Certificate as and when the Monitor deems it appropriate to do so, and the Monitor shall provide timely notice of the filing of the Monitor's Transition Certificate to the Service List established in these proceedings. Paragraphs 8 - 13 of this Order shall be of no force and effect until the filing of the Monitor's Transition Certificate.

8. The expansion of the Monitor's powers in respect of the Applicant as set forth below is hereby authorized and approved, on the terms and conditions set out herein. Nothing in this Order shall derogate from the powers of the Monitor as provided for in the Initial Order.

9. In addition to the powers and duties of the Monitor set out in the Amended and Restated Initial Order, without altering in any way the limitations and obligations of the Applicant as a result of these proceedings, the Monitor be and is hereby authorized and empowered to:

- (a) preserve, protect and maintain control of the Property, or any parts thereof;
- (b) take all steps and actions the Monitor considers necessary or desirable in these proceedings including, without limitation:
 - (i) retaining or terminating employees or contractors; and
 - (ii) administering and winding-down the estate of the Applicant and making and endorsing all filings related thereto (including, without limitation, tax returns and tax filings).
- (c) engage consultants, agents, experts, accountants and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (d) receive, collect and take possession of all monies and accounts now owed or hereafter owing to the Applicant;
- (e) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Monitor's name or in the name and on behalf of the Applicant (including, without limitation, tax returns and tax filings);
- (f) initiate, prosecute, make and respond to applications in, and continue the prosecution of any and all proceedings on behalf of or involving the Applicant (including the within proceedings) and settle or compromise any proceedings or claims by or against the Applicant. For greater certainty, such authority shall include the ability to represent the Applicant in any negotiations or mediation

with respect to such claims by or against the Applicant. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceedings;

- (g) exercise any rights which the Applicant may have;
- (h) provide instruction and direction to the advisors of the Applicant;
- (i) make any distribution or payments required under any Order in these proceedings;
- (j) assign the Applicant into bankruptcy or obtain a bankruptcy order against the Applicant. Nothing in this Order shall prevent the Monitor from acting as Trustee in Bankruptcy of the Applicant; and
- (k) to perform such other duties or take any steps reasonably incidental to the exercise of such powers and obligations conferred upon the Monitor by this Order or any other order of this Court.

10. No provision in this Order is intended to appoint the Monitor as an officer, director or employee of the Applicant or to create a fiduciary duty to any party including, without limitation, any creditor or shareholder of the Applicant. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, or receiver and manager of the Applicant and any distribution made to creditors of the Applicant will be deemed to have been made by the Applicant.

11. The Applicant and its current and former shareholders, officers, directors, agents and representatives shall fully co-operate with the Monitor in the exercise of its powers and discharge of its duties and obligations under this Order or any other Order of the Court.

12. The Monitor is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, in any foreign jurisdiction, for the recognition of this Order and for assistance in carrying out the terms of this Order, including in the United States pursuant to Chapter 15 of the U.S. Bankruptcy Code, and to take such actions necessary or appropriate in furtherance of the recognition of these proceedings in any such jurisdiction.

13. The Monitor shall continue to have the benefit of all of the protections and priorities as set out in the Amended and Restated Initial Order and any such protections and priorities shall apply to the Monitor in fulfilling its duties under this Order or in carrying out the provisions of this Order.

MISCELLANEOUS

14. The Interim Distribution and Stay Extension Order dated November 21, 2016 be and is hereby amended such that the Stay of Proceedings is correctly extended to January 31, 2017.

15. This Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

16. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

17. Each of the Applicant and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



J.C.Q.B.A. or Clerk of the Court