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Dated this 5 day of Dec 2017

Korale Kurin
for Clerk of the Court



COURT FILE NUMBER 1701-03460

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ALBERTA ENERGY REGULATOR

DEFENDANT LEXIN RESOURCES LTD., 1051393 B.C. LTD.,
0989 RESOURCE PARTNERSHIP, LR
PROCESSING LTD. and LR PROCESSING
PARTNERSHIP

DOCUMENT SALE APPROVAL & VESTING ORDER

ADDRESS FOR SERVICE AND Robyn Gurofsky/Jessica L. Cameron
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File No. 547730/000021

DATE ON WHICH ORDER WAS PRONOUNCED: December 4, 2017

NAME OF JUSTICE WHO MADE THE ORDER: The Honourable Justice B.E. Romaine

LOCATION OF HEARING: Calgary, Alberta

UPON the application of Grant Thornton Limited, in its capacity as the court-appointed receiver (the "Receiver") of the undertaking, property and assets of Lexin Resources Ltd. (formerly MFC Energy Corporation, formerly Compton Petroleum Corporation), 1051393 B.C. Ltd., 0989 Resource Partnership (formerly MFC Resource Partnership, formerly Compton Resource Partnership), LR Processing Ltd. and LR Processing Partnership (collectively the "Debtors") for an Order approving the sale transaction (the "Transaction") contemplated by the Emission Offset Purchase Agreement (the "EOPA") between the Receiver as vendor (the "Vendor") on behalf of the Debtors, and ConocoPhillips Canada Resources Corp. (the "Purchaser"), made as of November 24, 2017, a copy of which is appended as Confidential Appendix 9 to the Sixth Report of the Receiver dated November 27, 2017 (the "Sixth Report"); AND UPON having

read the Application, the Sixth Report, the Supplement to the Receiver's Sixth Report, dated December 1, 2017 (the "**Supplemental Sixth Report**"), the Confidential Supplement to the Receiver's Supplemental Sixth Report, dated December 1, 2017 (the "**Confidential Supplement**"), the Second Confidential Supplement to the Receiver's Supplemental Sixth Report, dated December 4, 2017 (the "**Second Confidential Supplement**"), the Affidavit of Service of Stella Kim, filed (the "**Service Affidavit**"), and the pleadings and proceedings filed herein, including the Receivership Order granted on March 20, 2017 and the Expanded Receivership Order granted on June 13, 2017 (together the "**Receivership Orders**"); **AND UPON** hearing counsel for the Receiver, the Purchaser, the Alberta Energy Regulator, and any other interested party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this Application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is hereby declared to be good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

Capitalized Terms

2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the EOPA.

Actions of the Receiver

3. The actions taken by the Receiver to date, and in particular the actions of the Receiver regarding the sale of the Emission Offsets, as reported in the Sixth Report, the Supplemental Sixth Report the Confidential Supplement, and the Second Confidential Supplement are hereby approved and ratified.

Approval of the EOPA and the Transaction

4. The Transaction and the EOPA are commercially reasonable and in the best interests of the Debtors and their stakeholders. The Transaction is hereby approved and the execution of the EOPA by the Receiver is hereby ratified and approved, and the Receiver is authorized and directed to take such additional steps and execute such additional documents and make such minor amendments to the

EOPA as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Emission Offsets to the Purchaser.

Vesting of Property

5. Upon the delivery of a Receiver's Certificate to the Purchaser (or its nominee), substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Emission Offsets as described in the EOPA including those listed on **Schedule "B"** hereto shall vest absolutely in the Purchaser (or its nominee), as contemplated by the EOPA, free and clear of and from any and all security interests (whether contractual, statutory, registered or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (whether contractual, statutory, or otherwise), encumbrances, executions, levies, charges (whether contractual, statutory, or otherwise), or other financial or monetary claims, assignments, actions, taxes (whether contractual, statutory, or otherwise), judgments, writs of execution, options, agreements, disputes, debts, debentures, easements, covenants, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtors, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, registered or otherwise and whether by payment, set off or otherwise, whether liquidated, unliquidated or contingent (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- a) any encumbrances or charges created by the Receivership Orders; and
- b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) (the "**PPSA**"), or any other personal property registry system;

(collectively the "**Encumbrances**") and, for greater certainty, this Court orders that all Encumbrances affecting or relating to the Emission Offsets and all charges, security interests or Claims evidenced by registrations pursuant to the PPSA, are hereby expunged, ordered removed and otherwise unconditionally discharged and terminated as against the Emission Offsets.

6. Upon delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the appropriate government authorities are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified

copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges, discharge statements of conveyances, as may be required to convey clear title to the Emission Offsets to the Purchaser. Without limiting the foregoing,

a) The Alberta Emission Offset Registry (the “**Emission Registry**”) shall and is hereby authorized, requested and directed to:

- i. cancel and discharge those Claims and Encumbrances, if any, registered against the estate or interest of the Debtors in and to the Emission Offsets; and
- ii. transfer the emission offset credits in the name of the Debtors, or one of their predecessor corporate entities, listed in Schedule “B” into the name of the Purchaser (or its nominee) free and clear of all Claims and Encumbrances,

in order to convey clear title to such Emission Offsets to the Purchaser (or its nominee); and

b) the Registrar of the Personal Property Registry (Alberta) (the “**AB PPR Registrar**”) shall and is hereby directed to cancel and discharge those Claims and Encumbrances, if any, registered against the estate or interest of the Debtor in and to the Emission Offsets.

7. The Emission Registry and the AB PPR Registrar (together the “**Governmental Authorities**”) are expressly authorized and directed to include in the discharges of the Encumbrances described above, all encumbrances registered after the date the Receivership Orders were respectively granted.

8. In order to effect the discharges and transfers described above, this Court directs the Governmental Authorities each to take such steps as are necessary to give effect to the terms of this Order and the EOPA authorized herein. Presentment of this Order and the Receiver’s Certificate shall be the sole and sufficient authority of the Governmental Authorities to make and register the said transfers and cancel and discharge the registrations of any Claims and Encumbrances against the Emission Offsets.

9. The Receiver is hereby authorized and directed to take all necessary steps and execute any and all documents to effect any and all discharges and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations. For greater certainty, and without limiting the generality of the foregoing, the Emission Registry is hereby directed to accept all of the Affidavits of Corporate Signing Authority

submitted by the Receiver, in its capacity as Receiver of the Debtors and not in its personal capacity, and to register the transfers, assignments and conveyances contemplated by the EOPA immediately.

10. No authorization or approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Emission Offsets is required for the due execution, delivery and performance by the Receiver of the EOPA, other than the authorizations, approvals or exemptions from requirements therefor previously obtained and currently in force.
11. This Order shall be registered by the Emission Registry notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
12. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Emission Offsets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Emission Offsets and from and after the delivery of the Receiver's Certificate any encumbrances or charges created by the Receivership Orders and all Claims and Encumbrances shall not attach to and shall cease to be attached to, encumber or otherwise form a charge, security interest, lien, builders' lien, or a Claim against the Emission Offsets and shall attach to the net proceeds from the sale of the Emission Offsets with the same priority as they had with respect to the Emission Offsets immediately prior to the sale, as if the Emission Offsets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
13. The Receiver is hereby authorized and directed to apply the net proceeds, or any portion thereof, from the sale of the Emission Offsets towards repayment of any and all outstanding Receiver's Certificates.
14. Except as provided for in the EOPA, the Purchaser (or its nominee) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Vendor or the Debtors and the Purchaser (or its nominee) shall not be deemed a successor or assignee of or to the Debtors or any of their affiliates for any Claims of any kind or nature whatsoever against the Debtors or any of their affiliates or in the Emission Offsets.
15. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Emission Offsets, and all persons or entities having any Claims of any

kind whatsoever in respect of the Emission Offsets, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or Claim in respect of or to the Emission Offsets, and to the extent that any such persons or entities remain in the possession or control of any of the Emission Offsets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Emission Offsets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

16. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Emission Offsets for its own use and benefit, without any interference of or by the Debtors or any person claiming by, through or against the Debtors.
17. The Receiver is directed to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

Miscellaneous Matters

18. Notwithstanding:
 - a) the pendency of these proceedings and the declaration of insolvency made herein;
 - b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
 - c) any assignment in bankruptcy made in respect of the Debtors; and
 - d) the provisions of any federal or provincial statute:

the vesting of the Emissions Offsets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

19. The Receiver, the Purchaser (or its nominee) and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
20. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
21. Service of this Order shall be deemed good and sufficient by serving the same on:
 - a) the persons listed on the service list (attached as Schedule "A" to the Application); and
 - b) by posting a copy of this Order on the Receiver's website at: www.grantthornton.ca/lexin
22. No other persons are entitle to be served with a copy of this Order.
23. Service of this Order shall be deemed good and sufficient regardless of whether service is effected by PDF copy attached to email, facsimile, courier, personal deliver or ordinary mail.

"B.E. Romaine"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A" FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ALBERTA ENERGY REGULATOR
DEFENDANT	LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP
DOCUMENT	<u>RECEIVER'S CERTIFICATE</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky/Jessica L. Cameron Borden Ladner Gervais LLP 1900, 520 3 rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774/9715 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com / jcameron@blg.com File No. 547730/000021

RECITALS:

- A. Pursuant to an Order of the Honourable Justice P.R. Jeffrey of the Court of Queen's Bench of Alberta (the "**Court**") dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd. ("**Lexin**").
- B. Pursuant to an Order of the Honourable Justice K.M. Eidsvik of the Court dated June 13, 2017, the Receiver was appointed receiver of the undertaking, property and assets of 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively with Lexin the "**Debtors**").
- C. Pursuant to an Order of the Court dated December 4, 2017, the Court approved the agreement of purchase and sale (the "**Sale Agreement**") made between the Receiver and ConocoPhillips Canada Resources Corp. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Emissions Offsets as

defined in the Sale Agreement, which vesting is to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming:

- (i) the payment by the Purchaser of the net Purchase Price for the Emissions Offsets; and
- (ii) the Transaction contemplated pursuant to the Sale Agreement has been completed to the satisfaction of the Receiver, subject only to the post-closing obligations provided for in the Sale Agreement.

D. Unless otherwise indicated herein, capitalized terms not otherwise defined have the meaning attributed to them in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the net Purchase Price for the Emissions Offsets, payable at Closing pursuant to the Sale Agreement;
2. Any conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and/or the Purchaser where applicable; and
3. The Transaction contemplated by the Sale Agreement has been completed, subject to the post-closing obligations provided for therein.

This Certificate was delivered by the Receiver at Calgary, Alberta on ●, 2017.

GRANT THORNTON LIMITED in its capacity as court appointed receiver of the assets, undertakings and properties of LEXIN RESOURCES LIMITED, 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD. and LR PROCESSING PARTNERSHIP, and not in its personal or corporate capacity.

Per: _____
Andrew Basi, CPA, CA, CIRP, LIT
Senior Vice President

SCHEDULE "B"

To the Conveyance Agreement dated _____, 2017 between **GRANT THORNTON LIMITED**, as the court-appointed Receiver of Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership, and not in its personal capacity, and **CONOCOPHILLIPS CANADA RESOURCES CORP.**

EMISSION OFFSETS

(the "Conveyed Offsets")

Vintage Year(s)	Project Name	Quantity (tCO ₂ e)	Serial Numbers	
2007	Bonavista Acid Gas Injection at South Rosevear	322	2959-5549-000000000005560	- 2959-5549-000000000005581
2008	Bonavista Acid Gas Injection at South Rosevear	161	2959-5549-000000000017728	- 2959-5549-000000000017888
2009	Bonavista Acid Gas Injection at South Rosevear	68	2959-5549-000000000023590	- 2959-5549-000000000023657
2010	Bonavista Acid Gas Injection at South Rosevear	241	2959-5549-000000000043974	- 2959-5549-000000000044214
2011	Bonavista Acid Gas Injection at South Rosevear	178	2959-5549-000000000057812	- 2959-5549-000000000057989
2012	Bonavista Acid Gas Injection at South Rosevear	3,163	2959-5549-0000000007869736	- 2959-5549-0000000007872898
2013	Bonavista Acid Gas Injection at South Rosevear	1,189	2959-5549-0000000007960969	- 2959-5549-0000000007962157
2013	Bonavista Acid Gas Injection at South Rosevear	1,854	2959-5549-0000000012987168	- 2959-5549-0000000012989021
2014	Bonavista Acid Gas Injection at South Rosevear	1,982	2959-5549-0000000013081053	- 2959-5549-0000000013083034
Total		9,158		

Vintage Year(s)	Project Name	Quantity (tCO ₂ e)	Serial Numbers	
2006	Vulcan Acid Gas Injection Project	14,059	6494-7777-0000000000000001	- 6494-7777-0000000000014059
2007	Vulcan Acid Gas Injection Project	10,834	6494-7777-0000000000055631	- 6494-7777-0000000000066464
2008	Vulcan Acid Gas Injection Project	9,106	6494-7777-0000000000098500	- 6494-7777-0000000000107605
2009	Vulcan Acid Gas Injection Project	8,092	6494-7777-0000000000134531	- 6494-7777-0000000000142622
2010	Vulcan Acid Gas Injection Project	7,235	6494-7777-0000000000166549	- 6494-7777-0000000000173783
2011	Vulcan Acid Gas Injection Project	3,235	6494-7777-0000000000195179	- 6494-7777-0000000000198413
2011	Vulcan Acid Gas Injection Project	4,198	6494-7777-0000000002050822	- 6494-7777-0000000002055019
2012	Vulcan Acid Gas Injection Project	3,879	6494-7777-0000000002067354	- 6494-7777-0000000002071232
2012	Vulcan Acid Gas Injection Project	4,039	6494-7777-0000000007045555	- 6494-7777-0000000007049593
2013	Vulcan Acid Gas Injection Project	4,431	6494-7777-0000000007061635	- 6494-7777-0000000007066065
Total		69,108		