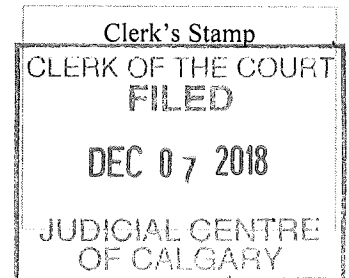


COURT FILE NUMBER **1701-03460**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary
APPLICANT **ALBERTA ENERGY REGULATOR**
RESPONDENT **LEXIN RESOURCES LTD., 1051393 B.C.
LTD., 0989 RESOURCE PARTNERSHIP, LR
PROCESSING LTD. and LR PROCESSING
PARTNERSHIP**
DOCUMENT **APPLICATION BY RECEIVER**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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File No. 547730/000021

NOTICE TO RESPONDENTS: See Service List, Schedule "A" to this Application

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date December 19, 2018
Time 2:00 p.m.
Where Calgary Courts Centre, 601-5th Street SW, Calgary AB
Before Whom The Honourable K.M. Eidsvik

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

Remedy claimed or sought:

1. Grant Thornton Limited, in its capacity as the court-appointed receiver ("**Receiver**") of Lexin Resources Ltd. ("**Lexin**"), 1051393 B.C. Ltd. ("**105**"), 0989 Resource Partnership ("**0989**"), LR Processing Ltd. ("**LR Ltd.**") and LR Processing Partnership ("**LR Processing**" and collectively with Lexin, 105, 0989 and LR Ltd. the "**Lexin Group**"), seeks Orders in substantially the same forms as those attached hereto as **Schedules "B"** and **"C"** respectively for the following relief:
 - (a) Declaring service of this Application good and sufficient, and abridging the time for notice of this Application to the time actually given, if necessary;
 - (b) Approving and authorizing the sale of Lexin's interest in the Waterton area properties to Tamarack Acquisition Corp. ("**Tamarack**") and vesting such properties to Tamarack pursuant to the order sought;
 - (c) Approving the partial discharge of the Receiver over certain licenses and lands identified in the Eleventh Report of the Receiver dated December 6, 2018 (the "**Eleventh Report**");
 - (d) Directing the Alberta Motor Vehicle Industry Council ("**AMVIC**") to disclose the registration information in respect of a 2007 GMC Sierra 1500 truck with a VIN of 1GTEK19J27X521311 (the "**Vehicle**") that has been in the Receiver's possession since the onset of the receivership proceedings in March, 2017; and
2. Such further and other relief as this Honourable Court may deem just in the circumstances.

Grounds for making this application:

3. The grounds for making this application are as set out in the Eleventh Report. These grounds include, but are not limited to the following:

Background of Receivership Proceedings

- (a) On March 20, 2017, this Court granted the Alberta Energy Regulator's ("**AER**") application to petition Lexin into receivership (the "**Lexin Receivership Order**"). Subsequently, on June 13, 2017, this Court granted the Receiver's application to petition 105, 0989, LR Ltd. and LR Processing into receivership pursuant to a consent receivership order (the "**Expanded Receivership Order**" and together with the Lexin Receivership Order the "**Receivership Orders**"). All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Receivership Orders.
- (b) The Receivership Orders appointed the Receiver over all of the Debtors' Property, but provided that, while the Receiver may take possession and exercise control over the Property, the Receiver is not required to take possession or exercise physical control over any of the Debtors' oil or gas wells, pipelines, facilities or sites regulated by the AER (the "**Sites**").

- (c) The Sites for which the Debtors were the sole operator and owner are now under the care and custody of the Orphan Well Association; however, Sites operated by the Debtors (or any one of them) in which there are working interest participants (“WIPs”) have been placed under the care and custody of those WIPs.
- (d) While the Receiver cannot take physical possession of the Sites, the Receiver is authorized to conduct a sales and marketing process with respect to all of the Debtors’ Property.

Sale Approval

- (e) On July 14, 2017, the Receiver obtained this Court’s approval to engage in an extensive sales and solicitation process (“**Sales Process**”) to market for sale all of the Lexin Group’s assets. The Sales Process has been underway with the assistance of the Receiver’s court-approved sales advisor, Sayer Energy Advisors.
- (f) The Receiver has negotiated a purchase and sale agreement (the “**PSA**”) for the sale of Lexin’s interest in certain oil and gas assets in the Waterton area. As a result, the Receiver is seeking the Court’s permission to finalize the sale and transfer the assets to the proposed purchaser, as more particularly outlined in the Eleventh Report.
- (g) The Receiver considers the PSA to be fair, reasonable and in the best interests of the Lexin Group’s stakeholders.

Partial Discharge

- (h) The Receiver has determined that retaining the licenses and lands for which a partial discharge is sought will not be accretive to the estate. As a result, the Receiver is seeking a partial discharge, in part to allow the numerous stakeholders with interests in these assets, including surface lessors, mineral lessors, municipalities, operating and non-operating working interest partners and others to address their claims as against this property in the ordinary course.

AMVIC Disclosure

- (i) The Receiver has been in possession of the Vehicle since the inception of the receivership. It has attempted to sell the Vehicle but is unable to do so because it is unable to locate the Vehicle’s registration documents. The Receiver has made requests of AMVIC for this information, which requests have been denied. The Receiver has no reason not to believe that the Vehicle, which was stored with other Lexin owned vehicles, is not a Lexin or LR Ltd. owned asset, however, it requires the registration documentation associated with the Vehicle before any sale can be effected.

4. Such further and other basis as Counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

5. The Eleventh Report of the Receiver, dated December 6, 2018.
6. The pleadings and Receiver’s Reports previously filed in these proceedings.

7. Such further and other evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

8. *Alberta Rules of Court*, AR 124/2010, and in particular, Rules 1.3, 3.75, 6.3, 6.4, 11.27, 11.29 and 13.5
9. *Bankruptcy and Insolvency General Rules*, and in particular Rules 3, 6 and 11.
10. Such further and other rules as counsel may advise and this Honourable Court permit.

Applicable Acts and regulations:

11. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and in particular Part XI thereof.
12. *Judicature Act*, RSA 2000, c J-2.

Any irregularity complained of or objection relied on:

13. None.

How the application is proposed to be heard or considered:

14. In person before the Honourable Justice K.M. Eidsvik, with some or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Schedule "A" Service List

COURT FILE NUMBER	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	Calgary
APPLICANT	ALBERTA ENERGY REGULATOR
RESPONDENT	LEXIN RESOURCES LTD.

DOCUMENT	SERVICE LIST
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MFC Energy Finance Inc. 1860 - 400 Burrard Street Vancouver BC V6C 3A6	
Marquinn Industries Ltd. 7115 Sparrow Drive Leduc AB T9E 7L1	
Baker Hughes Canada Company c/o DLA Piper (Canada) LLP 1000-250 2 Street SW Calgary AB T2P 0C1	
Her Majesty the Queen in Right of Alberta c/o Service Alberta Crown Debt Collections 8 th Floor John E. Brownlee Building Edmonton AB T5J 3W7	
Municipal District of Ranchlands No. 66 PO Box 1060 Nanton AB T0L 1R0	
Enerflex Ltd. 10121 Barlow Trail NE Calgary AB T3J 3C6	
Municipal District of Willow Creek No. 26 26 Highway 520 W Claresholm AB T0L 0T0	
AltaGas Processing Partnership 1700, 355 – 4 Avenue SW Calgary AB T2P 0J1	
MFC Acquisition Inc., As Administrative Agent 1000 925 W. Georgia Street Vancouver BC V6C 3L2	
MFC Industrial Ltd. 1000, Cathedral Place 925 West Georgia Street Vancouver, BC V6C 3L2	
Adeco Exploration Company Ltd. (0ZA0) c/o Bennett Jones LLPL 4500-855 2 Street SW Calgary AB T2P 4K7	
Ms. Nancy Penner Interwest Petroleums Ltd. c/o Parlee McLaws LLP 3300, 421 – 7th Avenue SW Calgary Alberta T2P 4K9	
Phillips Petroleum Canada Ltd. (0945)	

1600-401 9 Avenue SW Calgary AB T2P 2H7	
R.W. Berry Canada, Inc. c/o Bennett Jones LLP 4500-855 2 Street SW Calgary AB T2P 3K7	
Prospex Resources Ltd. (A120) c/o Paramount Resources Ltd. (04W4) 4700-888 3 Street SW Calgary AB T2P 5C5	
Westhill Petroleum Ltd. (0EX2) 3300, 421 7 th Ave SW Calgary, AB T2P 4K9	
Royalty Trust 400-144 4 Avenue SW Calgary AB T2P 3N4	
Canadian Freehold Consulting (1991) Ltd. 47 Edgehill Crescent NW Calgary AB T3A 2X5	
Chessor Holdings Ltd. 460 30 Ave Avenue NW Calgary AB T2M 2N4	
Copper Creek Gold Corp. 710 750 West Pender Street Vancouver BC V6C 2T7	
Country Rock Resources Ltd. (A2BY) 79 Windmill Way Calgary AB T3Z 1H5	
Newbert Petroleum Engineering Ltd. (0Z8W) Box 528 Crossfield AB T0M 0S0	
Scotia Oils Limited (0DK9) 1164-7620 Elbow Drive SW Calgary AB T2V 1K2	
Roseland Development Ltd. (0M21) 602 25 Avenue SW Calgary AB T2S 0L6	
264646 Alberta Ltd. 4th Floor, 4943 50 Street Red Deer AB T4N 1Y1	
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Houston Oil & Gas Ltd. (A74H)	mark@houstonoil.ca

800-903 8 Avenue SW Calgary AB T2P 0P7	
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Omers Energy Inc. (A08E) 3000-520 3 Avenue SW Calgary AB T2P 0R3	Jessica.gregorash@omersenergy.com
Pengrowth Energy Corporation (A5R5) 2100-222 3 Avenue SW Calgary AB T2P 0B4 Hugo Potts Becky Verardi	Hugo.Potts@Pengrowth.com Becky.verardi@pengrowth.com
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Signalta Resources Limited (0R89) 700-840 6 Avenue SW Calgary AB T2P 3E5	Angela.meister@signalta.com
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TAQA North Ltd. (A2TG) 2100-308 4 Avenue SW Calgary AB T2P 0H7	regulatoryaffairs@taqa.ca
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6058931 Canada Inc. 1650-801 6 Avenue SW Calgary AB T2P 3W2		6058931_operations@questerre.com
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Long Term Asset Management Inc. (A6JF) 925 Veterans Boulevard NW Airdrie AB T4A 2G6		maugust@ltam.ca
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Crescent Point Energy Corp. (A2J6) 2000-585 8 Avenue SW Calgary AB T2P 1G1		regulatory@crescentpointenergy.com
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Farmers' Advocate Office of Alberta 100, 7000-113 Street, Edmonton, AB, T6H 5T6 Michele Del Colle Energy, Utilities and Policy Specialist		Michele.Delcolle@gov.ab.ca Counsel for Farms' Advocate Office (Surface Rights Owners)

SCHEDULE "B"

Schedule "B" Form of Order: Sale Approval and Vesting Order

COURT FILE NUMBER	1701-03460	Clerk's Stamp
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	APPROVAL AND VESTING ORDER (Sale by Receiver)	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3 Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No. 547730-000021	

DATE ON WHICH ORDER WAS PRONOUNCED: December 19, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K.M. Eidsvik

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Tamarack Acquisition Corp. (the "**Purchaser**") dated December 4, 2018 and appended to the Eleventh Report of the Receiver dated December 6, 2018 (the "**Report**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated March 20, 2018 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the

submissions of counsel for the Receiver, the Purchaser and any other counsel or party appearing at the hearing of this Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee), including but not limited to the authorization and empowerment to initiate the transfer of licenses subject to the Transaction on the Alberta Energy Regulator's Digital Data Submission system to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, 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, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:
 - a. any encumbrances or charges created by the Receivership Order;

- b. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- c. all liens and claims of lien under the *Builders' Lien Act* (Alberta); and
- d. those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "D"** (the "**Permitted Encumbrances**")); and,

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, subject only to approval of the transfer of applicable licences, permits and approvals by the Alberta Energy Regulator (the "**AER**") pursuant to legislation administered by the AER, 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 Purchased Assets to the Purchaser subject only to the Permitted Encumbrances. Without limiting the foregoing,

- a. the Registrar of Land Titles of Alberta (the "**AB Registrar**") shall and is hereby authorized, requested and directed to:
 - i. cancel the existing Certificates of Title listed pursuant to the Land Schedule, attached as Schedule "D" to this Order, and to issue new Certificates of Title in the name of the Purchaser (or its nominee),
 - ii. transfer the existing Instruments listed on the Caveats and Easements Schedule, attached hereto as Schedule "E" to this Order, and to issue new caveats, utility right of ways, or such other easements reflected by the Instruments listed on Schedule "E", in the name of the Purchaser (or its nominee), and
 - iii. discharge and expunge the non-permitted Encumbrances listed in Schedule "C" hereto,

and to register such transfers, discharges, and discharge' statements of conveyances, as may be required to convey clear title to the Purchased Assets located in the Province of Alberta to the Purchaser (or its nominee), subject only to the Permitted Encumbrances;

- b. Alberta Energy (the "**AB Ministry**") shall and is hereby authorized, requested and directed to:
 - i. cancel and discharge those Claims and Encumbrances, if any, other than Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta; and
 - ii. transfer the Crown leases in the name of the Debtor listed in Schedule "F" into the name of the Purchaser (or its nominee) free and clear of all Claims and Encumbrances and subject only to the Permitted Encumbrances,
 - c. 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, other than the Permitted Encumbrances, registered against the estate or interest of the Debtor in and to the Purchased Assets located in the Province of Alberta, as applicable.
5. The AB Registrar, the AB Ministry and the AB PPR Registrar (collectively 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 Order was granted.
6. 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 Sale Agreement 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 Purchased Assets.
7. 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 AB Registrar is hereby directed to accept all of the Affidavits of Corporate Signing Authority

submitted by the Receiver, in its capacity as Receiver and Manager of the Debtor and not in its personal capacity, and to register the transfers, assignments and conveyances contemplated by the Sale Agreement immediately.

8. 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 Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than the authorizations, approvals or exemptions from requirements therefore previously obtained and currently in force, if any, and the authorization or approval of the Regulator referenced in paragraph 3 above.
9. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
11. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
12. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.

14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
15. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).
16. 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 Debtor and any bankruptcy order issued pursuant to any such applications; and
 - c. Any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets 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 Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.
17. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions 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.

MISCELLANEOUS MATTERS

18. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

19. This Order must be served upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.

20. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER	1701-03460	Clerk's Stamp
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	RECEIVER'S CERTIFICATE	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3 Avenue SW Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: rgurofsky@blg.com File No. 547730-000021	

RECITALS

- A. Pursuant to an Order of the Honourable Justice P. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2018, Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership (the "**Debtor**").
- B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of December 4, 2018 (the "**Sale Agreement**") between the Receiver and Tamarack Acquisition Corp. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect

to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

Grant Thornton Limited, in its capacity as Receiver of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd., and LR Processing Partnership, and not in its personal capacity.

Per; _____

—

Name:

Title:

Schedule "B"

Purchased Assets

1. Lands, Petroleum and Natural Gas Rights, Title Documents, Royalties and Permitted Encumbrances

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M08312	Crown Licence No. 5504100296	Section 34-009-03W5	PNG to base Blairmore Group	40%	Crown Royalty, plus 5% GOR payable to Caledonian on 40% of production
M08313	Crown Licence No. 5503070729	Section 3-010-03W5	PNG to base Blairmore Group	40%	Crown Royalty, plus 5% GOR payable to Caledonian on 40% of production

2. Wells, Pipelines and Facilities

Wells

40% non-operated working interest in:

Location	Licence (Wells already licensed to Purchaser, included for reference purposes only)
100/11-34-009-03W5/04	Licence No. 0407159
100/03-03-010-03W5/04	Licence No. 0364935

Pipelines

From	To	Licence
03-03-010-03W5	16-16-009-02W5	Licence No. 47239, Segment 7
16-16-009-02W5	13-34-008-02W5	Licence No. 47239, portion of Segment 3
13-34-008-02W5	15-32-008-02W5	Licence No. 47239, Segment 4

Facilities

Location	Type	Licence
13-34-008-02W5	Gas Plant	Licence No. F31687

Schedule "C"

Encumbrances – Not Permitted

SECURITY	LANDS	REGISTRATION NO.	REGISTRATION DATE
Energy Leasing Partners Ltd.	Twp 8 Rge 2 W5M NW/4 of Section 34	151 311 322	11/30/2015

SCHEDULE "D"**CERTIFICATES OF TITLE**

LAND TITLE CERTIFICATE NUMBER	LAND TITLES DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE	PARTICULARS
Nil.				

Schedule "E"

Permitted Encumbrances, Caveats, Easements and Restrictive Covenants

CAVEATS – EASEMENTS

To be transferred into the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.

SURFACE LEASE CAVEATS

To be transferred in to the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	REGISTRATION NO.
	2-8-W4M: NW 34	971 059 921	081 063 707

SURFACE RIGHTS BOARD ORDERS – EASEMENTS

To be transferred in the name of the Purchaser or its Nominee

COMPANY FILE NO.	REGISTRATION DATE	LEGAL DESCRIPTION	INSTRUMENT NO.

UTILITY-RIGHT-OF-WAYS - EASEMENTS

To be transferred in the name of the Purchaser or its Nominee

COMPANY FILE NO.	LANDS	TITLE NO.	INSTRUMENT NO.
	2-8-W4M: NW 34	971 059 921	061 039 408

SCHEDULE "F"**CROWN LEASES**

AGREEMENT NUMBER	AGREEMENT TYPE	INTEREST DESCRIPTION	EFFECTIVE DATE
Nil.			

SCHEDULE "C"

Schedule "C" Form of Order: Various Relief

COURT FILE NUMBER **1701-03460**

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

APPLICANT **ALBERTA ENERGY REGULATOR**

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

DOCUMENT **ORDER**

Clerk's Stamp

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Robyn Gurofsky
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774/9715
Facsimile: (403) 266-1395
Email: rgurofsky@blg.com
File No. 547730/000021

DATE ON WHICH ORDER WAS PRONOUNCED: December 19, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice K.M. Eidsvik

UPON the Application of Grant Thornton Limited in its capacity as the court-appointed receiver (the "Receiver") of Lexin Resources Ltd. ("Lexin"), 1051393 B.C. Ltd. ("105"), 0989 Resource Partnership ("0989"), LR Processing Ltd. ("LR Ltd.") and LR Processing Partnership ("LR Processing" and collectively with Lexin, 105, 0989 and LR Ltd. the "Lexin Group"); AND UPON having read the Eleventh Report of the Receiver, dated December 6, 2018 (the "Eleventh Report") and the Affidavit of Service of Rhonda Lastockin, filed, and the pleadings and Receiver's reports previously filed herein, including the receivership order granted on March 20, 2017 (the "Lexin Receivership Order") and the consent receivership order granted on June 13, 2017 (the "Expanded Receivership Order", sometimes referenced herein with the Lexin Receivership Order as the "Receivership Orders"); AND UPON having heard submissions from counsel for the Receiver, and any other counsel in attendance at this Application,

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

15. The time for service of this Application together with all supporting materials is hereby declared to be good and sufficient and no other person is required to have been served with such documents, and this hearing is properly returnable before this Honourable Court today and further service thereof is dispensed with.

Partial Discharge

16. The Receiver is partially discharged from any and all obligations derived from the Receivership Orders or otherwise in respect of the licenses set out in Appendices 6 and 7 of the Eleventh Report (the "**Licenses**").
17. The Receiver is partially discharged from any and all obligations derived from the Receivership Orders or otherwise in respect of the lands set out in Appendices 8 and 9 of the Eleventh Report (the "**Lands**")
18. The Receiver shall not be liable for any act or omission on its part in respect of the Licenses or the Lands, including without limitation, any act or omission pertaining to the discharge of its duties in respect of the Licenses and the Lands in the within proceedings, save and except for any liability arising out of any gross negligence or wilful misconduct on its part, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in respect of the Licenses and the Lands, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of the Receiver in any way relating to or arising out of or in respect of the performance of its duties regarding the Licenses and the Lands, are hereby stayed, released, extinguished and forever barred.
19. No action or other proceeding shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver of the Licenses or the Lands, except with prior leave of this Court on notice to the Receiver and upon such terms and this Court may direct.
20. Nothing in this order shall derogate from the terms or protections ordered with respect to the Receiver in the Receivership Orders, including but not limited to the fact that the Receiver is neither in possession nor physical control of the Oil and Gas Sites related to the Licenses and the Lands.

AMVIC Disclosure

21. The Alberta Motor Vehicle Industry Council is hereby directed to release to Grant Thornton Limited, the Receiver, the registration information related to the 2007 GMC Sierra 1500 truck bearing VIN 1GTEK19J27Z521311.

Justice of the Court of Queen's Bench of Alberta