

COURT FILE NUMBER **1701-03460**

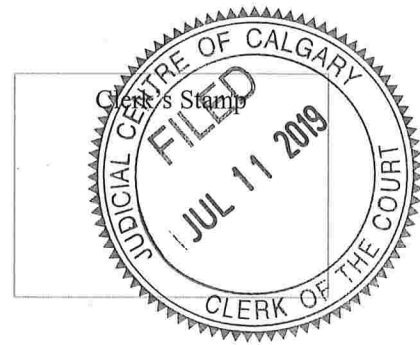
COURT COURT OF QUEEN'S BENCH OF
ALBERTA

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 (Various Relief)**



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

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

Dated this 11 day of July 19
[Signature]
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: July 11, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable B.E.C. Romaine

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 Fourteenth Report of the Receiver, dated June 28, 2019 (the "Fourteenth Report") and the Affidavit of Service of Jennifer Gorrie, 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 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:

Miscellaneous

1. Capitalized terms not defined herein shall have the meaning ascribed to them in the Fourteenth Report.
2. The application to approve the HESC PSA (the “**HESC Application**”) is hereby adjourned *sine die*.

Service

3. 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.
4. Service of this Order shall be deemed good and sufficient by serving the same on:
 - (a) The persons listed on the service list who have provided email contacts information (attached as Schedule “A” to the Application); and
 - (b) By posting a copy of this Order on the Receiver’s website at:
<http://www.grantthornton.ca/lexin>
5. No other Persons are entitled to be served with a copy of this Order.

Distribution and Holdback

6. The Receiver is hereby authorized and directed to make a distribution to the Alberta Energy Regulator, on behalf of the Orphan Well Association, to satisfy end of life obligations associated with the oil and gas assets of the Lexin Group, in the approximate amount of \$900,000, together with any additional funds realized from assets after June 20, 2019, the date of the Statement of Receipts and Disbursements appended to the Fourteenth Report.
7. The Receiver is hereby authorized to maintain a holdback fund of \$594,000 (the “**Holdback Funds**”) to satisfy administrative fees and costs associated with winding up the administration of the receivership estate, including but not limited to, the payment of additional fees of the Receiver and its legal counsel in the amounts of \$200,000 and \$75,000, which fees are hereby approved without the necessity of a formal passing of accounts.

8. The Receiver is hereby directed to distribute any portion of the Holdback Funds not actually incurred for the completion of the administration of the Lexin Group estate, to the Alberta Energy Regulator, on behalf of the Orphan Well Association, to satisfy end of life obligations associated with the oil and gas assets of the Lexin Group.

Approval of Activities & Fees

9. The Receiver's activities as set out in the Fourteenth Report are hereby approved.
10. The Receiver's accounts for fees and disbursements, as summarized in the Fourteenth Report, invoices for which were provided to the Court, are hereby approved without the necessity of a formal passing of its accounts.
11. The accounts of the Receiver's legal counsel, Borden Ladner Gervais LLP, for its legal fees and disbursements, as summarized in the Fourteenth Report, invoices for which were provided to the Court, are hereby approved without the necessity of a formal passing of its accounts.

Destruction of Records

12. The Receiver is authorized to dispose of the Lexin Group records no earlier than December 16, 2019 at its discretion.

Discharge of Receiver

13. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or wilful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred and the Receiver is hereby released and discharged from any and all liability that the Receiver now has or may hereafter have, by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the part of the Receiver.

14. 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, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
15. Upon the Receiver filing with the Clerk of the Court a sworn Affidavit of a licensed Trustee employed by the Receiver confirming that:
 - (a) the distribution to the Alberta Energy Regulator as contemplated by paragraph 4 of this Order has been made;
 - (b) the sales approved by the Court on July 11, 2019 have closed;
 - (c) the Receiver has either (i) given notice to the Service List and the Court of its intention to abandon the HESC Application, or (ii) if the Receiver has successfully pursued the HESC Application and a sale approval and vesting order is granted in respect of that application, the Receiver has closed the transaction substantially on the terms contemplated in the HESC PSA;
 - (d) the Tolling Period as provided for pursuant to the Settlement Agreement has expired;

then the Receiver shall be discharged as Receiver of the Lexin Group, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.
16. This Court hereby requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of any other nation or state, to act in aid of and be complimentary to this Court in carrying out the terms of this Order.

" Justice Romaine "

Justice of the Court of Queen's Bench of Alberta