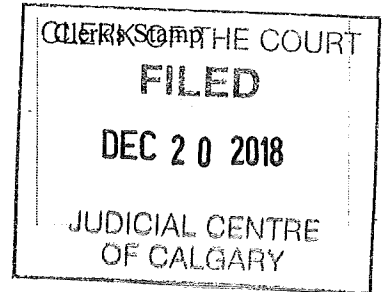


COURT FILE NUMBER 1701-03460
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

PLAINTIFF ALBERTA ENERGY REGULATOR
DEFENDANT LEXIN RESOURCES LTD., 1051393 B.C.
LTD., 0989 RESOURCE PARTNERSHIP, LR
PROCESSING LTD., and LR PROCESSING
PARTNERSHIP

DOCUMENT APPROVAL AND VESTING ORDER
(Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT Robyn Gurofsky
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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 filed December 10, 2018; 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,

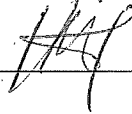
the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, 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 only 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.

J.C. C.Q.B.A.

A handwritten signature in dark ink, appearing to be 'HAP', is written over a horizontal line.

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 December 19, 2018, 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.			