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JUDICIAL CENTRE OF CALGARY
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CLERK OF THE COURT

COURT FILE NUMBER:	**1701-03460**
COURT:	**COURT OF KING'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:	**FORMER RECEIVER'S FIFTEENTH REPORT MAY 21, 2024**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT

FORMER RECEIVER
Grant Thornton Limited
Suite 1100, 332 - 6 Avenue SW
Calgary, AB T2P 082

Attention: Neil Honess / James Saxton
Telephone: 1 (403) 260-2533 / 1 (403) 260-2552
Facsimile: 1 (403) 260-2571
E-mail: Neil.Honess@ca.gt.com / James.Saxton@ca.gt.com

FORMER RECEIVER'S COUNSEL
Borden Ladner Gervais LLP
1900, 520-3rd Ave SW
Calgary, AB T2P 0R3

Attention: Kevin Barr / Farrukh Ahmad
Telephone: 1 (403) 232-9786 / 1 (403) 232-9480
Facsimile: 1 (403) 266-1395
Email: Kbarr@blg.com / Faahmad@blg.com

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Introduction

1. On March 20, 2017, on application by the Alberta Energy Regulator (the "**AER**"), the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Receivership Order**") appointing Grant Thornton Limited ("**GTL**" or the "**Former Receiver**") as receiver and manager (in such capacities, the "**Receiver**") of Lexin Resources Ltd. ("**Lexin**" or the "**Company**").

2. On June 13, 2017, on a consent basis the Court approved a further receivership order ("**Expanded Receivership Order**") adding the following Lexin related entities to the within the receivership proceedings (the "**Proceedings**"):

   a) 1051393 BC Ltd.;

   b) 0989 Resource Partnership;

   c) LR Processing Ltd. ("**LR Ltd**"); and

   d) LR Processing Partnership.

   (collectively, along with Lexin, the "**Lexin Group**")

3. Copies of the Receivership Order and the Expanded Receivership Order are attached to this report (this "**Report**") as **Appendix 1**.

4. The Receiver issued fourteen reports and their supplements between March 30, 2017, and January 22, 2020 (collectively the "**Receiver's Reports**"). The Receiver's Reports should be read in conjunction with this Report.

5. On June 28, 2019, the Receiver filed an application returnable July 11, 2019, seeking various relief, including discharge of the Receiver, supported by a report of the Receiver (the "**Fourteenth Report**"). As a result of this application, the Court granted an Order approving the various relief (the "**Discharge Order**"). A copy of the Discharge Order is attached to this Report as **Appendix 2**. The various relief approved by the Discharge Order include, among others, the following:

   a) A distribution to the AER (the "**Distribution**");

   b) A holdback in the amount of $594,000; and

   c) Discharge of the Receiver on the filing of an affidavit (the "**Discharge Affidavit**") confirming that:

i. The Distribution has been made;

ii. The sales approved by the Court on July 11, 2019, have closed;

iii. With respect to a specific transaction and associated application (the "**HESC Transaction**"), if the Receiver has either completed the HESC Transaction or given notice of the abandonment of the application to approve the HESC Transaction; and

iv. That the Tolling Period as provided for pursuant to the Settlement Agreement has expired (each as defined in the Fourteenth Report).

6. The purpose of this Report is to provide the Court and other interested parties with information on these Proceedings and to provide information in support of the Former Receiver's application for an Order (the "**Revival Order**"):

   a) Reviving the Proceedings;

   b) Re-appointing GTL as receiver and manager of the Lexin Group;

   c) Alternatively, setting aside paragraphs 13 and 15 of the Discharge Order;

   d) Reviving the Lexin Group;

   e) Designating GTL, in its capacity as the Former Receiver, as an "interested person" pursuant to section 206.1(d) of the *Alberta Business Corporations Act* (the "**ABCA**"); and

   f) Confirming the Receiver's authority to bring an application pursuant to section 48 (the "**s48 Application**") of the *Unclaimed Personal Property and Vested Property Act* (the "**UPPVPA**") and deal with the Land Proceeds (as defined below).

7. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars. Capitalized terms not otherwise defined herein shall adopt the meaning as defined in the Receivership Order and the Receiver's Reports.

Limitations of Report

8. The information contained in this Report has been obtained from the available records of the Lexin Group, publicly available information, information obtained from various Lexin Group stakeholders, and discussions with former Lexin Group employees. The information was not audited or otherwise verified by the Former Receiver as to its accuracy or completeness, nor has it been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Lexin Group. Accordingly, unless otherwise stated, we do not express an opinion or any other form of assurance on the information presented herein. The Former Receiver may refine or alter its observations as further information is obtained or is brought to its attention after the date of this Report.

9. The Former Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of this Report. Any use that any party makes of this Report, or any reliance on or decisions to be made based on it is the responsibility of such party.

10. A copy of this Report and other relevant documents in the Proceedings are available on the Former Receiver's website at: www.grantthornton.ca/Lexin.

Background

11. Lexin was a privately held corporation formed pursuant to the laws of British Columbia. The Company was engaged in the business of oil and gas exploration and production in Alberta.

12. Lexin had numerous regulatory orders issued against it by the AER which resulted in the suspension of all the Company's AER regulated assets. The AER sought the appointment of a receiver to realize upon the assets of Lexin, attend to stakeholder and creditor issues in an orderly fashion and to help address many of the outstanding environmental and safety issues in a Court-supervised process.

13. The organizational structure of the Lexin Group and other related entities is discussed in the Receiver's Reports. For ease of reference, the organizational structure, and a table of defined terms for each entity is attached as **Appendix 3**.

14. Further background on the Lexin Group, its assets and liabilities, the events leading up to the Receivership Order and the conduct of the Proceedings are available by reviewing the materials filed in these Proceedings and available on Former Receiver's website at: www.grantthornton.ca/Lexin.

Summary of Activities

15. Following filing the Fourteenth Report, the Receiver's activities included:

    a) On July 31, 2019, issuing the Distribution;

    b) On, February 4, 2020, obtaining Court approval for the HESC Transaction and completing same on June 30, 2020; and

    c) On September 11, 2020, filing the Discharge Affidavit. A copy of the Discharge Affidavit is attached to this Report as **Appendix 4**.

Land Proceeds

16. In April 2024, subsequent to its discharge as Receiver, the Former Receiver was contacted by counsel to the Orphan Well Association (the "**OWA**") regarding approximately $1.1 million of net proceeds (the "**Land Proceeds**") from the lands upon which the Mazeppa Gas Plant was located (the "**Mazeppa Land**"), formerly owned by LR Ltd.

17. On December 19, 2018, on application of the Receiver, the Court granted an Order (the "**Partial Discharge Order**") that, among other things, partially discharged the Receiver with respect to certain AER well and facility licenses and the Mazeppa Land, as set out in the Receiver's Eleventh Report. A copy of the Partial Discharge Order is attached to this Report as **Appendix 5**. The reasons for the Receiver's application are set out in the Eleventh Report. In summary, following marketing efforts, the Receiver determined that a sale of the Mazeppa Land would not be accretive to the estate due to:

    a) Expected costs of a required sub-division process;

    b) Potential priority claims against the Mazeppa Land, including:

        i. Abandonment and reclamation obligations;

        ii. Builder's liens totalling in excess of $2 million; and

        iii. Property tax arrears of over $850,000; and

    c) Estate resources being diverted to due diligence inquiries for the unrelated sales process of the power plant situated on the Mazeppa Land, owned by MFC Power Limited Partnership ("**MFC Power**") and not subject to the Proceedings.

18. With respect to the Mazeppa Land and the Land Proceeds, the Former Receiver understands:

    a) The Mazeppa Land was seized and sold due to unpaid municipal taxes;

    b) LR Ltd has been struck from the corporate registry and, as a result, the Land Proceeds have been escheated to the Crown pursuant to the UPPVPA;

    c) The Mazeppa Gas Plant was Lexin's licensed sour gas processing facility with a deemed liability for LLR purposes of over $26.7 million. The OWA (via the AER) is therefore the stakeholder with the primary economic interest in the Land Proceeds; and

d) The OWA has discussed with Alberta Treasury Board & Finance and the AER and determined that the most efficient way of dealing with the Land Proceeds is to advance the s48 Application.

19. To bring the s48 Application, the Former Receiver must first seek an Order of the Court:

a) Reviving the Proceedings and reappointing the Former Receiver as Receiver;

b) Reviving LR Ltd pursuant to section 210 of the ABCA for the purpose of allowing the Receiver to bring the s48 Application; and

c) Confirming that the Receiver has the authority to bring the s48 Application and deal with the Land Proceeds.

Genset

20. In January 2024, the Former Receiver was contacted by the OWA regarding a piece of equipment known as a "2014 Leroy Somers 3.6MW genset" (the **"Genset"**) listed for sale in Edson, Alberta. The OWA believes the Genset to be an asset of the Lexin Group formerly located at the Mazeppa Gas Plant. The Receiver was not able to take possession of or locate the Genset and it was believed missing. The Former Receiver has not been able to verify the Lexin Group's ownership of the Genset in the books and records of the Lexin Group in its possession.

21. The Former Receiver contacted the parties conducting the sale of the Genset and were directed to Nixon Peabody LLP ("**NP LLP**"), counsel to 104 Power Limited Partnership ("**104 Power**") and 1046533 B.C. Ltd. ("**104 BC**"), debtors in Chapter 11 bankruptcy proceedings in the US, as the selling party. NP LLP refutes the Lexin Group's ownership of the Genset but to date has not provided evidence to support the alleged ownership claim of 104 Power.

22. NP LLP did advise the Former Receiver that, prior to their bankruptcy filings, MFC Power changed its name to 104 Power and MFC General Partner Ltd. changed its name to 104 BC. As noted earlier in this Report, MFC Power operated a power plant on the Mazeppa Land.

23. As with the Land Proceeds, the OWA is the stakeholder with the primary economic interest in the Genset. The OWA has requested that the Former Receiver investigate the Genset further and evaluate any potential realizations to the estate. Given the ownership claim of 104 Power and the involvement of the US bankruptcy Court, the Former Receiver believes the Revival Order necessary to further its investigations and advance any claim against the Genset as Receiver. The OWA is supportive of the Revival Order and the Former Receiver's proposed course of action as Receiver.

Renunciation Notice

24. On April 2, 2019, on application of the Receiver, the Court pronounced an Order that, among other things, approved the Receiver's proposed notice of renunciation in the Proceedings (the "**Renunciation Notice**"). The Renunciation Notice was issued by the Receiver on April 2, 2019, and a copy is attached to this Report as **Appendix 6**.

25. In the Renunciation Notice:

    a) The Retained Properties are defined as the mineral leases, surface leases, non-operated working interests, equipment and seismic data in the properties attached to the Renunciation Notice as Schedule A; and

    b) The Renounced Properties are defined as the remaining mineral leases, surface leases, non-operated working interests, equipment, and seismic data that Lexin holds an interest in.

26. As set out in the Receiver's Thirteenth Report:

    a) The Renounced Properties were expected to have no realizable value;

    b) The Receiver believed the Notice of Renunciation necessary so that the hundreds of stakeholders could take appropriate steps to pursue any rights they had against the Renounced Property without having to wait for the Receiver's discharge;

    c) Given the volume of assets to be renounced and the state of Lexin's books and records, the Receiver had concerns that a list of Renounced Property would not be comprehensive; and

    d) As such, the Renunciation Notice lists the Retained Properties, being those that the Receiver had a realistic expectation of realizing upon, and any assets not so listed are Renounced Properties by default.

27. Subject to the granting of the Revival Order, the Former Receiver does not believe that the Renunciation impacts the Receiver's authority to deal with the Land Proceeds as:

    a) Pursuant to the Partial Discharge Order, the Receiver had already been discharged with respect to the Mazeppa Lands at the time of the Renunciation Notice. The Receiver therefore had no standing with respect to the Mazeppa Lands when the Renunciation Notice was issued; and

b) Even if the Receiver did have standing at that time, the Renunciation Notice does not list real property, such as the Mazeppa Land, in its definition of Renounced Property and so would not have the effect of renouncing any interest the Receiver still had in the Mazeppa Land.

28. Regarding the Renunciation Notice's impact on the Receiver's claim to the Genset:

a) The Genset is not specifically listed as Retained Property in Schedule A;

b) Certain facilities and wells are listed as Retained Properties including associated equipment;

c) However, the Genset's location at the time of the Renunciation Notice is unknown as the Receiver was not able to take possession of it at any point; and

d) The Renounced Property includes equipment not listed in Schedule A to the Renunciation Notice.

29. Should the Revival Order be granted, the Former Receiver intends to review the Renunciation Notice's application to the Genset prior to taking any steps to advance a claim against the Genset as Receiver.

Recommendations

30. The Receiver respectfully recommends that this Honourable Court:

    a) Revive the Proceedings;

    b) Re-appoint the Former Receiver as receiver and manager of the Lexin Group;

    c) In the alternative, set aside paragraphs 13 and 15 of the Discharge Order;

    d) Revive the Lexin Group;

    e) Designate GTL, in its capacity as the Former Receiver, as an “interested person” pursuant to section 206.1(d) of the ABCA; and

    f) Confirm the Receiver’s authority to advance the s48 Application and deal with the Land Proceeds.

31. Subject to obtaining the above approvals and confirmation, the Former Receiver intends to:

    a) Advance the s48 Application and realize upon the Land Proceeds for the benefit of the estate;

    b) Review the impact of the Renunciation Notice on its claim to the Genset and, if warranted, investigate the ownership of the Genset and any potential recoveries to the estate; and

    c) Follow any further advice and directions of this Court.

DATED at Calgary, Alberta, the 21st day of May 2024.

Grant Thornton Limited,
in its capacity as former receiver of
Lexin Resources Ltd., 1051393 BC Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership
and not in its personal capacity

Neil Honess, PhD, CIRP, LIT
Senior Vice President

James Saxton, FCCA, CIRP, LIT
Vice President

I hereby certify this to be a true copy of
the original Order
Dated this 22 day of March
for Clerk of the Court

Clerk's stamp:

FIAT: Let the within Order be filed notwithstanding that the counsel approvals are by electronic signature and in counterpart, this 21st day of March, 2017.

not necessary: 2012 ABCA 150 ¶ 7

J.C.Q.B.A

JUDICIAL CENTRE OF CALGARY
FILED
MAR 22 2017
CLERK OF THE COURT

COURT FILE NO.	1701-03460
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA ENERGY REGULATOR
RESPONDENT	LEXIN RESOURCES LTD.
DOCUMENT	**RECEIVERSHIP ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**JENSEN SHAWA SOLOMON DUGUID HAWKES LLP** Barristers 800, 304 - 8 Avenue SW Calgary, Alberta T2P 1C2 Christa Nicholson Phone: 403 571 1053 Fax: 403 571 1528 Email: nicholsonc@jssbarristers.ca File: 13817.001

DATE ON WHICH ORDER WAS PRONOUNCED: March 20, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF THE JUDGE WHO MADE THIS ORDER: The Honourable Justice P.R. Jeffrey

UPON the application of Alberta Energy Regulator ("**AER**") in respect of Lexin Resources Ltd. ("**Lexin**" or the "**Debtor**"); **AND UPON** having read the Application of the AER; the Affidavit of Laura Chant, sworn on March 11, 2017 including the reference therein to the "Equipment Order" granted March 3, 2017 in Court of Queen's Bench Action No. 1701 02272; the Affidavit of Service of Helen Bowker, sworn and filed March 14, 2017; and the Affidavit of Charles Selby, sworn and filed March 17, 2017; **AND UPON** reading the consent of Grant Thornton Limited to act as receiver ("**Receiver**") of the Debtor; **AND UPON** hearing counsel for AER and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of this Application is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 ("**BIA**") and/or section 13(2) of the *Judicature Act,* R.S.A. 2000, Grant Thornton Limited is hereby appointed Receiver, without security, of all of Lexin's current and future assets, undertakings and properties of every nature and kind whatsoever, including all proceeds thereof, provided that the appointment of the Receiver shall not include any oil or gas wells, pipelines or facilities located outside the Province of Alberta or regulated by an entity other than the AER (the "**Property**").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized (but not obligated) to do any of the following where the Receiver considers it necessary or desirable:

    (a) to take possession of and exercise control over the Property, with the exception of taking possession of or exercising physical control over any Lexin oil or gas wells, pipelines, facilities or sites regulated by the AER (the "**Sites and Abandoned Sites**"), and any and all proceeds, receipts and disbursements arising out of or from the Property, and for greater clarity, while the Receiver shall have limited powers with respect to the Property as it relates to the Sites and Abandoned Sites as more particularly set out herein, the Receiver shall not have the power to take possession of and exercise physical control over the Sites and the Abandoned Sites;

(b) to exercise any powers it has under section 14.06 of the BIA;

(c) to receive, preserve and protect the books and records of the Debtor or any part or parts thereof, including, but not limited to, relocating of the books and records to safeguard them as may be necessary or desirable;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(f) to settle, extend or compromise any indebtedness owing to or by the Debtor;

(g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(h) to initiate, prosecute and continue the prosecution of any and all proceedings (with the exception of the hearing scheduled for March 22 and 23, 2017 of Lexin's application filed in Court of Queen's Bench Action Number 1701-02272 and in its Originating Application filed in Court of Queen's Bench Action Number 1701-03310 (the "**Applications**"), on the issue before the Court to be argued at that time, namely, the Court's jurisdiction to hear the foregoing Applications (the "**Jurisdiction Question**"), which Jurisdiction Question may continue to be advanced by Lexin as opposed to the Receiver), and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. 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, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

(i) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate.

(j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

  (i) without the approval of this Court in respect of any transaction not exceeding $50,000, provided that the aggregate consideration for all such transactions does not exceed $150,000; and

  (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required.

(k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;

(q) to, with leave of the Court, assign the Debtor into bankruptcy, to become the trustee in bankruptcy of the Debtor and to take all steps reasonably required to carry out its role as trustee in bankruptcy of the Debtor should the Receiver deem it appropriate in the circumstances to do so; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. Notwithstanding any other provision of this Order, nothing herein shall empower, authorize or require the Receiver: (i) to take possession of or exercise physical control over the Sites and the Abandoned Sites; or (ii) to manage, operate or carry on the business of the Debtor; and the Receiver shall not be deemed to have taken any of the actions or steps referred to in this paragraph 4 solely as a consequence of having taken some of the steps authorized pursuant to paragraph 3.

5. Upon the AER receiving from any person a request for approval to remove equipment from any of the Sites pursuant to the Equipment Order (the "**Request**"), the AER shall forthwith bring that communication to the attention of the Receiver, and the Receiver

shall cooperate with the AER with respect to any proposed removal of equipment from any Sites and Abandoned Sites, and will thereafter either:

(a) approve the removal of the equipment on such terms as are appropriate, having regard to the entitlements of all persons; or

(b) advise the person who made the Request that the equipment may not be removed without Court Order, made on application brought in these proceedings (Action No. 1701-03460) with 7 days' prior notice to the Receiver and AER.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.

7. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in

paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

8. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

9. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court,

provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 10; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

11. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking

services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

15. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations

under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c 47 ("**WEPPA**").

16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

    (i) before the Receiver's appointment; or

    (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

    (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

    (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

A. complies with the order, or

B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

18. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

19. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

20. The Receiver and its legal counsel shall pass their accounts from time to time.

21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such

rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

23. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "**A**" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. 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 and 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.

31. The Receiver be at liberty and is 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 and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. The Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings at www.grantthornton.ca/creditorupdates and shall post there as soon as practicable:

    (a) all materials prescribed by statue or regulation to be made publically available; and

    (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

____

J.C.Q.B.A.

APPROVED as the Order granted:

GROIA AND COMPANY PROFESSIONAL CORPORATION

Per: ______________________________
Joseph Groia
Counsel for Lexin Resources Ltd.

BORDEN LADNER GERVAIS LLP

Per: ______________________________
Robyn Gurofsky
Counsel for Grant Thornton Limited

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP

Per: ______________________________
Christa Nicholson
Counsel for the Alberta Energy Regulator

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings at www.grantthornton.ca/creditorupdates and shall post there as soon as practicable:

    (a) all materials prescribed by statue or regulation to be made publically available; and

    (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

J.C.Q.B.A.

APPROVED as the Order granted:

GROIA AND COMPANY PROFESSIONAL CORPORATION

Per:

Joseph Groia
Counsel for Lexin Resources Ltd.

BORDEN LADNER GERVAIS LLP

Per:

Robyn Gurofsky
Counsel for Grant Thornton Limited

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP

Per:

Christa Nicholson
Counsel for the Alberta Energy Regulator

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ____________________

AMOUNT $____________________

1. THIS IS TO CERTIFY that GRANT THORNTON LIMITED, the receiver (the "**Receiver**") of all of the assets, undertakings and properties of LEXIN RESOURCES LTD. appointed by Order of the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (the "**Court**") dated the ___ day of _________, ____ (the "**Order**") made in action number ______________, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_________, being part of the total principal sum of $_________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [monthly **not** in advance on the ___ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Alberta Treasury Branches from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ____.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ___ day of ___________, 20__.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ______________________________
Name:
Title:

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	**CONSENT RECEIVERSHIP ORDER**

Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
JUN 14 2017
CALGARY
CLERK OF THE COURT

I hereby certify this to be a true copy of the original ORDER
Dated this 14 day of June 2017
for Clerk of the Court

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Robyn Gurofsky/Jessica L. Cameron 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/jcameron@blg.com File No. 547730/000021

DATE ON WHICH ORDER WAS PRONOUNCED: June 13, 2017

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 court-appointed receiver of Lexin Resources Ltd. ("**Lexin**"); **AND UPON** having read the Third Report of the Receiver dated June 9, 2017 (the "**Third Report**"), the Affidavit of Service of Stella Kim, filed, and the pleadings and Receiver's reports previously filed herein, including the receivership order granted with respect to Lexin on March 20, 2017 (the "**Lexin Receivership Order**"); **AND UPON** noting the consent of counsel for all of 1051393 B.C. Ltd. ("**105**"), 0989 Resource Partnership ("**0989**"), LR Processing Ltd. ("**LR Ltd.**") and LR Processing

Partnership ("**LR Processing**" and together with 105, 0989 and LR Ltd. the "**Debtors**"); **AND UPON** noting the consent of Grant Thornton Limited to act as receiver of the Debtors (the "**Receiver**"); **AND UPON** hearing from counsel for the Receiver, the Alberta Energy Regulator (the "**AER**"), Lexin, the Debtors and any other interested party appearing at the Application,

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2000, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

3. The Receiver's appointment hereunder is effective as of the date of this Order and not retroactive to the date of the granting of the Lexin Receivership Order.

AMENDED STYLE OF CAUSE

4. The style of cause in the within Action is hereby amended by including all of 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership as Respondents, and the Clerk of the Court is hereby directed to file this Order and all subsequent proceedings in this matter in accordance with this new style of cause.

RECEIVER'S POWERS

5. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized (but not obligated) to do any of the following where the Receiver considers it necessary or desirable:

    (a) to take possession of and exercise control over the Property, with the exception of taking possession of or exercising physical control over any of the Debtors oil or gas wells, pipelines, facilities or sites regulated by the AER (the "**Sites and Abandoned Sites**"), and any and all proceeds, receipts and disbursements arising out of or from the Property, and for greater clarity, while the Receiver shall have limited powers with respect to the Property as it relates to the Sites and Abandoned Sites as more particularly set out herein, the Receiver shall not have the power to take possession of and exercise physical control over the Sites and Abandoned Sites;

(b) to disclaim, abandon or renounce the Debtors' interest in any of the Property;

(c) to receive, preserve and protect the Property (save and except for the Sites and Abandoned Sites) of the Debtors, or any part or parts thereof, including, but not limited to, the relocating of the Property to safeguard it and the placement of such insurance coverage as may be necessary or desirable;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

(f) to settle, extend or compromise any indebtedness owing to or by the Debtors;

(g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

(h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. 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 proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

(i) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

  (i) without the approval of this Court in respect of any transaction not exceeding $50,000, provided that the aggregate consideration for all such transactions does not exceed $150,000; and

  (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 shall not be required;

(k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property and this Order shall be registered by the Registrar of Land Titles 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;

(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;

(q) to, with leave of the Court, assign the Debtors, or any one of them, into bankruptcy, to become the trustee in bankruptcy of the Debtors and to take all steps reasonably required to carry out its role as trustee in bankruptcy of the Debtors should the Receiver deem it appropriate in the circumstances to do so; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

6. Notwithstanding any other provision of this Order, nothing herein shall empower authorize or require the Receiver: (i) to take possession of or exercise physical control over the Sites and Abandoned Sites; or (ii) to manage, operate or carry on the business of the Debtors, and the Receiver shall not be deemed to have taken any of the actions or steps referred to in this paragraph 5 solely as a consequence of having taken some of the steps authorized pursuant to paragraph 4.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Receiver upon the Receiver's request.

8. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

9. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

10. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

11. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 10; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

12. All rights and remedies (including, without limitation, set-off rights) against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

13. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services,

insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

15. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

16. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").

17. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent

desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

(i) before the Receiver's appointment; or

(ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

(i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:

A. complies with the order, or

B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

(ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,

A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

(iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

19. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

20. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

21. The Receiver's Charge granted by this Order shall include all amounts secured by the Receiver's Charge granted pursuant to the Lexin Receivership Order (the "**First Receiver's Charge**"), such that amounts secured by the First Receiver's Charge shall rank *pari passu* with the Receiver's Charge granted by this Order and form a first charge on the Property of the Debtors, being 105, 0989, LR Processing and LR Partnership, together with the Property of Lexin (as defined in the Lexin Receivership Order), in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

21A. This Order is without prejudice to the rights of Young EnergyServe Inc. to make submissions with respect to the priority and payment for legal fees incurred in respect of the bankruptcy of LR Processing and LR Ltd., being actions BK 25-094659 and BK 25-094662.

22. The Receiver and its legal counsel shall pass their accounts from time to time.

23. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

24. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $1,200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, including the First Receiver's Charge, and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

25. The Receiver's authorized borrowings of $1,200,000 and Receiver's Borrowings Charge granted hereunder are included and a part of, and not in addition to, the Receiver's authorized borrowings and Receiver's Borrowings Charge granted and defined by the Lexin Receivership Order, as amended by the Order of this Court on May 8, 2017 (the "**First Borrowings Charge**"), such that the total aggregate amount of the First Borrowings Charge and the Receiver's Borrowings Charge is $1,200,000.

26. The Receiver's Borrowings Charge granted by this Order shall include all amounts secured by the First Borrowings Charge, such that amounts secured by the First Borrowings Charge shall rank *pari passu* with the Receiver's Borrowings Charge granted by this Order and form a first charge on the Property of the Debtors, being 105, 0989, LR Processing and LR Partnership, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

27. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

28. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

29. The monies from time to time borrowed by the Receiver pursuant to the Lexin Receivership Order, the Order granted in this proceedings on May 8, 2017, this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

30. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

31. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

32. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

33. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

34. 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 and 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.

35. The Receiver be at liberty and is 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 and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. The Receiver shall have its costs of this motion, up to and including entry and service of this Order on a full-indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

37. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

38. The Receiver shall establish and maintain a website in respect of these proceedings at www.grantthornton.ca/lexin and shall post there as soon as practicable:

(a) all materials prescribed by statue or regulation to be made publically available; and

(b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

Justice of the Court of Queen's Bench of Alberta

FORM AND CONTENT CONSENTED TO THIS 12th DAY OF JUNE, 2017.

GROIA & COMPANY PROFESSIONAL CORPORATION

Per

Per: Bonnie Roberts Jones
Counsel for 1051393 B.C. Ltd.,
0989 Resource Partnership,
LR Processing Ltd. and
LR Processing Partnership

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________________

AMOUNT $______________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of all of the assets, undertakings and properties of 1051393 B.C. Ltd. ("**105**"), 0989 Resource Partnership ("**0989**"), LR Processing Ltd. ("**LR Ltd.**") and LR Processing Partnership ("**LR Processing**" and together with 105, 0989 and LR Processing the "**Debtors**") appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the _____ day of __________________, _______ (the "**Order**") made in action number 1701-03460, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_________, being part of the total principal sum of $______________ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ______ per cent above the prime commercial lending rate of Bank of _______ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _______ day of _______________, 20__.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: ________________________________
Name:
Title:

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)**

Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
JUL 11 2019
CLERK OF THE COURT

I hereby certify this to be a true copy of the original order
Dated this 11 day of July 19
for Clerk of the Court

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: 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;

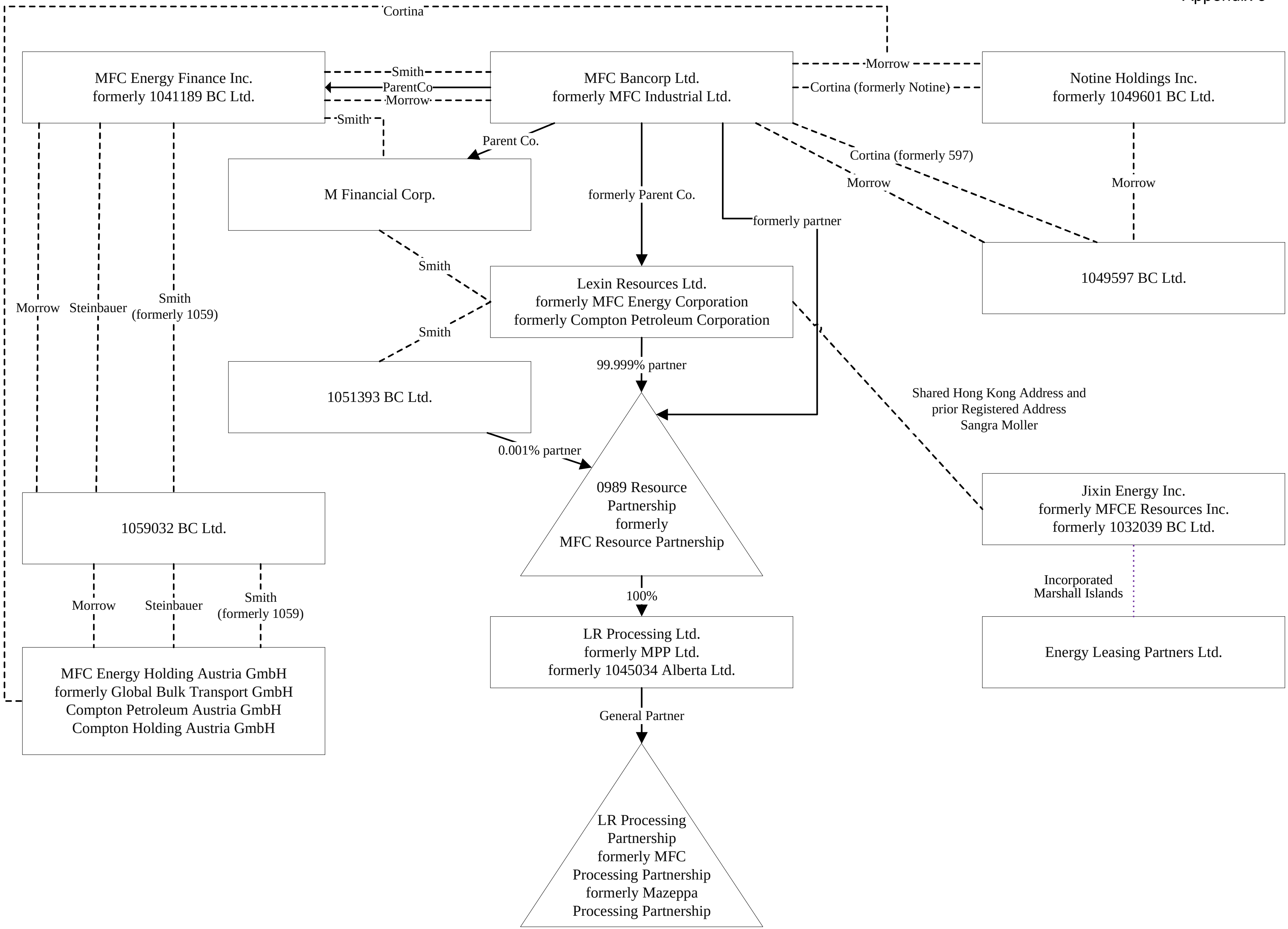
then the Receiver shall be discharged as Receiver of the Lexin Group, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the 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

Appendix 3



Cortina
MFC Energy Finance Inc.
formerly 1041189 BC Ltd.
Smith
ParentCo
Morrow
Smith
MFC Bancorp Ltd.
formerly MFC Industrial Ltd.
Morrow
Cortina (formerly Notine)
Notine Holdings Inc.
formerly 1049601 BC Ltd.
Parent Co.
M Financial Corp.
formerly Parent Co.
formerly partner
Cortina (formerly 597)
Morrow
Morrow
1049597 BC Ltd.
Smith
Lexin Resources Ltd.
formerly MFC Energy Corporation
formerly Compton Petroleum Corporation
Morrow
Steinbauer
Smith
(formerly 1059)
Smith
1051393 BC Ltd.
99.999% partner
Shared Hong Kong Address and
prior Registered Address
Sangra Moller
0.001% partner
0989 Resource
Partnership
formerly
MFC Resource Partnership
Jixin Energy Inc.
formerly MFCE Resources Inc.
formerly 1032039 BC Ltd.
1059032 BC Ltd.
100%
Incorporated
Marshall Islands
Morrow
Steinbauer
Smith
(formerly 1059)
LR Processing Ltd.
formerly MPP Ltd.
formerly 1045034 Alberta Ltd.
Energy Leasing Partners Ltd.
MFC Energy Holding Austria GmbH
formerly Global Bulk Transport GmbH
Compton Petroleum Austria GmbH
Compton Holding Austria GmbH
General Partner
LR Processing
Partnership
formerly MFC
Processing Partnership
formerly Mazeppa
Processing Partnership

	Current Name of Entity	Predecessor Name of Entity (prior to name change)	Defined Term hereafter
a	Lexin Resources Ltd.	MFC Energy Corporation Compton Petroleum Corporation	**"Lexin"**
b	0989 Resource Partnership	MFC Resource Partnership Compton Resource Partnership	**"0989"**
c	1051393 BC Ltd.	n/a	**"105"**
d	LR Processing Ltd.	MPP Ltd. 1045034 Alberta Ltd.	**"LR Ltd."**
e	LR Processing Partnership	MFC Processing Partnership Mazeppa Processing Partnership	**"LR Processing"**
f	1049597 BC Ltd.	n/a	**"597"**
g	MFC Energy Finance Inc.	1041189 BC Ltd.	**"Finance"**
h	1059032 BC Ltd.	n/a	**"1059"**
i	Notine Holdings Inc.	1049601 BC Ltd.	**"Notine"**
j	MFC Energy Holding Austria GmbH	Global Bulk Transport GmbH Compton Petroleum Austria GmbH Compton Holding Austria GmbH	**"MFC Austria"**
k	Jixin Energy Inc.	MFCE Resources Ltd. 1032039 B.C. Ltd.	**"Jixin"**
l	MFC Bancorp Ltd.	MFC Industrial Ltd.	**"Bancorp"**
m	M Financial Corp.	Unknown	**"M Financial"**
n	Energy Leasing Partners Ltd.	Unknown	**"ELP"**
o	MFC Power Limited Partnership	n/a	**"MFC Power"**

Form 49
[Rule 13.19]

Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
Sep 11, 2020
100144
by Email
CLERK OF THE COURT

COURT FILE NUMBER	**1701-03460**
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	Calgary
PLANTIFF	**ALBERTA ENERGY REGULATOR**
DEFENDANTS	**LEXIN RESOURCES LTD., 1051393 B.C. LTD., 0989 RESOURCE PARTNERSHIP, LR PROCESSING LTD., and LR PROCESSING PARTNERSHIP**
DOCUMENT	**AFFIDAVIT OF RECEIVER**
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 Facsimile: (403) 266-1395 Email: RGurofsky@blg.com File No. 547730-000021

AFFIDAVIT OF ANDREW BASI

Sworn (or Affirmed) on August 31, 2020

I, Andrew Basi, of Calgary, Alberta, chartered accountant and licensed insolvency trustee, SWEAR/AFFIRM AND SAY THAT:

1. I am a partner of the firm Grant Thornton LLP and employed by Grant Thornton Limited, the court appointed receiver ("**Receiver**") of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership. I am responsible for overseeing the administration of the within receivership estate. As such, I have knowledge of the facts hereinafter sworn to unless stated to be based on information and belief and where so stated, I do verily believe the same to be true.

2. I make this Affidavit pursuant to the order of the Honourable Justice B.E.C. Romaine dated July 11, 2019 and filed in these proceedings on the same date (the "**Discharge Order**"), and in particular, paragraph 15 thereof which requires the Receiver to file with the Clerk of the Court a sworn Affidavit prior to its discharge.

3. Capitalized terms not defined herein have the meaning attributed to them in the Discharge Order.

4. Pursuant to the terms of the Discharge Order, I can confirm the following:

   (a) The distribution to the Alberta Energy Regulator, as contemplated by paragraph 4 of the Discharge Order, was made on July 31, 2019;

   (b) The sales approved by the Court on July 11, 2019 have closed;

   (c) The Receiver has successfully pursued the HESC Application, obtained a sale approval and vesting order in respect of that application on February 4, 2020 from the Honourable Justice G. Campbell and closed the transaction on June 30, 2020, substantially on the terms contemplated in the HESC PSA; and

   (d) The Tolling Period as provided for pursuant to the Settlement Agreement has expired.

5. I make this Affidavit pursuant to the Discharge Order and to obtain a discharge of the Receiver in the within proceedings, subject to the qualifications contained in paragraph 15 of the Discharge Order, and for no improper purpose.

SWORN (OR AFFIRMED) BEFORE ME at Calgary, Alberta, this 31st day of August 2020.	
Jacqueline Rix	
Commissioner for Oaths in and for the Province of Alberta	**ANDREW BASI**

JACQUELINE RIX
MY COMMISSION EXPIRES
OCTOBER 14, 2022

COURT FILE NUMBER	**1701-03460**	Clerk's Stamp CLERK OF THE COURT FILED DEC 20 2018 JUDICIAL CENTRE OF CALGARY
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 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

th including on AMVIC le

1. 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

2. 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**").

3. The Receiver is partially discharged from any and all obligations derived from the Receivership Orders or otherwise in respect of the lands sent out in Appendices 8 and 9 of the Eleventh Report (the "**Lands**")

4. 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.

5. 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.

6. 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

7. The Alberta Motor Vehicle Industry Council ("**AMVIC**") 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.

8. AMVIC is authorized to apply to the Court on no less than 7 days' notice to the Receiver for advice and direction in respect of the disclosure of the registration information described in paragraph 7, above.

____

Justice of the Court of Queen's Bench of Alberta

NOTICE OF RENUNCIATION

WHEREAS Grant Thornton Limited is the court-appointed receiver (the "**Receiver**") of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), of all of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively "**Lexin**");

AND WHEREAS the Receiver was appointed with respect to the Lexin assets pursuant to a receivership order granted by the Alberta Court of Queen's Bench (the "**Court**") on March 20, 2017, as amended by the Consent Receivership Order granted by the Court on June 13, 2017 (together the "**Receivership Order**") and the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

AND WHEREAS Lexin holds mineral leases, surface leases, non-operated working interests, equipment, and seismic data in the properties attached hereto as Schedule A (the "**Retained Properties**") with the remaining mineral leases, surface leases, non-operated working interests, equipment and seismic data that Lexin holds an interest in representing the properties being renounced ("**Renounced Properties**");

AND WHEREAS paragraph 3(a) of the Receivership Order provides that the Receiver shall not take possession of or exercise physical control over any Lexin oil or gas well, pipeline, facility or site regulated by the AER;

AND WHEREAS paragraph 3(b) of the Receivership Order empowers the Receiver to disclaim, abandon or renounce Lexin's interest in any of the Property;

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS that the Receiver has never adopted any interest Lexin may have in the Renounced Properties and effective as of the date of the Receivership Order, in accordance with, *inter alia* paragraph 3(b) of the Receivership Order, hereby abandons, renounces and releases any and all interest in respect of any interest Lexin may have in the Renounced Properties, including but not limited to any regulatory licenses, working interests, leases or real property or any immovable property that is affected by or subject to the Renounced Properties.

IN WITNESS WHEREOF, the Receiver executed this Renunciation of Interest this 2nd day of April, 2019.

SIGNED, SEALED AND DELIVERED

GRANT THORNTON LIMITED, in its capacity as the court-appointed receiver of **Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership**, and not in its corporate or personal capacity

Per ______________________________
Andrew Basi, Senior Vice-President

I have the authority to bind the Receiver

SCHEDULE A – RETAINED PROPERTIES
CROSSFIELD STRIKE AREA ASSETS

Lands, Petroleum and Natural Gas Rights

Vendor File #	Title Document	Legal Description	Zones	Vendor Interest	Encumbrances
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG in Crossfield Member	100% BPO 50% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03042	Cr P&NG Lease 0478080008	23-28-W4M:Ptn. 14	P&NG below base Belly River to base Wabamun Group excluding NG below base Belly River to base Mannville and P&NG in Crossfield Member	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production Crown
M03043	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NE14	Petroleum in Belly River, Viking, Mannville Group, Glauconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M03044	PrairieSky Lease dated August 29, 1978	23-28-W4M:Ptn. NW14	Petroleum in Belly River, Viking, Mannville Group, Glauconitic Sandstone and Basal Quartz	67.142% BPO 33.571% APO)	s/s (5-15% on oil and 15% on gas based on 50% of production 30% Lessor Royalty
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	NG in Edmonton	97.6% (pooled)	5% on 97.6% Crown
M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Below base Belly River to base Turner Valley	97.5%	2% on 5% 2% on 5% 5% on 97.5% Crown

M02936	Cr P&NG Lease 0495060015	23-28-W4M:NE & ptn S 16	Pete in Edmonton	97.5%	2% on 5% 5% on 97.5% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	To base Belly River	100%	15% on 75% 15% on 25% 5% on 100% Crown
M02940	Cr P&NG Lease 116502	23-28-W4M:28	Below base Belly River to base Elkton	75%	11.25% on 75% 5% on 75% Crown
M05652	Cr P&NG Lease 127056A	23-28-W4M:N&SE34	To base Wabamun excluding NG to base Mannville	55.56%	5% on 55.56% Crown
M05653	Cr P&NG Lease 127056B	23-28-W4M:SW34	To base Wabamun	100%	5% on 100% Crown

Wells (including associated equipment)

Location	Licence	Surface Lessor (per Lexin records)
00/04-10-023-28W4	0189985	Simpson Ranching Limited
00/14-16-023-28W4	0182704	Jack & Marlene Begg
00/04-21-023-28W4	0179609	1724732 Alberta Ltd.
00/07-21-023-28W4	0256890	1724732 Alberta Ltd.
00/10-21-023-28W4	0177460	1724732 Alberta Ltd.
02/10-21-023-28W4	0203704	1724732 Alberta Ltd.
00/12-21-023-28W4	0181274	1724732 Alberta Ltd.
00/02-28-023-28W4	0214266	Buerkle et al (c/o Hans Roth Universal Agencies)
02/10-28-023-28W4	0327717	Buerkle et al (c/o Hans Roth Universal Agencies)
00/07-33-023-28W4	0031415	L. Jane Hawkins & Maureen Hawkins
00/05-34-023-28W4	0037686	Sheftel & Paperny

Pipelines (including associated surface leases, if applicable)

From	To	Licence
6-34-23-28-W4M	7-33-23-28-W4M	28351
7-33-23-28-W4M	4-10-273-28-W4M	24493
7-33-23-28-W4M	10-21-23-28-W4M	28709
14-16-23-28-W4M	10-21-23-28-W4M	28709
11-28-23-28-W4M	10-21-23-28-W4M	46191
3-28-23-28-W4M	10-21-23-28-W4M	34879
10-21-23-28-W4M	6-29-22-28-W4M	34425

Facilities (including associated equipment)

Location	Type	Licence	Surface Lessor (per Lexin records)
7-33-23-28-W4M	Battery	F3379	L. Jane Hawkins & Maureen Hawkins
10-21-23-28-W4M	Battery and Compressor Station	F3377	1724732 Alberta Ltd.
10-21-23-28-W4M	Battery	F3378	1724732 Alberta Ltd.

SCHEDULE A – RETAINED PROPERTIES
VULCAN AREA ASSETS

WELLS/FACILITY (including associated equipment)	LICENCE	SURFACE LOCATION	WI	SURFACE LESSOR	MINERAL AGREEMENTS
100 / 14-28-015-25 W4 / 0	0335770	14-28-015-25W4M	50%	Pisikla, A	Crown P&NG 0400050044 - All P&NG TB Mannville
102 / 14-28-015-25 W4 / 0	0348415	14-28-015-25W4M	50%	Above	Above
100 / 10-33-015-25 W4 / 0	0358667	10-33-015-25W4M	72.0001 Pooled	Hutterian of Little Bow	11 Freehold Mineral Titles - Caveats Standard Land,
100 / 06-34-015-25 W4 / 0	0337243	06-34-015-25W4M	50%	Schneider	Crown P&NG 0400050048 - All P&NG TB Mannville
100/05-06-016-25W4/0	351489	05-06-16-25W4M	50%	Keith Fisher Farms	Crown P&NG 0405120388 - All P&NG TB Mannville
9-29-15-25W4 Compressor & GGS	F36735	9-29-15-25W4M	50%	Maisey et al	NA

PIPELINES

License #46043

Line 1	9-29-015-25W4 to 11-01-015-25W4
Line 3	14-28-015-25W4 to 09-29-015-25W4
Line 4	05-06-16-25W4 to 04-06-016-25W4
Line 5	10-33-015-25W4 to 14-28-015-25W4
Line 8	06-34-015-25W4 to 14-28-015-25W4

SCHEDULE A – RETAINED PROPERTIES
OTHER RETAINED ASSETS

1. Fee Simple lands presently titled to 1059032 BC Ltd. and Compton Petroleum Corporation, but to be transferred to Lexin;
2. Proprietary seismic data until closing of the proposed sale to Paramount Resources Ltd. or other parties should this sale not close;
3. Vulcan mineral leases until closing of the proposed sale to Wilcox Energy Corp. or other parties should this sale not close;
4. 2007 GMC Sierra 1500 truck (VIN - 1GTEK19J27Z521311) – pending R.O. information;
5. Terminated surface leases for LTAM High River sale once re-instated by the SRB for the period of retention, if any, required for Lexin to convey the leases to LTAM in accordance with PSA terms;
6. Those Crown mineral leases where, in the records of the Alberta Department of Energy ("AE"):
    a. Lexin is the designated representative (des rep) and is also one of two or more lessees, or
    b. Lexin is the des rep and is not a lessee.

   until transfer of the des rep designation is registered with AE. In respect of such Crown mineral leases where the application for the transfer of the des rep designation is not received by AE on or before June 30, 2019, those Crown mineral leases are hereby renounced.