

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 SALE APPROVAL AND VESTING ORDER (SEISMIC)

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



I hereby certify this to be a true copy of
the original Order
Dated this 2 day of April 19
[Signature]
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: April 2, 2019

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

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

UPON THE APPLICATION by Grant Thornton Limited in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Lexin Resources Ltd., 1051393 B.C. Ltd., 0989 Resource Partnership, LR Processing Ltd. and LR Processing Partnership (collectively, the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Paramount Resources Ltd. (the "Purchaser") dated March 21, 2019 and appended to the Thirteenth Report of the Receiver dated March 22, 2019 (the "Report"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the proprietary seismic data described in the Sale Agreement (the "Purchased Assets"); AND UPON HAVING READ the Receivership Order dated March 20, 2017 (the "Receivership Order"), the Report and the Affidavit of Service; AND UPON HEARING the submissions of counsel for the Receiver, the Purchaser and any other party appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:**SERVICE**

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

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).
3. The procedure outlined by the Receiver in the Report to cull the seismic data and ensure that only proprietary data is transferred to the Purchaser is hereby approved and in the unlikely event any trade data is included in the seismic transferred by the Receiver's third party expert to the Purchaser, the Purchaser shall not use, sell, transfer or convey any such trade data and shall destroy such trade within 30 days of its discovery.
4. The Receiver shall not be liable for any trade seismic data that is inadvertently transferred to the Purchaser, and the Purchaser shall not be liable for any trade seismic data that is inadvertently received by the Purchaser provided it complies with the obligations imposed on it by the Court as outlined above in paragraph 3 of this Order.

VESTING OF PROPERTY

5. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered

or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

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

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

6. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register

transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
9. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
10. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
11. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the

Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

12. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
13. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
14. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

SEALING ORDER

15. The Confidential Appendix 5 and Appendix 7 of the Report shall be sealed on the Court file, kept confidential and not form part of the public record. The Clerk of the Court shall file the Confidential Appendices in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL APPENDICES 5 AND 7 TO THE RECEIVER'S THIRTEENTH REPORT, DATED MARCH 22, 2019, FILED IN COURT FILE NO. 1701-03460, WHICH SHALL BE SEALED FOR A PERIOD OF THREE (3) MONTHS FOLLOWING THE DISCHARGE OF THE RECEIVER, PURSUANT TO AN ORDER ISSUED BY THE HONOURABLE JUSTICE B.E.C. ROMAINE DATED APRIL 2, 2019, AND IS NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICLY ACCESSIBLE.

16. The Receiver is empowered and authorized, but not directed, to provide the Confidential Appendices 5 and 7 (or any portion thereof, or information contained therein) to any interested party, entity or person that the Receiver considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Receiver.
17. Rule 6.32 is hereby waived.
18. Leave is hereby granted to any person or party affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of this Order, with such Application to

be brought on no less than 7 days' notice to the Receiver and any other affected party pursuant to the Alberta Rules of Court.

MISCELLANEOUS MATTERS

19. Notwithstanding:

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

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

- 20. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 21. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 22. Service of this Order shall be deemed good and sufficient by:

- (a) Serving the same on:
- (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at: www.grantthornton.ca/lexin and service on any other person is hereby dispensed with.

23. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER

1701-03460

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

Calgary

APPLICANT

ALBERTA ENERGY REGULATOR

RESPONDENT

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

Clerk's Stamp

DOCUMENT

RECEIVER'S CERTIFICATE

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

RECITALS

- A. Pursuant to an Order of the Honourable Justice Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated March 20, 2017, Grant Thornton Limited was appointed as the receiver (the "Receiver") of the undertakings, property and assets of the Lexin Group (the "Debtor").
- B. Pursuant to an Order of the Court dated April 2, 2019 the Court approved the agreement of purchase and sale made as of [Date of Agreement] (the "Sale Agreement") between the Receiver and Paramount Resources Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the

Purchased Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

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

Per; _____

Name:

Title:

SCHEDULE "B"
ENCUMBRANCES

1. Warehouseman's and Storage Liens

SCHEDULE "C"

PERMITTED ENCUMBRANCES

NIL