

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

AND IN THE MATTER OF PETROFLOW ENERGY LTD.

AND IN THE MATTER OF AN APPLICATION UNDER SECTION 46 AND FOLLOWING
OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36,
AS AMENDED

BEFORE the Honourable Justice
B.E.C. Romaine
IN CHAMBERS

} At the Court House, Calgary, Alberta, on Friday,
} the 17th day of September, 2010.

ORDER

I hereby certify this to be a true copy of
the original Order
dated this 17 day of September 20 10
[Signature]
for Clerk of the Court

THIS APPLICATION, made on behalf of Petroflow Energy Ltd. ("Petroflow")
and Louis G. Schott, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-
36, as amended (the "CCAA") was heard this day at 150 6th Ave SW, Calgary, Alberta.

UPON READING the Originating Notice of Petroflow dated September 15, 2010
and the Affidavit of Louis G. Schott sworn September 14, 2010 and the Exhibits thereto,

ON BEING PROVIDED WITH: (i) a copy of the Chapter 11 Voluntary Petition
filed by Petroflow in the United States Bankruptcy Court, for the District of Delaware
(the "U.S. Court") on August 20, 2010, Case No. 10-12608, and jointly administered with
Petroflow's related debtors' proceedings as Case No. 10-11707 (the "Petroflow Petition"); (ii) a
copy of the order of the U.S. Court dated September 10, 2010, which order authorizes Louis G.
Schott and any other duly appointed officer of Petroflow or its related debtors to act as a foreign
representative of Petroflow in respect of the Petroflow Petition (the "Order"); and (iii) a copy of
the consent of Ernst & Young Inc. to act as information officer in this proceeding (the
"Information Officer"); and

ON HEARING the submissions of Scott Watson, counsel for Petroflow and Louis G. Schott;

Recognition of the Chapter 11 Proceeding

1. THIS COURT ORDERS that the Petroflow Petition and Petroflow's U.S. chapter 11 proceedings be and is hereby recognized as a "foreign main proceeding" for the purposes of section 47 of the CCAA, and that all orders (including the Order) entered by the U.S. Court be and are hereby given full force and effect as if entered in this proceeding.

2. THIS COURT ORDERS that Louis G. Schott and any other duly appointed officer of Petroflow or its related debtors (collectively, the "Appointed Officers") be and is hereby recognized as a "foreign representative" as defined in section 45 of the CCAA.

Stay of Proceedings

3. THIS COURT ORDERS that from this date, and until such date as this Court may further order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced in respect of Petroflow, or affecting the business or the property of Petroflow (the "Business" and the "Property", respectively) in Canada, except with the written consent of the Appointed Officers, or with leave of this Court.

4. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency or any other entities (all of the foregoing, collectively, being "Persons" and each being a "Person") against or in respect of Petroflow or affecting the Business or Property in Canada, are hereby stayed and suspended except with the written consent of the Appointed Officers, or with leave of this Court, provided that nothing in this Order shall: (i) empower Petroflow to carry on any business which it is not lawfully entitled to carry on; (ii) exempt Petroflow from compliance with statutory or regulatory provisions relating to health, safety or the environment; or (iii) prevent the filing of any registration to preserve or perfect a security interest.

5. THIS COURT ORDERS that during the Stay Period, and except as otherwise permitted under the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of Petroflow with respect to any claim against such directors or officers that arose before the date hereof and that relates to any obligations of Petroflow whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of Petroflow, if one is filed, is recognized by this Court or is refused by the creditors of Petroflow or this Court.

Information Officer

6. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed as an Information Officer with the powers and obligations as set forth herein.

7. THIS COURT ORDERS that the Information Officer shall: (a) report to this Court at such times and intervals as the Information Officer deems appropriate and, in any event, shall deliver a report to the Court at least once every three months outlining the status of Petroflow's U.S. chapter 11 proceeding, and such other information as the Information Officer believes to be material; and (b) perform such other duties as are required by this Order or by this Court from time to time.

8. THIS COURT ORDERS that the Information Officer shall have full and complete access to the books, records and management, employees and advisors of Petroflow to the extent required to perform its duties arising under this Order.

9. THIS COURT ORDERS that the Information Officer shall provide any creditor of Petroflow located in Canada with information provided by Petroflow in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Property or the Business, or any part thereof.

10. THIS COURT ORDERS that the Information Officer shall be at liberty to engage independent legal counsel, and the Information Officer, counsel to the Information Officer and Canadian counsel to Petroflow shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Petroflow, and Petroflow is hereby authorized to pay any such amounts without further information or order of any court. The Information Officer and its legal counsel shall pass their accounts from time to time.

11. THIS COURT ORDERS that, in addition to the rights and protections afforded the Information Officer as an officer of this Court, the Information Officer shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Information Officer by the CCAA or any other applicable legislation.

General Provisions

12. THIS COURT ORDERS that the Appointed Officers, as foreign representative, shall, without delay after this Order is made, publish a notice as required by subsection 53(b) of the CCAA in the Calgary Herald, the Globe and Mail and the National Post for one (1) day in two (2) consecutive weeks.

6. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Appointed Officers, counsel for Petroflow and the Information Officer and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may direct.

" B. E. C. Romane "

J.C.Q.B.A.

ENTERED this 17th day of September,
2010.

Ed. Jipetch



The Clerk of the Court

Action No. _____

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