

COURT FILE NUMBER 1001-13659

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF PETROFLOW
ENERGY LTD.

Clerk's Stamp

CLERK OF THE COURT

JUL 20 2011

CALGARY, ALBERTA

DOCUMENT **APPLICATION BY PETROFLOW ENERGY
LTD. and LOUIS G. SCHOTT, the foreign
representative**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

PARLEE McLAWS LLP
Barristers and Solicitors
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File Number: **68789-3/GSW**

NOTICE TO RESPONDENT(S):

This application is made against you. You are a respondent. You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: July 25, 2011

Time: 2:00 pm

Where: Calgary Courts Centre
601 - 5 Street SW,
Calgary AB, T2P 5P7

Before Whom: Madame Justice K. M. Horner

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Advice and direction on the preliminary jurisdictional issue raised in the CCAA of whether the Joint Chapter 11 Plan currently before the United States Bankruptcy Court in this matter is a plan of arrangement that is consistent with the CCAA;
2. Such further and other relief as this honourable Court deems just or necessary.

Grounds for making this application:

3. Petroflow Energy Ltd. ("Petroflow") is subject to Chapter 11 proceedings in the United States Bankruptcy Court, which this honourable Court recognized as a "foreign main proceeding" under s. 46 of the *Companies' Creditors Arrangement Act* ("CCAA") by Order of Justice Romaine dated September 17, 2010.
4. In June, the Petroflow and its associated companies filed a Joint Chapter 11 Plan and Disclosure Statement ("Plan") with the United States Bankruptcy Court. Under Chapter 11, there is a 30-day period to amend the Plan prior to its consideration by that Court. The hearing on the Plan is scheduled for July 29, 2011.
5. The success of the Plan is dependent, in part, on its recognition and enforcement in Canada under the CCAA.

Material or evidence to be relied on:

6. Affidavit of Louis G. Schott, filed September 16, 2010;
7. September 17, 2010 Order of Justice Romaine, filed;
8. 4th Report of the Information Officer, to be filed;
9. Brief of the Applicant, to be filed; and
10. Such further and other material as counsel may advise and this honourable Court may admit.

Applicable Acts and regulations:

11. *Companies Creditors Arrangement Act*, RSC 1985, c. C-36, ss. 2, 6, 11, and 44-61

How the application is proposed to be heard or considered:

12. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.