COURT FILE NUMBER	1001-18206	Clerk's Stamp CLERK OF THE COURT FILED DEC 13 2011 JUDICIAL CENTRE OF CALGARY
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	HSBC BANK CANADA	
DEFENDANTS	KINETEX MULTI-COMPONENT SERVICES INC. and KINETEX RESOURCES CORPORATION	
DOCUMENT	**FOURTH REPORT OF ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF KINETEX MULTI-COMPONENT SERVICES INC. AND KINETEX RESOURCES CORPORATION** **DECEMBER 8, 2011**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** Ernst & Young Inc. 1000, 440 – 2nd Avenue S.W. Calgary, AB T2P 5E9 Neil Narfason/Peter Chisholm Telephone: (403) 206-5067/(403) 206-5061 Fax: (403) 206-5075 Email: neil.narfason@ca.ey.com peter.chisholm@ca.ey.com **COUNSEL** Macleod Dixon LLP Barristers & Solicitors Howard A. Gorman/Kyle D. Kashuba 3700, 400 – 3rd Avenue S.W. Calgary AB T2P 4H2 Phone: (403) 267-8144/(403) 267-8399 Fax: (403) 264-5973 Email: Howard.Gorman@macleoddixon.com Kyle.Kashuba@macleoddixon.com	

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APPENDICIES TO THE FOURTH REPORT OF THE RECEIVER

INTRODUCTION

1. Ernst & Young Inc. was appointed receiver and manager (the "Receiver") of the property, assets and undertakings (the "Property") of Kinetex Multi-Component Services Inc. ("Kinetex Services") and Kinetex Resources Corporation ("Kinetex Resources" and together with Kinetex Services, "Kinetex") pursuant to an Order (the "Appointment Order") of the Alberta Court of Queen's Bench (the "Court") dated December 20, 2010 ("Appointment Date").

2. The Appointment Order authorized the Receiver, among other things, to carry on the business of Kinetex, to sell, convey, transfer, lease or assign the Property out of the normal course of business without first obtaining either Kinetex's consent or Court approval of a sale and investor solicitation process, and to make such arrangements or agreements as deemed necessary by the Receiver.

3. The purpose of this Fourth Report of the Receiver (the "Fourth Report") is to advise the Court with respect to:

   a) a description of an asset purchase agreement (the "Life Sciences APA") between the Receiver and Dosdall Properties Inc. ("Dosdall" or the "Purchaser"). The Life Sciences APA is for the sale of two promissory notes and a convertible debenture issued by Life Sciences Institute Inc. ("Life Sciences"), now Quattro Exploration and Production Ltd. ("Quattro"), and held by Kinetex Services (collectively referred to as the "Life Sciences Debt Securities"); and

   b) the recommendation of the Receiver in relation to the Life Sciences Debt Securities.

4. All references to currency in this Fourth Report are in Canadian dollars.

BACKGROUND

5. Kinetex Resources is a public company listed on the TSX Venture Exchange ("TSX-V") and owns 100% of an operating subsidiary, Kinetex Services. Kinetex Resources has no other assets other than certain accounts receivables and the shares of Kinetex Services.

6. Kinetex Services provides seismic planning, acquisition, processing and interpretation services to the oil and gas and mining industries. The head office of Kinetex Services is located in Calgary, Alberta. Kinetex Services' Colombia Branch has an office located in Bogota, Colombia. Kinetex Services' Colombia Branch remains in operation.

DESCRIPTION OF LIFE SCIENCES' LETTER AGREEMENTS

7. In 2005, Kinetex Services' predecessor entered into two letter agreements with Life Sciences (the "Life Sciences Letter Agreements"), a corporation publicly traded on the TSX-V, for the sale of certain oil and gas rights Kinetex Services' predecessor held in Saskatchewan and Nova Scotia. The closing of the sale described in the Life Sciences Letter Agreements were conditional upon Life Sciences obtaining approval from the TSX-V for a change of business from an educational institution specializing in massage therapy to an oil and gas exploration company (the "Life Sciences Change of Business"). The Life Sciences Letter Agreements are described below.

Saskatchewan Letter Agreement

8. On May 4, 2005, Kinetex Services' predecessor entered into a letter agreement with Life Sciences (the "Saskatchewan Letter Agreement"). The Saskatchewan Letter Agreement proposed the sale of certain mineral rights pertaining to oil and gas in South Eastern Saskatchewan owned by Kinetex Services' predecessor (the "Saskatchewan Mineral Rights") to Life Sciences. The purchase price for the Saskatchewan Mineral Rights was to be $696,000, which is comprised of:

    i. $381,000 cash; and

ii. 525,000 shares in Life Sciences at an ascribed value of $0.60 per share.

9. On June 3, 2010, the purchase price per the Saskatchewan Letter Agreement was amended (the "Saskatchewan Letter Agreement Amendment") to $764,050 comprised of:

iii. $225,000 cash; and

iv. 1,575,000 post-consolidated common shares in the capital stock of Life Sciences at a value of $521,050 (the "Saskatchewan Common Shares").

10. The Saskatchewan Letter Agreement Amendment also included an additional payment of $206,050 to be made by Life Sciences to Kinetex Services by way of a promissory note due 24 months from the closing date of the Life Sciences Change of Business (the "Saskatchewan Promissory Note").

11. All cash consideration per the Saskatchewan Letter Agreement Amendment is to be paid upon closing of the Life Sciences Change of Business.

12. Prior to the Appointment Date, Life Sciences paid $225,000 cash to Kinetex Services pursuant to the Saskatchewan Letter Agreement; however, the Saskatchewan Common Shares and Saskatchewan Promissory Note remain outstanding.

13. On June 3, 2010, the shareholder's of Life Sciences voted to approve the consolidation of share capital on a three for one basis (the "Consolidation"). It is important to note that the Saskatchewan Common Shares are to be issued to Kinetex Services subsequent to the Consolidation.

Nova Scotia Letter Agreement

14. On August 17, 2005, Kinetex Services' predecessor entered into a letter agreement with Life Sciences (the "NS Letter Agreement"). The NS Letter Agreement proposed the sale of certain mineral rights pertaining to oil and gas in Nova Scotia owned by Kinetex Services'

predecessor (the "NS Mineral Rights") to Life Sciences. The purchase price for the NS Mineral Rights was to be $715,000 comprised of:

i. $75,000 cash;

ii. a convertible debenture of $540,000, callable into common shares at $0.90/share for a total of 600,000 common shares; and

iii. $150,000 cash payable upon closing.

15. On June 3, 2010, the purchase price per the NS Letter Agreement was amended (the "NS Letter Agreement Amendment") to $763,726 comprised of:

iv. $75,000 cash; and

v. $688,720 payable through the issuance of a promissory note (the "NS Promissory Note", and together with the Saskatchewan Promissory Note, the "Promissory Notes") in the amount of $58,126, due 24 months from the closing date of the Life Sciences Change of Business.

16. The NS Letter Agreement Amendment also included an additional payment of $630,600 to be made by way of a debenture (the "NS Debenture"), convertible at the option of Life Sciences into 700,667 shares of Life Sciences following the Life Sciences Change of Business.

17. Prior to the Appointment Date, Life Sciences paid $75,000 cash to Kinetex Services pursuant to the NS Letter Agreement, however, the NS Promissory Note and NS Debenture remain outstanding.

SALE OF LIFE SCIENCES' DEBT SECURITIES

18. Pursuant to an Order dated February 17, 2011, the Court approved the sales process for the Kinetex North American Property (the "Kinetex NA Property") as set out in Paragraphs 51 through 54, inclusive, of the First Report of the Receiver dated February 11, 2011 (the "First Report").

19. In the First Report, the Kinetex NA Property was defined as encompassing all of Kinetex Services' Property with the exception of Property included in the potential sale of Kinetex Services' Colombian operations. The Kinetex NA Property included the Life Sciences Debt Securities that Kinetex Services would receive if the Life Sciences Change of Business, defined and described further below, was approved by the TSX-V.

20. In February 2011, the Receiver was contacted by legal counsel for Dosdall who proposed that Dosdall would purchase the Life Sciences Debt Securities on the condition that the Receiver provide Life Sciences with a letter declaring that the Receiver had no interest in the oil and gas mineral rights acquired by Life Sciences pursuant to the Life Sciences Letter Agreements (the "No Interest Letter").

21. The Receiver valued the Kinetex Life Sciences Debt Securities at approximately $350,000 based upon the following:

Receiver's Valuation of Life Sciences Debt Securities as at April 2011

Life Sciences Debt Securities	Value	Notes
Saskatchewan Promissory Note	$ 206,050	*1*
NS Promissory Note	58,126	*1*
NS Debenture	126,120	*2*
Discount - Default Risk	(39,030)	*3*
	$ 351,266	

Notes:

1. Amount due by Life Sciences under the Promissory Notes within 24 months from the Life Sciences Change of Business.

2. NS Debenture convertible at Life Sciences' option for 700,667 post-consolidated common shares. At the date of valuation, Life Sciences was trading at $0.06 per common share. The common shares would have an estimated value of $0.18/share after the 3 to 1 stock consolidation associated with the Life Sciences Change of Business.

3. The Receiver assumed a discount rate of 10% of the value of the Life Sciences Debt Securities associated with the risk that Life Sciences defaults on payment.

22. Based upon the valuation above, the Receiver entered into a letter agreement (the "Dosdall Letter Agreement") with Dosdall for the sale of the Life Sciences Debt Securities to Dosdall for $350,000 conditional upon the Life Sciences Change of Business being

approved by the TSX-V and Court approval. The Receiver also provided the No Interest Letter to Dosdall's legal counsel to be held in trust and released upon the closing of the sale of the Life Sciences Debt Securities to Dosdall.

Life Sciences' Change of Business

23. On November 10, 2011, Quattro (formerly, Life Sciences) announced that it had received final TSX-V approval for the Life Sciences Change of Business. Concurrent with the change of business, Quattro announced that its President is being replaced by Leonard Van Betuw, the former CEO and Director of Kinetex Services, and that he would also be a director of Quattro.

LIFE SCIENCES' APA

24. Pursuant to the Dosdall Letter Agreement and the TSX-V approval of the Life Sciences Change of Business, the Receiver has executed the Life Sciences APA, subject to the approval of the Court. A copy of the Life Sciences APA is attached as Appendix "A". The material terms of the Life Sciences APA include:

    a. the purchase price for the Life Sciences Debt Securities is $350,000, on an "as is, where is" basis;

    b. the closing date is 2 business days following the granting of the Sale Approval and Vesting Order (as defined therein); and

    c. a deposit of $350,000 is in trust with the Receiver's legal counsel, to be released to the Receiver on the closing of the sale of the Life Sciences Debt Securities to Dosdall.

25. HSBC Bank Canada ("HSBC") is Kinetex's primary secured creditor and is owed approximately $8.6 million. As described in the Third Report, HSBC will be incurring a shortfall on their loan to Kinetex. HSBC supports the sale of the Life Sciences Debt Securities per the Life Sciences APA.

RECOMMENDATION

26. The Receiver believes that the process to obtain a sale of the Life Sciences Debt Securities resulted in the maximum value to Kinetex Services and, accordingly, the Receiver recommends the Court approve the Life Sciences APA.

All of which is respectfully submitted this 8th day of December, 2011.

ERNST & YOUNG INC.
in its capacity as receiver and manager of
Kinetex Multi-Component Services Inc.
and Kinetex Resources Corporation

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

APPENDIX A

ASSET PURCHASE AGREEMENT

THIS AGREEMENT has been entered into as of the 5th day of December, 2011.

BETWEEN:

ERNST & YOUNG INC., in its capacity as receiver and manager of Kinetex Multi-Component Services Inc., and not in its personal or corporate capacity (the "**Vendor**")

\- and -

DOSDALL PROPERTIES INC., a corporation incorporated under the laws of Alberta, having an office in Calgary, Alberta (the "**Purchaser**").

WHEREAS:

A. Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") made as of December 20, 2010, Ernst & Young Inc. (the "**Receiver**") was appointed as receiver and manager over the assets, undertaking and property of Kinetex Multi-Component Services Inc. ("**KMCS**");

B. Pursuant to a further Order of the Court made as of February 17, 2011, the Receiver is authorized and directed to carry out the Sales Process (as set out in the First Report of the Receiver dated February 11, 2011);

C. Pursuant to an agreement dated May 4, 2005 between LSI (as defined herein) and Kinetex Inc. (predecessor to KMCS), as amended by a letter agreement dated June 3, 2010 (the "**May 2005 Agreement**"), attaching a promissory note in the principal amount of $206,050 (the "**First Promissory Note**"), and an agreement dated August 17, 2005 between LSI and Kinetex Inc., as amended by a letter agreement dated June 3, 2010 (the "**August 2005 Agreement**", and collectively with the May 2005 Agreement, the "**LSI Agreements**"), attaching a promissory note in the principal amount of $58,126 (the "**Second Promissory Note**") and a convertible debenture in the principal amount of $630,600 (the "**Debenture**", and collectively with the First Promissory Note and the Second Promissory Note, the "**Debt and Security**"), LSI became indebted to KMCS; and

D. The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Purchased Assets (as defined herein) upon the terms and conditions hereinafter set forth.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereto hereby agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** Unless the context otherwise requires, the following terms and expressions shall have the meanings set forth below wherever used in this Agreement:

"**Agreement**" means this Asset Purchase Agreement;

"**Approval and Vesting Order**" means an order to be granted by the Court which authorizes, approves and confirms this Agreement and the completion of the Transaction and vests the Purchased Assets in the Purchaser;

"**Assignment Agreement**" means the assignment agreement to be entered into between the Vendor and the Purchaser with respect to the assignment of the Purchased Assets, substantially in the form attached hereto as Schedule "C";

"**Change of Business**" means the change of business of LSI as approved by the TSX Venture Exchange;

"**Clarification and Consent**" means the letter agreement to be entered into between LSI and KMCS, substantially in the form attached hereto as Schedule "B";

"**Closing**" means the transfer by the Vendor to the Purchaser of the Purchased Assets in exchange for the payment by the Purchaser to the Vendor of the Purchase Price and the completion of all matters incidental thereto as herein provided;

"**Closing Date**" means two (2) business days following the granting of the Approval and Vesting Order, unless otherwise agreed upon in writing by the parties hereto;

"**ETA**" means the *Excise Tax Act* (Canada);

"**GST**" means all taxes payable under the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

"**ITA**" means the *Income Tax Act* (Canada), as amended;

"**LSI**" means Life Sciences Institute Inc., now Quattro Exploration and Production Ltd., having changed its name on August 23, 2011;

"**No Interest Letter**" means the no interest letter from the Receiver to LSI and KMCS with respect to the LSI Agreements, currently held in trust by the Purchaser's Solicitors;

"**Purchase Price**" means the purchase price for the Purchased Assets as set forth in Section 2.2;

"**Purchased Assets**" means all of the right, title and interest of KMCS, if any, in and to the LSI Agreements and the Debt and Security, excluding the 1,575,000 common shares in the capital stock of LSI referenced in the May 2005 Agreement, as described in Schedule "A";

"**Purchaser's Solicitors**" means TingleMerrett LLP;

"**Taxes** " means GST and all transfer, sales, excise, stamp, license, production, value-added and other like taxes (including any retail sales taxes and land transfer taxes), assessments, charges, duties, fees, levies or other governmental charges or taxes of any kind whatsoever, imposed by any federal, provincial, territorial, local or foreign government or any agency or political subdivision of any such government, and includes additions by way of penalties, interest and other amounts with respect thereto;

"**Time of Closing**" has the meaning ascribed thereto in Section 3.1, or such other date as may be agreed to in writing between the Vendor and the Purchaser;

"**Transaction**" means the purchase and sale of the Purchased Assets pursuant to this Agreement; and

"**Vendor's Solicitors**" means Macleod Dixon LLP.

1.2 **Headings, etc.** The division of this Agreement into articles, sections and paragraphs and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise stated, all references herein to articles or sections are to those of this Agreement.

1.3 **Plurality and Gender.** Words used herein importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders and words importing individuals shall include corporations, partnerships, trusts, syndicates, joint ventures, governments and governmental agents and authorities and vice versa.

1.4 **Currency.** All reference to dollars ($) herein shall be to the lawful currency of Canada.

1.5 **Governing Law.** This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to its conflict of law rules. Each of the parties hereto irrevocably submits to the jurisdiction of the courts of the Province of Alberta, and the proper courts of appeal therefrom, over any action or proceeding arising out of or relating to this Agreement and the parties hereto irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such courts.

1.6 **Schedules.** The following Schedules are incorporated and form part of this Agreement:

Schedule "A"	Purchased Assets
Schedule "B"	Form of Clarification and Consent
Schedule "C"	Form of Assignment Agreement

ARTICLE 2
PURCHASE AND SALE

2.1 **Sale of Purchased Assets.** Upon the terms and conditions stated herein, to be effective as of the Closing Date, the Purchaser agrees to purchase from the Vendor, and the Vendor hereby agrees to sell, assign, set over and deliver to the Purchaser, the Purchased Assets at and for the Purchase Price hereinafter described.

2.2 **Purchase Price.** The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be $350,000.00 (the "**Purchase Price**").

2.3 **Payment of Purchase Price.** Subject to this Agreement, on or prior to the Closing Date, the Purchaser shall pay the Purchase Price to the Vendor in immediately available Canadian funds. The Vendor and the Purchaser acknowledge that the Purchase Price has been deposited with, and is currently being held in trust by, the Vendor's Solicitors.

2.4 **Adjustment Clause.** There shall be no adjustments between the parties hereto in respect of this Agreement.

2.5 **Taxes.** At Closing, the Purchaser shall be solely responsible for all Taxes pertaining to its acquisition of the Purchased Assets including, but not limited to, GST. The Purchase Price is exclusive of all Taxes and does not include GST. If GST is payable in respect of the purchase of the Purchased Assets pursuant hereto, the Purchaser shall be responsible for the payment of, and shall indemnify and save harmless the Vendor in respect of, the GST and all interest and penalties payable pursuant to the ETA in respect thereof.

2.6 **Assumption of Obligations.** The Purchaser shall assume, fulfill and perform and indemnify and save harmless the Vendor in respect of all obligations in connection with any events, actions, occurrences or circumstances relating to the Purchased Assets (the "**Assumed Obligations**"). The Purchaser, on its own behalf and on behalf of each of its successors, assigns, and affiliates, does agree to and does hereby remise, release and forever discharge the Vendor from and against any and all actions, causes of actions, claims, damages, costs, expenses, interests and demands of every kind and nature whatsoever, whether at law or at equity, or under any statute, which it ever had, now has, or may in the future have against the Vendor, that in any way relate to the Assumed Obligations. The covenants and agreements to indemnify made by the Purchaser in this Section 2.6 shall survive Closing.

ARTICLE 3
CLOSING

3.1 **Time of Closing.** The Closing of the Transaction contemplated by this Agreement (the "**Time of Closing**") shall occur at 2:00 p.m., at the office of the Vendor, on the Closing Date.

3.2 **Mutual Condition to Closing.** The obligation of the Purchaser and the Vendor to proceed with the Closing of the Transaction is subject to:

(a) the Vendor obtaining the Approval and Vesting Order;

(b) the occurrence of the Change of Business; and

(c) the Vendor receiving the executed Clarification and Consent.

Unless otherwise agreed to by the parties hereto, if the conditions contained in this Section 3.2 have not been performed or fulfilled on or before January 31, 2012, this Agreement and the obligations of the Vendor and the Purchaser under this Agreement shall automatically terminate without any further action on the part of either the Vendor or the Purchaser.

3.3 **Purchaser's Conditions.** The obligation of the Purchaser to complete the Transaction on the Closing Date is subject to the following conditions being fulfilled or performed at or prior to the time indicated:

(a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date; and

(b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

3.4 **Vendor's Conditions**. The obligation of the Vendor to complete the Transaction on the Closing Date is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing, as applicable:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date; and

(b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

ARTICLE 4
CLOSING DELIVERIES

4.1 **Deliveries by the Vendor at Closing**. At the Time of Closing, the Vendor shall deliver, or cause to be delivered, to the Purchaser:

(a) the No Interest Letter, it being acknowledged by the Vendor and the Purchaser that the No Interest Letter has been deposited with, and is currently being held in trust by, the Purchaser's Solicitors;

(b) the Assignment Agreement, duly executed by the Vendor;

(c) certified copy of the Approval and Vesting Order;

(d) documentation comprising the Purchased Assets; and

(e) an executed copy of the Clarification and Consent.

4.2 **Deliveries by the Purchaser at Closing**. At the Time of Closing, the Purchaser shall deliver, or cause to be delivered, to the Vendor:

(a) an amount equal to the Purchase Price, plus applicable GST or a duly executed GST acknowledgment;

(b) a direction to pay from the Purchaser to the Vendor and the Vendor's Solicitors, authorizing the Vendor's Solicitors to pay the Purchase Price to the Vendor;

(c) the Assignment Agreement, duly executed by the Purchaser; and

(d) documentation confirming the Change of Business.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE RECEIVER

5.1 **Receiver's Representations and Warranties.** The Receiver represents and warrants, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the acquisition of the Purchased Assets, that, as at the date hereof and at the Closing Date:

(a) the Receiver has been, and at the Closing Date will be, appointed by the Court as receiver and manager of KMCS and such appointment is valid and subsisting; and

(b) the Receiver has the right to enter this Agreement and to complete the Transaction, subject to obtaining the Approval and Vesting Order.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

6.1 **Purchaser's Representations and Warranties.** The Purchaser represents and warrants, and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale of the Purchased Assets, that, as at the date hereof and at the Closing Date:

(a) the Purchaser is, and at the Closing Date will be, a corporation duly organized and validly existing under the laws of the jurisdiction of its formation, and is authorized to carry out business in the jurisdiction of its formation;

(b) the Purchaser has, or at the Closing Date will have, good right, full power and absolute authority to purchase and acquire the Purchased Assets according to the true intent and meaning of this Agreement;

(c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' and trustees' actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, by-laws or any other governing document to which the Purchaser is bound;

(d) the execution, delivery and performance of this Agreement will not result in any violation of, or be in conflict with, constitute a default or give rise to any right of termination or acceleration of indebtedness under, or cause any indebtedness to come due before its stated maturity or cause any available credit to cease to be available under, any provision of any agreement or document which the Purchaser is a party or by which the Purchaser is bound, nor under any judgment, decree, order, statute, regulation, rule or license applicable to the Purchaser;

(e) this Agreement has been, and the documents and agreements to be executed and delivered by the Purchaser at Closing pursuant to this Agreement will be, duly executed and delivered by the Purchaser, and upon execution by the parties hereto, this Agreement and any documents and agreements required to be executed and delivered by the Purchaser at Closing will constitute legal, valid and binding obligations of the Purchaser enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;

(f) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees or commissions with respect to the Transaction for which the Receiver shall have any obligation or liability;

(g) the Purchaser has complied with, and will comply with, all applicable laws relevant to the Transaction which are required to be complied with by it;

(h) the Purchaser is not a non-resident of Canada within the meaning of the ITA; and

(i) the Purchaser is not a non-Canadian as defined in the *Investment Canada Act* (Canada) and that the completion of the within transaction is not notifiable or reviewable under said legislation.

ARTICLE 7
LIMITATIONS ON REPRESENTATIONS AND WARRANTIES OF THE VENDOR

7.1 **Limitations.** The Purchased Assets are being sold on an "as is, where is" basis as of the Closing Date and in their condition as of Closing with "all faults" and neither the Vendor or its affiliates, nor any of their respective officers, directors, employees, agents, advisors or other representatives:

(a) make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Purchased Assets, including but not limited to, those with respect to title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, effectiveness, enforceability, priority, validity, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same and without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any *Sale of Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser; and

(b) will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its affiliates or representatives of, or the Purchaser's use of, any information relating to the Purchased Assets, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the Transaction. Any such other representation or warranty is hereby expressly disclaimed. The Purchaser warrants, covenants and expressly acknowledges that it has conducted and completed its own independent inspection, investigation and due diligence with respect to the Purchased Assets and is satisfied with the Purchased Assets in all respects.

ARTICLE 8
NOTICES

8.1 **Notices.** Any notices or other communications required or given under this Agreement shall be in writing, delivered in person or by facsimile and deemed to have been given and received when delivered in person or when communicated by facsimile during normal business hours on a business day (and otherwise on the next business day):

if to the Vendor, addressed to:

Ernst & Young Inc.
1000, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Neil Narfason/Peter Chisholm

Facsimile: (403) 206-5075

with a copy to:

Macleod Dixon LLP
Suite 3700, 400 - 3rd Avenue SW
Calgary, AB T2P 4H2

Attention: Howard Gorman

Facsimile: (403) 264-5973

if to the Purchaser, addressed to:

Dosdall Properties Inc.
101, 429 14th St. NW
Calgary, Alberta T2N 2A3

Attention: Cory Dosdall

Facsimile: (403) 283-0048

with a copy to:

TingleMerrett LLP
1250, 639 5th Avenue SW
Calgary, Alberta T2P 0M9

Attention: Scott Reeves

Facsimile: (403) 571-8008

or at such other place or places or to such other person or persons as shall be designated in writing by a party to this Agreement in the manner herein provided. For the purpose of this Agreement, "business day" means any day other than Saturday, Sunday or a statutory holiday in Calgary, Alberta.

ARTICLE 9
MISCELLANEOUS

9.1 **Enurement.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their legal representatives, successors and permitted assigns.

9.2 **Assignment.** The parties hereto shall have the right to assign the rights and benefits of this Agreement upon written consent of the other party hereto, such consent not to be unreasonably withheld.

9.3 **Severability.** In case any provision in this Agreement shall be prohibited, invalid, illegal or unenforceable in any jurisdiction, such provision shall be ineffective only to the extent of such prohibition, invalidity, illegality or unenforceability in such jurisdiction without affecting or impairing the validity, legality or enforceability of the remaining provisions hereof, and any such prohibition, invalidity, illegality or unenforceability shall not affect or impair such provision in any other jurisdiction.

9.4 **Further Assurances.** Each of the parties hereto shall, at the request and expense of the other party hereto so requesting, execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Agreement.

9.5 **Survival.** The representations, warranties, covenants and agreements made by the parties hereto each to the other in or pursuant to this Agreement shall survive the Closing of the Transaction.

9.6 **Time of Essence.** Time shall in all respects be of the essence in this Agreement.

9.7 **Waiver.** Failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein shall not be construed as a waiver or relinquishment of such covenant. No waiver by any party hereto of any such covenant shall be deemed to have been made unless expressed in writing and signed by the waiving party.

9.8 **Entire Agreement.** This Agreement (and the documents and instruments executed and delivered in connection herewith) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings, whether written or oral, made among the parties hereto with respect to the subject matter hereof (including, without limitation, the "Offer to Purchase - Debt of Life Sciences Institute Inc. ("LSI") to Kinetex Multi-Component Services Inc. ("Kinetex")", entered into between the parties hereto and as amended from time to time), and there are no representations, understandings or agreements relating to the subject matter hereof that are not fully expressed in this Agreement and the documents and instruments executed and delivered in connection herewith.

9.9 **Amendment.** This Agreement may not be amended, modified or terminated (other than as set forth in Section 3.2) except by an instrument in writing signed by the parties hereto.

9.10 **Counterparts and Facsimile.** This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed and delivered by its duly authorized officer, to be effective as of the date first written above.

ERNST & YOUNG INC., in its capacity as receiver and manager of Kinetex Multi-Component Services Inc., and not in its personal or corporate capacity

By: ____________________
Name: Neil Narfason
Title: Senior Vice President

DOSDALL PROPERTIES INC.

By: ____________________
Name:
Title:

1822684v2

9.10 <u>**Counterparts and Facsimile.**</u> This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed and delivered by its duly authorized officer, to be effective as of the date first written above.

ERNST & YOUNG INC., in its capacity as receiver and manager of Kinetex Multi-Component Services Inc., and not in its personal or corporate capacity

By: ______________________________
Name: Neil Narfason
Title: Senior Vice President

DOSDALL PROPERTIES INC.

By: ______________________________
Name: Cory Dosdall
Title: President

1822684v2

SCHEDULE "A"
Purchased Assets

Issued by LSI:

	Principal
Promissory Note - June 3, 2010	$58,126.00
Promissory Note*- June 3, 2010	$206,050.00
Convertible Debenture - June 3, 2010	$630,600.00
TOTAL:	$894,776.00

* Excluding the 1,575,000 common shares in the capital stock of LSI referenced in the May 2005 Agreement.

SCHEDULE "B"
Form of Clarification and Consent

QUATTRO EXPLORATION AND PRODUCTION LTD.

December 5, 2011

Ernst & Young Inc.
in its capacity as receiver and
manager of Kinetex Multi-Component
Services Inc. ("**KMCS**"), and not in
its personal or corporate capacity
1000, 440 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Neil Narfason/Peter Chisholm

Dear Sirs:

Clarification and Consent to Assignment – Life Sciences Institute Inc. ("LSI") Letters of Intent and Related Security

Reference is made to an agreement dated May 4, 2005 between LSI, corporate predecessor to Quattro Exploration and Production Ltd. ("**Quattro**"), and Kinetex Inc. ("**Kinetex**"), as amended by a letter agreement dated June 3, 2010 between LSI and Kinetex Multi-Component Inc. (the "**May 2005 Agreement**"), attaching a promissory note in favour of Kinetex Multi-Component Inc. in the principal amount of $206,050 (the "**First Promissory Note**"), and an agreement dated August 17, 2005 between LSI and Kinetex, as amended by a letter agreement dated June 3, 2010 between LSI and Kinetex Multi-Component Inc. (the "**August 2005 Agreement**", and collectively with the May 2005 Agreement, the "**Agreements**"), attaching a promissory note in favour of Kinetex Multi-Component Inc. in the principal amount of $58,126 (the "**Second Promissory Note**") and a convertible debenture in favour of Kinetex Multi-Component Inc. in the principal amount of $630,600 (the "**Debenture**", and collectively with the First Promissory Note and the Second Promissory Note, the "**Security**").

"**Loan Documents**" as used herein shall collectively refer to the Agreements and the Security.

Quattro and KMCS hereby agree that:

1. the Loan Documents are amended by replacing any reference of "Kinetex Multi-Component Inc." therein to "Kinetex Multi-Component Services Inc."

2. KMCS is, and always has been (through its corporate predecessor, Kinetex, or otherwise), a party to the Agreements, the Lender (as such term is defined therein, as modified herein) under the First Promissory Note and the Second Promissory Note, respectively, and the Holder (as such term is defined therein, as modified herein) under the Debenture; and

3. except as clarified and amended herein, all other terms of the Loan Documents shall continue unamended in full force and effect.

As contemplated in an Asset Purchase Agreement between KMCS and Dosdall Properties Inc. ("**Dosdall**") dated the 5th day of December 2011, Quattro hereby consents to the assignment of the Security (which, for certainty, shall not include the 1,575,000 common shares in the capital of Quattro referenced in the May 2005 Agreement) by KMCS to Dosdall, as referenced therein.

This agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall enure to the benefit of, and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This agreement may not be amended except by an instrument in writing signed by the parties hereto.

All reference to dollars ($) herein shall be to the lawful currency of Canada.

This agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties hereto as an originally signed counterpart.

Please acknowledge your acceptance of the above terms and conditions by signing the attached copy of this letter in the space provided below and returning an executed copy to the undersigned.

Yours truly,

QUATTRO EXPLORATION AND PRODUCTION LTD.

Per: ______________________
Name:
Title:

We acknowledge and accept the terms and conditions of this agreement this ______day of December, 2011.

ERNST & YOUNG INC., in its capacity as the receiver and manager of KINETEX MULTI-COMPONENT SERVICES INC., and not in its personal or corporate capacity

____

Name: Neil Narfason

Title: Senior Vice President

SCHEDULE "C"
Form of Assignment Agreement

ASSIGNMENT AGREEMENT

ASSIGNMENT AGREEMENT dated as of the ____ day of __________, 201_.

BETWEEN:

ERNST & YOUNG INC., in its capacity as receiver and manager of Kinetex Multi-Component Services Inc., and not in its personal or corporate capacity (the "**Assignor**")

- and -

DOSDALL PROPERTIES INC., a corporation incorporated under the laws of Alberta, having an office in Calgary, Alberta (the "**Assignee**").

WHEREAS:

A. Pursuant to an Order of the Court of Queen's Bench of Alberta (the "**Court**") made as of December 20, 2010, Ernst & Young Inc. (the "**Receiver**") was appointed as receiver and manager over the assets, undertaking and property of Kinetex Multi-Component Services Inc. ("**KMCS**");

B. Pursuant to a further Order of the Court made as of February 17, 2011, the Receiver is authorized and directed to carry out the Sales Process (as set out in the First Report of the Receiver dated February 11, 2011);

C. Pursuant to an agreement dated May 4, 2005 between Life Sciences Institute Inc., now Quattro Exploration and Production Ltd. ("**LSI**") and Kinetex Inc. (predecessor to KMCS), as amended by a letter agreement dated June 3, 2010 (the "**May 2005 Agreement**"), attaching a promissory note in the principal amount of $206,050 (the "**First Promissory Note**"), and an agreement dated August 17, 2005 between LSI and Kinetex Inc., as amended by a letter agreement dated June 3, 2010 (the "**August 2005 Agreement**", and collectively with the May 2005 Agreement, the "**LSI Agreements**"), attaching a promissory note in the principal amount of $58,126 (the "**Second Promissory Note**") and a convertible debenture in the principal amount of $630,600 (the "**Debenture**", and collectively with the First Promissory Note and the Second Promissory Note, the "**Security**"), LSI became indebted to KMCS; and

D. By way of an Asset Purchase Agreement dated December 5th, 2011 between the Assignor and the Assignee (the "**APA**"), the Assignor agreed to sell, and the Assignee agreed to purchase, the Assignor's entire right, title and interest in and to the LSI Agreements and the Security, excluding the 1,575,000 common shares in the capital stock of LSI referenced in the May 2005 Agreement (the "**Debt and Security**", as described in Schedule "A");

NOW THEREFORE THIS AGREEMENT WITNESSETH that for valuable consideration and intending to be legally bound by this Assignment Agreement (the "**Agreement**"), the parties hereto agree as follows:

1. In consideration of the payment of the Purchase Price (as defined in the APA), the Assignor hereby grants, assigns and transfers to the Assignee all of its right, title and interest in and to the Debt and Security, together with all monies due and owing thereunder to it, and the Assignee hereby accepts such assignment as contemplated herein, effective as of the date hereof.

2. The Assignee hereby acknowledges and agrees that:

   (a) the assignment and transfer of the Debt and Security herein is made on an "as is, where is" basis as of the date hereof, and in their condition as of the date hereof with "all faults", and neither the Assignor nor its officers, directors, employees agents or other representatives make, have made or shall be deemed to have made any representation or warranty, express or implied, at law or in equity, in respect of the Debt and Security, including but not limited to, those with respect to title, encumbrances, description, merchantability, condition, assignability, effectiveness, enforceability, priority, validity, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Debt and Security or the right of the Assignor to transfer same and without limiting the generality of the foregoing, neither of the Assignor nor any of its officers, directors, employees, agents, advisors or representatives will have or be subject to any liability or indemnification obligation to the Assignee or to any other person resulting from the distribution to the Assignee, its affiliates or representatives of, or the Assignee's use of, any information relating to the Debt and Security, and any information, documents or material made available to the Assignee, whether orally or in writing or in any other form in expectation of the transactions contemplated herein. Any such other representation or warranty is hereby expressly disclaimed;

   (b) the assignment and transfer of the Debt and Security is without recourse to the Assignor or any of its officers, directors, employees, agents, advisors or representatives; and

   (c) the enforcement of the Debt and Security shall be carried out in the name of the Assignee and not in the name of the Assignor.

3. The Assignee hereby agrees to indemnify and save the Assignor and its officers, directors, employees, agents, advisors and representatives (the "**Indemnified Parties**") harmless for all costs, damages, expenses and claims which the Indemnified Parties or any of them may suffer or incur which arise out of any matter or thing relating to this Agreement or the Debt and Security.

4. The parties hereto shall execute such further documents as the other party reasonably requests in order to give further effect to this Agreement provided that any such further documents executed by or on behalf of the Assignor shall be at the sole expense of the Assignee.

5. The Assignee agrees to perform and be responsible for each of the obligations of the Assignor contained in the Debt and Security and to indemnify and save the Indemnified Parties harmless for all costs, damages, expenses and claims which the Indemnified Parties or any of them may suffer or incur as a result of the failure of the Assignee to perform or be responsible for any such obligations.

6. This Agreement shall be binding and enure to the benefit of the parties hereto and their respective successors and permitted assigns. The Assignee shall not be permitted to assign this Agreement.

7. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties hereto agree that the courts of competent jurisdiction in the Province of Alberta shall have the exclusive jurisdiction with respect to any matter arising from this Agreement.

8. All reference to dollars ($) herein shall be to the lawful currency of Canada.

9. The covenants, agreements, representations, warranties and indemnities of the parties hereto shall not merge on the completion of the assignment contemplated herein, but shall continue in full force and effect until satisfied in full or otherwise terminated in accordance with the provisions of this Agreement.

10. This Agreement may be executed in counterparts and by facsimile or similar electronic means (including PDF by e-mail), each of which when executed and delivered shall be deemed to be an original and such counterparts taken together shall constitute one and the same agreement. A delivered facsimile or electronic counterpart shall be as valid as an original.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

ERNST & YOUNG INC., in its capacity as receiver and manager of Kinetex Multi-Component Services Inc., and not in its personal or corporate capacity

By: ______________________________
Name: Neil Narfason
Title: Senior Vice President

DOSDALL PROPERTIES INC.

By: ______________________________
Name:
Title:

SCHEDULE "A"

Debt and Security

Issued by LSI:

	Principal
Promissory Note - June 3, 2010	$58,126.00
Promissory Note*- June 3, 2010	$206,050.00
Convertible Debenture - June 3, 2010	$630,600.00
TOTAL:	$894,776.00

* Excluding the 1,575,000 common shares in the capital stock of LSI referenced in the May 2005 Agreement.