

Monitor and from any other affected parties that may be present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

Service

1. The time for service of this notice of this Application for this Order is hereby abridged and deemed good and sufficient and this Application is properly returnable today.

Expansion of the Powers of the Monitor

2. Capitalized terms not defined herein shall have the meanings ascribed to them in the Initial Order of this Honourable Court in these proceedings dated November 29, 2011 (the "**Initial Order**"), and the Amended and Restated Initial Order dated February 16, 2012 (the "**Amended and Restated Initial Order**").
3. The expansion of the Monitor's powers in respect of Oilsands Quest as set out below is authorized and approved, on the terms and conditions outlined herein. Nothing in this Order shall derogate from the powers of the Monitor as provided in the Initial Order or the Amended and Restated Initial Order.
4. The Monitor, continuing as an officer of the Court, shall be and is hereby authorized to exercise the following powers and duties:
 - a) to meet and communicate with bidders who have advanced, or may advance, bids to acquire, restructure or recapitalize the Applicants' business, which bids have been advanced, or may be advanced, pursuant to the solicitation process established by the January 11, 2012 Order (the "**Solicitation Order**") in the within Action;
 - b) to select the successful bid (the "**Successful Bid**") from amongst the bids submitted pursuant to the Solicitation Order;
 - c) to oversee and direct the completion of the transaction (the "**Transaction**") contemplated by the Successful Bid on behalf of the Applicants and to take all steps on behalf of the Applicants and to execute all documents as may be reasonably necessary to conclude the Transaction, subject to Court approval, including the right to amend or extend the Successful Bid and the Transaction or to

select another bid as the Successful Bid in the event the original Successful Bid does not close for any reason;

- d) to apply for any vesting order or other orders necessary to conclude the Transaction;
- e) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- f) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including but not limited to, the changing of locks and security codes, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- g) to operate and carry on the business of the Applicants, for the purpose of implementing the Transaction, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, retain or terminate employees and officers, cease to carry on all or any part of the business, or cease to perform any contracts of the Applicants;
- h) 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 powers and duties conferred by this Order;
- i) to oversee and direct the preparation of Oilsands Quest's cash flow statements and to assist in the dissemination of financial and other information in these proceedings, but only to the extent necessary in the Monitor's judgment to inform this Court and the parties to this proceeding and to facilitate the Transaction;
- j) to have full access to the books, records and key personnel of Oilsands Quest as may be necessary for the completion of its duties under this Order;
- k) to receive, collect and take possession of all monies and accounts now owed or hereafter owing to Oilsands Quest, including any proceeds payable pursuant to the Transaction, and to exercise all remedies of Oilsands Quest in collecting such

monies, including, without limitation, to enforce any security held by Oilsands Quest;

- l) 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 Applicants or the Property, 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;
 - m) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Monitor's name or in the name and on behalf of Oilsands Quest, for any purpose expressly contemplated by this Order;
 - 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 to be desirable by the Monitor, in the name of Oilsands Quest;
 - o) filing of necessary tax returns on behalf of Oilsands Quest;
 - p) to exercise any other rights which the Applicants may have; and
 - q) to perform such other duties or take any steps reasonably incidental to the exercise of the powers and obligations conferred upon the Monitor by this Order or any further Order of this Court.
5. The Monitor shall not have additional powers and duties beyond those set out in this Order, and shall not have the power to direct or cause the direction of the management and policies of the Applicants.
6. No provision in this Order is intended to appoint the Monitor as an officer, director or employee of any of the Applicants.
7. Oilsands Quest and its shareholders, officers, directors, employees, agents and representatives shall co-operate fully with the Monitor in the exercise of its powers and discharge of its duties and obligations, including providing the Monitor with access to Oilsands Quest's books, records, assets and premises as the Monitor requires.

8. No director, officer, shareholder, employee, agent or representative of Oilsands Quest, nor any party related to the business of Oilsands Quest, shall interfere with the Monitor's exercise of its powers and duties under this Order or any other Order of the Court.
9. The Monitor shall not incur any liability or obligation as a result of the fulfillment of its duties as set out herein, save and except for any liability or obligation arising from wilful misconduct by the Monitor, and no action or other proceedings may be commenced against the Monitor relating to its appointment or its conduct in these proceedings except with the prior leave of this Court obtained on at least 7 days notice to Oilsands Quest and the Monitor and provided further that any liability of the Monitor hereunder shall not in any event exceed the quantum of the fees and disbursements paid to or incurred by the Monitor in connection herewith. In addition, all of the protections granted to the Monitor in the Initial Order and the Amended and Restated Initial Order shall apply *mutatis mutandis* for the benefit of the Monitor in respect of its performance, or the exercise of, its additional powers, duties, rights and obligations as provided and set out in this Order.
10. The Monitor will provide regular reports and updates to the Court from time to time with respect to its performance, or the exercise of, its additional powers, duties, rights and obligations as provided and set out in this Order.
11. Oilsands Quest and the Monitor are at liberty and are hereby authorized and empowered to apply to any Court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for advice, assistance and direction as may be necessary to give full force and effect to, and in carrying out the terms of, this Order.



Justice of the Court of Queen's Bench of Alberta