



COURT FILE NUMBER 1101-16110  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE Calgary

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

**AND IN THE MATTER OF OILSANDS  
QUEST INC., OILSANDS QUEST SASK  
INC., TOWNSHIP PETROLEUM  
CORPORATION, STRIPPER ENERGY  
SERVICES INC., 1291329 ALBERTA  
LTD., OILSANDS QUEST  
TECHNOLOGY INC., WESTERN  
PETROCHEMICALS CORP. and  
1259882 ALBERTA LTD.**

DOCUMENT **ORDER (Re: Distribution to OQI  
Shareholders)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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File No. 413255-000037

**DATE ON WHICH ORDER WAS PRONOUNCED: July 22, 2014**

**LOCATION WHERE ORDER WAS PRONOUNCED: Calgary**

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

**UPON THE APPLICATION** of Ernst & Young Inc., in its capacity as the Monitor ("Monitor") of Oilsands Quest Inc., Oilsands Quest Sask Inc., Township Petroleum Corporation, Stripper Energy

Services Inc., 1291329 Alberta Ltd. and Oilsands Quest Technology Inc. (collectively, "OQF"); **AND UPON** having read (i) the Application, (ii) the Nineteenth Report of the Monitor dated June 24, 2014 (the "Nineteenth Report"), (iii) the Affidavit of Service of Rhonda Lastockin sworn June 9, 2014 (the "Affidavit of Service"); **AND UPON** having read the Plan of Compromise and Arrangement of Oilsands Quest Inc. dated January 22, 2013 (the "Plan"); **AND UPON** having read the Notice of Application and Motion in Connection with Payments to OQI Shareholders dated June 25, 2014 (the "Notice to Shareholders"); **AND UPON** being informed by counsel for the Monitor that the Notice to Shareholders was published by the Depository Trust Company ("DTC") to its Legal Notice System; **AND UPON** hearing counsel for the Monitor, the Applicants, Mr. John Malone and counsel for other interested parties:

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

1. Service of this Application and all supporting materials are deemed good and sufficient, the time for service for the date that this Application is heard is abridged, and further service on any other party is dispensed with. Without detracting from the generality of the foregoing it is declared that service on the OQI Shareholders affected by this Order has been properly effected and that no further notice on them is required;
2. The Monitor is hereby authorized to:
  - a) Pursuant to Section 7.5 of the Plan, fix a date for payment of distributions (the "Payment Date") to Cede & Co, as the registered owner of certain OQI Shares beneficially held by certain OQI Shareholders through DTC in the United States;
  - b) Give notice of the Payment Date to such OQI Shareholders (the "Payment Date Notice"), substantially in accordance with Schedule 1 attached hereto;
  - c) Give notice of a cease trading date of OQI Shares in the United States of America (the "Cease Trade Notice"), substantially in accordance with Schedule 1 attached hereto; and
  - d) Deliver the Payment Date Notice and the Cease Trade Notice to DTC for onward delivery by DTC to the financial institution participants in DTC (the "Participants");
3. Payment to such OQI Shareholders in accordance with Section 7.5 of the Plan and this Order will constitute full compliance by the Monitor with any and all obligations the Monitor has to make distributions to the OQI Shareholders;

4. The Monitor, its affiliates and its respective officers, directors, employees and agents, attorneys and solicitors for the Monitor (collectively, the "Monitor Parties" and each a "Monitor Party") are hereby released and forever discharged from any and all claims, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission of a Monitor Party in any way relating to the distribution of the balance of the OQI Fund by the Monitor, save and except for any claim against a Monitor Party arising out of any gross negligence or wilful misconduct on the part of that Monitor Party;
5. No action or other proceeding in any way arising from or related to the distribution by the Monitor of the balance of the OQI Fund shall be commenced against a Monitor Party except with prior leave of this Court and on prior written notice to the Monitor Party and upon further order securing, as security for costs, the solicitor and his own client costs of the Monitor Party in connection with any proposed action or proceeding;
6. Payments already made to all OQI Shareholders (including to registered holders of a class of exchangeable preferred shares issued by an Alberta subsidiary of OQI and exchangeable by the holders on a one-for-one basis for shares of OQI common stock), other than beneficial holders whose interests are ultimately held by Cede & Co. have been properly made pursuant to section 7.5 of the Plan.
7. This Order shall have full force and effect from and after the date of this Order in all Provinces and Territories in Canada and abroad and as against all Persons and Parties against whom it may otherwise be enforced.
8. This Court hereby requests the aid and recognition (including assistance pursuant to Section 16 of the CCAA, as applicable) of any court or any judicial, regulatory, or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court of any judicial, regulatory or administrative body of any nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order and the Plan;
9. This Order shall be served, by courier, facsimile transmission, electronic transmission or ordinary post on all parties present at this application and on all parties who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. This Order need not be served on any OQI Shareholders which did not appear in person or represented by counsel at the hearing of this application.



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Justice of the Court of Queen's Bench of Alberta

## Schedule "1"



Building a better  
working world

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June [●], 2014

**Final Distribution to Shareholders of Oilsands Quest Inc. and Cease Trade and Settlement of Shares**  
**CUSIP: 678046103**

As you are likely aware, Ernst and Young Inc. was appointed monitor ("Monitor") of Oilsands Quest Inc. ("OQI") under the Companies Creditors' Arrangement Act ("CCAA") pursuant to an Order of the Court of Queen's Bench of Alberta (the "Alberta Court") dated November 29, 2011. On June 28, 2012 the Alberta Court granted a further Order which expanded the powers of the Monitor to include, *inter alia*, to operate and carry on the business of OQI. Copies of these court orders can be found on the Monitor's website at [www.ey.com/ca/oilsandsquest](http://www.ey.com/ca/oilsandsquest).

On January 29, 2013, the Alberta Court granted an order authorizing OQI to convene a creditors' meeting on February 21, 2013 (the "Creditors' Meeting") to consider and vote on the plan of compromise and arrangement (the "Plan"). The Creditors' Meeting was held on February 21, 2013 and at that meeting the creditors voted overwhelmingly in favor of the Plan. The Final Sanction Order had been recognized in the United States and Plan Implementation occurred on May 3, 2013.

The Monitor has now resolved all Disputed Claims and substantially completed all administrative matters related to OQI and is in a position to make a final distribution to OQI shareholders. The final distribution order was granted by the Alberta Court on March 11, 2014 and all appeal periods have now expired.

On [●], 2014, the Alberta Court granted an order (the "Payment Order") authorizing the payment of the final distribution to shareholders in accordance with Section 7.5 of the Plan. On [●], 2014, the U.S. District Court for the Southern District of New York granted an order (the "U.S. Payment Order") giving full force and effect to the Payment Order in the United States.

In accordance with the U.S. Payment Order, the Payment Order and Section 7.5 of the Plan, the final payment to holders of Oilsands Quest Inc. securities, CUSIP 678046103, held through The Depository Trust Company, will occur on [□]. Such payment shall be made to the holders of record as of the close of business on [□] (the "Record Date") which, in accordance with the Plan, is 10 business days prior to the date of the final distribution. Additionally, the final distribution will be based upon presentation of the securities.

IN ADDITION, IMMEDIATELY UPON THE CLOSE OF BUSINESS ON THE RECORD DATE, THE SHARES OF OILSANDS QUEST INC. WILL NO LONGER BE ABLE SETTLE THROUGH THE DEPOSITORY TRUST COMPANY. THE ISSUER IS INSTRUCTING THE DEPOSITORY TRUST COMPANY TO ESTABLISH THE NECESSARY "CHILLS" TO PREVENT ANY TRADING OR TRANSFERS OF THE SECURITY UPON CLOSE OF BUSINESS ON THE ESTABLISHED RECORD DATE.

Capitalized terms not defined in this notice are as defined in the Initial Order, the Plan and the Creditors' Meeting Order.

If you have any questions, please contact the Monitor as follows:

Nick J.B. Purich, CA  
Tel: (403) 206-5170  
Email: [Nick.JB.Purich@ca.ey.com](mailto:Nick.JB.Purich@ca.ey.com)

Yours Truly,

**ERNST & YOUNG INC.**  
in its capacity as Monitor of Oilsands Quest Inc.  
and not in its personal or corporate capacity

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