

COURT FILE NUMBER **1101-16110**

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE Calgary

APPLICANTS **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 **AMENDED APPLICATION**

**(Re: Discharge of Ernst & Young Inc., in its
capacity as the Court-appointed Monitor)**

ADDRESS FOR SERVICE Josef G.A. Krüger, Q.C. / Matti Lemmens
AND Borden Ladner Gervais LLP
 1900, 520 3rd Ave. S.W.
CONTACT INFORMATION Calgary, AB T2P 0R3
OF Telephone: (403) 232-9563 / 232-9511
 Facsimile: (403) 266-1395
PARTY FILING THIS Email: jkruger@blg.com /
 mlemmens@blg.com
DOCUMENT File No. 413255-000037

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

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

Date September 22, 2014
 Time 2:00 p.m.
 Where Calgary Court Centre, 601 – 5th Street, Calgary, Alberta
 Before Whom The Honourable Madam Justice B.E.C. Romaine

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

Unless otherwise defined herein, capitalized terms used shall have the meanings ascribed to them in the Plan of Compromise and Arrangement of Oilsands Quest Inc. dated January 22, 2013 (the “Plan”), filed.

Remedy claimed or sought:

1. An order deeming service of this Application and all supporting materials good and sufficient, abridging the time for service for the date that this Application is heard and dispensing with further service on any other party;
2. An order discharging EY as Monitor of Oilsands Quest, substantially in the draft form of Order attached hereto as Schedule “A”; and
3. Providing such further and other relief as the Monitor may advise and this Honourable Court may deem just.

Grounds for making this application:

4. Oilsands Quest has complied with the CCAA, and has adhered to and acted in accordance with, the orders of this Court in these proceedings;
5. The Claims Procedure has been undertaken and completed;
6. Oilsands Quest has complied with the payment order of this Honourable Court authorizing the payment of the final distribution to shareholders in accordance with Section 7.5 of the Plan, which order was recognized by the U.S. District Court for the Southern District of New York;
7. The shares of Oilsands Quest are no longer able to settle through the Depository Trust Company;
8. If a board of directors of OQI has not been constituted, EY may need to perform future administrative tax services in relation to tax filings for time periods during which the Monitor

was appointed, which EY will perform under the terms of the Orders of this Honourable Court in these proceedings as if it is the Monitor;

9. The Monitor has otherwise satisfied all duties and obligations as Monitor of Oilsands Quest; and
10. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

11. The pleadings filed in the within proceedings, including, *inter alia*, the following:
 - (a) The Initial Order;
 - (b) The Claims Procedure Order;
 - (c) The Subsequent Claims Procedure Order;
 - (d) The Plan Sanction Order;
 - (e) The Twentieth Report of the Monitor, dated September 10, 2014; and
12. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

13. Subsections 1, 2, and 3 of Part 6 of the Alberta *Rules of Court*.

Applicable Acts and regulations:

14. *Companies Creditors' Arrangement Act*, R.S.C. 185, c. C-36 as amended.

Any irregularity complained of or objection relied on:

15. N/A

How the application is proposed to be heard or considered:

16. In person, before the Presiding Justice in Chambers (Commercial List) on the date and time above-referenced, with all or some of the parties present.

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.

SCHEDULE "A"

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 **FINAL ORDER**

ADDRESS FOR SERVICE AND Josef G. A. Krüger, Q.C. / Matti
CONTACT INFORMATION OF Lemmens
 Borden Ladner Gervais LLP
PARTY FILING THIS 1900, 520 3rd Ave. S.W.
 Calgary, AB T2P 0R3
DOCUMENT Telephone: (403) 232-9563 / 9511
 Facsimile: (403) 266-1395
 Email: jkruger / mlemmens@blg.com
 File No. 413255-000037

DATE ON WHICH ORDER WAS PRONOUNCED: September 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 of Oilsands Quest Inc., Oilsands Quest Sask Inc., Township Petroleum Corporation, Stripper Energy Services Inc.,

1291329 Alberta Ltd. and Oilsands Quest Technology Inc. (collectively, "Oilsands Quest"); **AND UPON** having read (i) the Application, (ii) the Twentieth Report of the Monitor dated September 10, 2014 (the "Twentieth Report"), (iii) the Affidavit of Service of Rhonda Lastockin sworn September __, 2014 (the "Affidavit of Service"), and such further material in the pleadings and proceedings as was deemed necessary; **AND UPON HEARING** counsel for the Monitor and counsel present for other interested parties; **AND UPON** being satisfied that circumstances exist that make this Order appropriate;

IT IS HEREBY ORDERED AND DECLARED THAT:

Interpretation and Service

1. All capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Twentieth Report.
2. Service of notice of the application for this Order, and all supporting materials, is deemed good and sufficient as set out in the Affidavit of Service filed, and the time therefor is abridged to the time actually given and further service of this Application upon any other party is hereby dispensed with.

Compliance

3. Oilsands Quest has complied with the CCAA, and has adhered to and acted in accordance with, the orders of this Court in these proceedings.

The Monitor and the CCAA Proceedings

4. The actions, conduct and activities of the Monitor outlined in the First Report to the Twentieth Report (all inclusive) filed by the Monitor in these proceedings are hereby approved.
5. As of the date of the Twentieth Report and based on the evidence that is currently before this Honourable Court:
 - a. the Monitor has acted honestly and in good faith, and have dealt with the Property in a commercially reasonable manner;
 - b. the Monitor has satisfied all duties and obligations as Monitor of Oilsands Quest; and
 - c. the Monitor shall not be liable for any act or omission including, without limitation, any act or omission pertaining to the discharge of the Monitor's duties as Monitor, respectively, save and except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Monitor.

6. The accounts of the Monitor and their legal counsel in respect of the CCAA Proceedings as outlined in the Twentieth Report are hereby approved.
7. As of the filing of this Order (the “Effective Date”), Ernst & Young Inc. shall be discharged from its duties as Monitor in these proceedings and shall hereafter have no further liabilities, obligations, responsibilities or duties under the Initial Order, the Plan Sanction Order or otherwise in respect of these proceedings, subject to paragraph 8 hereof.
8. Notwithstanding the discharge of the Monitor, the Monitor remains empowered to perform any act necessary or incidental to the conclusion of the CCAA Proceedings, and will continue to enjoy the same rights and protections previously granted to the Monitor in these proceedings, including, but not limited to, future administrative tax services in relation to tax filings for time periods during which the Monitor was appointed;
9. The Monitor, their affiliates and their 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, arising out of or in respect of the performance or intended performance of the Monitor’s mandate or any activity related to the CCAA Proceedings, 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.
10. No action or other proceeding in any way arising from or related to the performance or intended performance of the Monitor’s mandate or any activity in these CCAA Proceedings 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.
11. All Charges granted over the undertaking, property and assets of Oilsands Quest in the CCAA Proceedings are, as of the Effective Date, fully and finally terminated, discharged and released, subject to paragraph 8 hereof.
12. If, subsequent to the granting of this Order, the Monitor is required to respond to enquiries to provide evidence or testimony in respect of any proceedings in respect of Oilsands Quest, then the requesting party shall pay the reasonable fees and disbursements incurred by the Monitor, as the case may be, associated with responding to such enquiries or providing such evidence or testimony.

General

13. 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.
14. 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 received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta