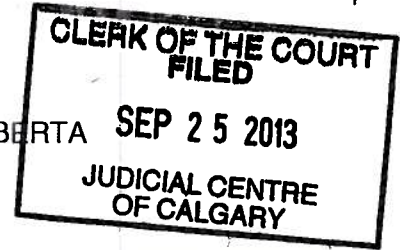


Clerk's Stamp



COURT FILE NUMBER 1201-10692
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36**

AND IN THE MATTER OF 1357686 ALBERTA LTD.

DOCUMENT **APPLICATION**
(Stay Extension and Increase Administration Charge)

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT **NORTON ROSE FULBRIGHT CANADA LLP**
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Attention: Howard A. Gorman
Randal S. Van de Mosselaer

File No. 01024427-0001

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 Court.

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

Date: Monday, September 30, 2013
Time: 11:00 a.m.
Where: Calgary Courts Centre, 601 - 5th Street S.W., Calgary, Alberta
Before Whom: The Honourable Mr. Justice G. C. Hawco

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. An Order abridging, if necessary, the time for service of this Application and supporting materials, and declaring service of same to be good and sufficient.
2. An Order extending the stay of proceedings in this matter with respect to 1357686 Alberta Ltd. (the "**Applicant**") to January 31, 2014.
3. An Order increasing the amount of the Administrative Charge granted in paragraph 32 of the August 24, 2012 Initial Order in the within Action to \$500,000;
4. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this application:

5. The Applicant applied for and obtained an Initial Order under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("**CCAA**") by Order of this Court, August 24, 2012, (the "**Initial Order**");
6. The Applicant has acted and continue to act in good faith and in cooperation with the Monitor in the within CCAA proceedings;
7. The Applicant has taken and is continuing to take steps to realize on certain assets which will permit those assets to be realized in an orderly fashion and other assets then to be developed in a manner which will increase the value of those assets to the benefit of all stakeholders;
8. The Applicant has no cash and the increase to the Administrative Charge is necessary to complete the marketing and sales process for the Applicant's property;
9. The relief requested by the Applicant is fair, reasonable, and in the best interests of the Applicant, its stakeholders, and the within CCAA restructuring proceedings.
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 Affidavit of Gary L. Bentham sworn September 24 , 2012;

12. The Fourth Report of the Monitor;
13. All pleadings and proceedings filed in the within action;
14. The Initial Order and any subsequent Orders in this action;
15. The inherent jurisdiction of this Honourable Court to control its own process;
16. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts, Regulations and Rules:

17. The provisions of the CCAA including, but not limited to, sections 11, 11.02 and 20 thereof.

Any irregularity complained of or objection relied on:

18. None.

How the application is proposed to be heard or considered:

19. Oral submissions by counsel at an Application in Justice Chambers as scheduled by counsel.

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.