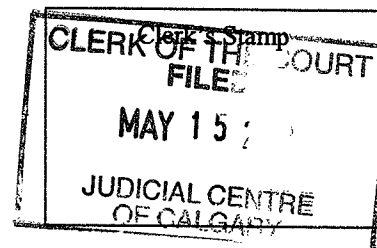


COURT FILE NUMBER 1201-01367
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary



APPLICANT **IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended**
**AND IN THE MATTER OF THE BUSINESS
CORPORATIONS ACT, R.S.A. 2000, c. B-9**
**AND IN THE MATTER OF COUGAR OIL AND GAS
CANADA INC.**

DOCUMENT **CCAA CESSATION ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT R.J. Daniel Gilborn
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File No. 438664-000014

I hereby certify this to be a true copy of
the original Order
Dated this 15 day of May, 2012
J. P. Poon
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: Friday, May 11, 2012

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: the Honourable Mr. Justice K. Yamauchi

UPON THE APPLICATION of the Canadian Western Bank to appoint a Receiver and Manager (interim or otherwise) over Cougar Oil and Gas Canada Inc. ("**Cougar**") thereby effectively terminating the within proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 ("**CCAA**"); **UPON** having read the Initial Order granted on February 3, 2012 (the "**Initial Order**") the Order granted February 23, 2012 (the "**DIP Order**"), the Order granted April 30, 2012 (the "**April Order**") and the pleadings and materials filed herein; **UPON** having read the Application materials provided by the Canadian Western Bank in support of its aforesaid Application; **UPON** having read and the Reports of Ernst & Young Inc. (the "**Monitor**") as Monitor of Cougar, filed in the within Action;

UPON hearing submission from counsel for Cougar, the Monitor, the Alberta Energy Resources Conservation Board, Zentrum Energie Trust AG ("Zentrum"), the Canadian Western Bank, Sword Energy Inc. and any other interested parties in these proceedings; UPON reading the Affidavit(s) of Service; AND UPON it appearing that the within proceeding should cease under the CCAA and continue as a receivership;

IT IS HEREBY ORDERED AS FOLLOWS:

1. Unless a contrary intention is shown herein, all capitalized terms used herein and not otherwise defined shall have the same meaning given to them in one or more of the Initial Order, the DIP Order and the April Order respectively.

Service of Application

2. Service of the within Application and supporting materials is hereby validated and deemed to be good and sufficient, the time for notice and service of the same is hereby abridged to the time actually given such that the within Application is properly returnable on May 11, 2012 at 1:30 PM and further service of the Application and materials in support thereof, on any party other than those listed on the Service List attached to the within Application and in any other manner than set out in the supporting Affidavit(s) of Service is hereby dispensed with.

Termination of CCAA Proceedings

3. Except as expressly set out in the within Order or any Order of this Honourable Court to be made concerning the appointment of Ernst & Young Inc. as the Receiver and Manager (interim or otherwise) (the "Receiver") of the assets, property and undertaking Cougar (the "Receivership Order"), the within CCAA proceedings in the within Action in respect of Cougar, including as set out in the Initial Order, the DIP Order and the April Order (the "CCAA Proceedings") shall as of and from the date of the pronouncement of the within Order, cease and shall be of no further effect.

4. All restructuring efforts attempted pursuant to the CCAA Proceedings shall, from the pronouncement of this Order, cease and Cougar shall no longer have the authority to file a plan of compromise or arrangement.

5. The Stay Period as set out in the Initial Order and extended in the DIP Order, shall no longer have effect, save and except that there shall be deemed to be no gap whatsoever as between cessation of the aforesaid Stay Period and any similar ordered stay of proceedings as set out in the Receivership Order.

6. From the pronouncement of the within Order, Zentrum, and its nominee (the “**DIP Lender**”), shall have no further or continuing duties or obligations as DIP Lender as set out in the DIP Order (as amended and modified by the April Order).

7. For greater clarity, the within Action may be continued as a proceeding to appoint a Receiver and obtain the Receivership Order pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and any other applicable legislation and law in force in the Province of Alberta, including with such consequential amendments to the style of cause of the within Action (if any) that may be considered necessary in the circumstances.

Continuation of Charges in the CCAA Proceedings

8. Any and all charges created over the assets, property and undertaking of Cougar that were created by the Initial Order and the DIP Order (as amended and modified by the April Order) (the “**Charges**”) continue to bind the assets, property and undertaking of Cougar in respect of all proper claims under the Charges accrued prior to and including the date of the pronouncement of this Order, subject to the passing of accounts, as and where required, for such respective Charges, although nothing herein shall modify any enumerated quantum for any Charge as set out in the Initial Order, the DIP Order or the April Order.

9. Any and all beneficiaries of such Charges are directed to pass their accounts in respect of any applicable Charge as soon as practicable after the pronouncement of the within Order.

10. Ernst & Young Inc. shall, where possible, maintain separate accounts relevant to:

- (a) The CCAA Proceedings; and
- (b) Any proceedings associated with its duties as Receiver, including without limiting its duties under the Receivership Order.

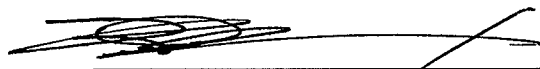
11. The Charges shall have and continue to have after the pronouncement of this Order the priority in respect of assets, property and undertaking of Cougar as set out in the Receivership Order.

General

12. Any party affected by the within Order may from time to time apply to this Honourable Court for advice and directions in the discharge of the obligations and duties set out herein, including without limiting, regarding the passing of accounts and crystallization of one or more of the Charges or the reconciliation of the provisions of then within Order with provisions of the Initial Order, the DIP Order, the April Order and the Receivership Order or any other subsequent Order the Court may make in the within Action.

13. This Court request the aid, recognition and assistance of other courts in Canada, in accordance with the provisions of the *CCAA*, and requests that the courts and judicial, regulatory and administrative bodies of other jurisdictions of other nations and states act in aid, recognition and assistance in carrying out the terms of the within Order.

14. The within Order shall be served by courier, facsimile transmission, email transmission or ordinary post a copy of this Order 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 and in any other manner is hereby dispensed with. Service effected as aforesaid shall be good and sufficient. The Monitor may also post a copy of this Order on its website in the section thereof dealing with the within proceedings.



Justice of the Court of Queen's Bench of Alberta