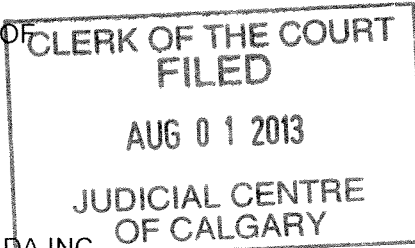


COURT FILE NUMBER 1201 06039
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF/APPLICANT CANADIAN WESTERN BANK
DEFENDANT/RESPONDENT COUGAR OIL AND GAS CANADA INC.

Clerk's Stamp



IN THE MATTER OF S. 47 OF THE
BANKRUPTCY AND INSOLVENCY ACT,
S.C. 1985, c. B-3, as amended

AND IN THE MATTER OF S. 13(2) OF
THE JUDICATURE ACT, R.S.A. 2000,
c. J-2, as amended

DOCUMENT VESTING ORDER AND DISCHARGE
OF RECEIVER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Sean F. Collins/Walker W. MacLeod
Suite 3300, 421 - 7 Avenue S.W.
Calgary, AB T2P 4K9
Phone: 403-260-3531/403-260-3710
Fax: 403-260-3501
Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca
File: 027052-441175

I hereby certify this to be a true copy of
the original order

Dated this 1 day of August 2013

for Clerk of the Court

DATE ON WHICH ORDER PRONOUNCED: August 1, 2013
JUDICIAL DISTRICT WHERE ORDER PRONOUNCED: Calgary, Alberta
JUDGE PRONOUNCING THIS ORDER: Justice J. Strekaf

UPON the application of the Ernst & Young Inc. (the "**Receiver**") in its capacity as court appointed receiver and manager of all of the assets, properties and undertakings (the "**Property**") of Cougar Oil and Gas Canada Inc. (the "**Debtor**") pursuant to the order dated May 11, 2012 (the "**Receivership Order**"); AND UPON reading the fourth report of the Receiver, dated July 25, 2013 (the "**Fourth Receiver's Report**"); AND UPON reading the Affidavit of Service of Marcia Smith, sworn July 26, 2013 (the "**Affidavit of Service**"); AND UPON hearing from counsel for the Receiver and counsel for any other persons present; IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Application is properly returnable today, service of the Application and the Fourth Receiver's Report on the service list in the manner described in the Affidavit of Service is declared good and sufficient and no persons other than those on the service list are entitled to service of the Fourth Receiver's Report or the Application. Capitalized terms in this order that are not otherwise defined shall have the same meaning as in the Fourth Receiver's Report.

2. The sale of the Assets by the Debtor to the Purchaser be and is hereby approved. The Receiver is hereby directed and authorized, on behalf of the Debtor and without any personal liability therefor, to execute and deliver an asset purchase agreement to the Purchaser and to take such steps as the Receiver determines necessary or advisable to close the transaction of the purchase and sale of the Assets contemplated thereby.

3. Subject only to approval of the transfer of applicable licences and approvals by the Alberta Energy Regulator under section 24 of the *Oil and Gas Conservation Act* (Alberta), effective immediately upon the closing of the transactions contemplated by the Purchase Agreement, all legal and beneficial ownership of and title to the Assets shall vest and is hereby vested in the Purchaser, free and clear of any and all security interests (whether contractual, statutory or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have been attached, registered, perfected or filed and whether secured, unsecured, liquidated, contingent or absolute (collectively, the "**Claims**"). For greater certainty and without limiting the generality of the foregoing, the Claims shall not include the Permitted Encumbrances but shall include:

- (a) All claims held by or in favour of the entities served with the Application relating to this Order (other than the Purchaser or its authorized nominee or assignee);
- (b) All claims arising under or pursuant to the MGA; and
- (c) The beneficiary of any claims created or provided for pursuant to any previous Order of this Court in these proceedings or in Court File No. 1201 – 01367 (the "**CCAA Proceedings**").

4. The Receiver is directed to distribute the balance of the proceeds paid to the Receiver pursuant to the Purchase Agreement, net of closing adjustments and commissions payable pursuant to the Purchase Agreement (the "**Net Proceeds**") to payment of amounts outstanding and on a *pari passu* basis under the Administration Charge (as that term is defined in the initial order issued in the CCAA Proceedings on February 3, 2012) up to the amount of \$250,000 and the Receiver's Charge (as that term is defined in the Receivership Order).

5. The Debtor and all persons claiming through or under the Debtor and any other persons in possession of any of the Assets shall deliver up possession of the Assets to the Purchaser or its assignee or nominee as at the Closing Date and, in default of possession being delivered up as aforesaid, a writ of possession is hereby issued.

6. Notwithstanding the pendency of these proceedings or the provisions of any federal or provincial statute, the vesting provisions contained herein:

- (a) Will not be void or voidable at the instance of creditors and claimants;
- (b) Do not constitute and shall not be deemed to be fraudulent preferences, fraudulent conveyances, transfers at undervalue or otherwise subject to challenge under *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the *Fraudulent Preferences Act* (Alberta) (the "**FPA**") or any other applicable federal or provincial legislation; and
- (c) Do not constitute and shall not be deemed to constitute conduct meriting an oppression remedy.

7. Upon the Receiver completing the distribution of the Net Proceeds in accordance with paragraph 4 of this Order, the Receiver be and is hereby discharged as receiver and manager of the Property (as such term is defined in the Receivership Order) which, for the avoidance of doubt, includes any and all remaining assets, property and undertaking of the Debtor after the consummation of the Purchase Agreement (collectively, the "**Remaining Property**") including, without limitation, the property as more particularly described in Appendix "**1**" hereto. The Receiver shall have no further duty, liability or obligation with respect to the Remaining Property or any of it. Notwithstanding the foregoing, the Receiver is authorized and empowered to take any steps or actions that are necessary to conclude the administration of the receivership.

8. As of the date of the Fourth Receiver's Report and based on the evidence that is currently before this Honourable Court:

- (a) The Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
- (b) The actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver and manager of the Property;

- (c) The Receiver shall not be liable for any act or omission pertaining to the discharge of the Receiver's duties as receiver and manager of the Property, save and except for any liability arising out of fraud or wilful misconduct on the part of the Receiver; and
- (d) Any and all claims against the Receiver arising from, relating to or in connection with the performance of the Receiver's duties and obligations as receiver and manager of the Property, save and except for claims based on fraud or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.

9. No action or proceeding arising from, relating to, or in connection with the performance of the Receiver's duties and obligations in respect of the Debtor and the Property may be commenced or continued without the prior leave of this Honourable Court, on notice to the Receiver and on such terms as this Honourable Court may direct.

10. Service of this Order on the persons listed in the Service List by email, facsimile, courier, registered mail, regular mail or personal delivery shall constitute good and sufficient service of this Order, and no persons other than the persons listed on the Service List are entitled to be served with a copy of this Order.

" J. Strekaf "
J.C.Q.B.A.

Appendix 1

Cougar Oil and Gas Canada Inc.

Oil and Gas Properties excluded from the Assets proposed to be acquired by Gryphon Petroleum Corp.

Wells

Licence Number	Surface Location
W128847	04-20-089-03W5
W135601	13-17-089-03W5
W136440	05-17-089-03W5
W137172	01-19-089-03W5
W169325	10-22-089-03W5
W205827	02-25-089-04W5
W224313	09-18-089-03W5
W129129	15-03-090-04W5
W139132	06-08-089-04W5
W146170	11-08-089-04W5
W156150	15-36-089-04W5
W156900	12-20-089-03W5
W161059	15-08-089-04W5
W162179	02-08-089-04W5
W163304	10-21-089-03W5
W179879	14-17-089-04W5
W221552/W221522	02-17-089-04W5
W221826	06-08-089-04W5
W224312	14-17-089-04W5
W338552	05-22-016-23W4
W127915	16-01-089-05W5
W129495	12-20-088-05W5
W146444	07-04-090-04W5
W284190	03-07-057-01W5
W303583	06-07-057-01W5
W431487	04-27-089-03W5
W431502	05-22-089-03W5
W150390	10-34-089-04W5
W130649	04-09-088-05W5
W130801	08-21-089-03W5
W205208	13-25-089-04W5
W155823	01-34-089-04W5

Facilities

Licence Number	Surface Location
F17387	00/12-22-089-03W5
F17391	00/02-08-089-04W5
F17393	00/06-08-089-04W5
F32597	00/03-07-057-01W5

Pipelines

Line No.	Licence Number	Surface Location
16	23160	10-21-089-03W5 to 12-22-089-03W5
18	23160	10-22-089-03W5 to 12-22-089-03W5
7	23160	08-21-089-03W5 to 12-22-089-03W5
1	25342	11-08-089-04W5 to 06-08-089-04W5
2	25342	15-05-089-04W5 to 06-08-089-04W5
3	25342	02-17-089-04W5 to 06-08-089-04W5
4	25342	15-08-089-04W5 to 06-08-089-04W5
1	43833	12-07-057-01W5 to 03-07-057-01W5
2	43833	06-07-057-01W5 to 03-07-057-01W5
3	43833	06-07-057-01W5 to 03-07-057-01W5
4	43833	06-07-057-01W5 to 03-07-057-01W5