

COURT FILE NUMBER 1201-05287
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF/
APPLICANT HSBC BANK CANADA
DEFENDANT/
RESPONDENT X-TREME ENERGY GROUP INC.



IN THE MATTER OF THE RECEIVERSHIP OF
X-TREME ENERGY GROUP INC.

APPLICANT ERNST & YOUNG INC. in its capacity as Court-
appointed Receiver and Manager of the assets,
undertakings and property of X-TREME ENERGY
GROUP INC.

DOCUMENT **ORDER (Discharge of the Receiver)**

ADDRESS FOR SERVICE AND CONTACT
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Attention: Howard A. Gorman / Kevin E. Barr
File No. 01128610-0051

DATE UPON WHICH ORDER WAS PRONOUNCED: Monday, June 16, 2014

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Mr. Justice S.J. LoVecchio

ORDER

(Discharge of the Receiver)

UPON THE APPLICATION of Ernst & Young Inc. in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and property ("**Property**") of the Defendant, X-Treme Energy Group Inc. ("**X-Treme**"); **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action, including the Seventh Report of the Receiver, dated May 2, 2014 (the "**Seventh Report**"); **AND UPON** hearing

counsel for the Receiver, the Plaintiff HSBC Bank Canada ("HSBC") and from any other interested parties who may be present; **AND UPON** it appearing that all interested and affected parties have been served with notice of this Application; **AND UPON** it appearing that the relief requested is just, fair and appropriate in all the circumstances and in the best interests of the administration of the receivership estate and the stakeholders affected thereby;

THE COURT IS CONVINCED AND HEREBY ORDERS AND DECLARES THAT:

Service:

1. Service of the notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and the time for service of this Application is abridged to that actually given.

Discharge of the Receiver:

2. The Receiver shall make all of X-Treme's remaining books and records available for inspection by any interested parties for 30 days following the date of this Order. Upon the expiry of the said 30 days, the Receiver is hereby authorized to destroy all of X-Treme's remaining books and records without further notice to any party.
3. The Receiver is authorized to release the Remedial Amount and the Leasehold Improvements Amount, as those terms are defined in the Seventh Report, to HSBC, save for \$50,000, which shall be held for 6 months following the date of this Order and which shall be applied as required to the Receiver's fees, costs and disbursements, with any remaining amounts to be paid to HSBC. Any claim to the Remedial Amount, the Leasehold Improvements Amount or the holdback referenced in this paragraph by Poplar Grove Property Development Inc. is forever barred and extinguished.
4. The Receiver is hereby authorized to pay the remaining funds in the X-Treme receivership estate, as set out and described in the Seventh Report, to HSBC, as a final distribution in partial satisfaction of amounts owing by X-Treme to HSBC. All of the payments to the HSBC contemplated in this Order are subject to the Order granted by Madam Justice J. Strekaf on January 18, 2013 (the "2013 Order").

5. The professional fees, receipts and disbursements of the Receiver and those of its legal counsel are hereby approved and may be paid.
6. The Receiver's reported actions and those of its legal counsel to date in respect of administering the receivership and as described in the Receiver's reports to the Court filed in this matter are hereby approved.
7. Upon the completion of the steps necessary to finalize the administration of the receivership as set out in the Seventh Report and subject to any obligations arising as a result of the 2013 Order or further Order of the Court including without limitation with respect to the ADT Action (as that term is defined in the 2013 Order) Ernst & Young Inc. is hereby unconditionally and absolutely discharged as Receiver of the X-Treme Property, and all duties, responsibilities and obligations connected therewith.
8. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the orders granted in the within proceeding up to and including the date hereof, and Ernst & Young Inc., in its capacities as set forth in these proceedings, shall not be liable for any act or omission on its part, or any reliance thereon, including without limitation, any act or omission pertaining to the discharge of its duties in these proceedings from time to time or with respect to any other duties or obligations, save and except for in cases of fraud, gross negligence or wilful misconduct on its part, or with leave of the Court as referred to in paragraph 9 of this Order. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
9. No action or other proceeding shall be commenced against Ernst & Young Inc. in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on notice to the Receiver and upon such terms as the Court may direct.
10. Any interested party is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to, and in carrying out the terms of, this Order.
11. Service of this Order may be effected by sending a copy of this Order by email, facsimile transmission or by registered mail to the parties served with notice of this

Application and to the parties we were in attendance at this Application, and further service of this Order is hereby dispensed with.

"S.J. Lovecchio"

Justice of the Court of Queen's Bench of Alberta