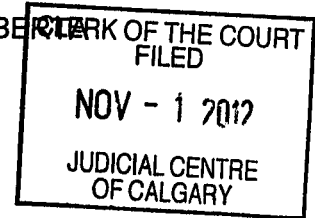


COURT FILE NUMBER 1201-05287
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT HSBC BANK CANADA
DEFENDANT X-TREME ENERGY GROUP INC.



DOCUMENT SECOND REPORT TO THE COURT OF ERNST & YOUNG INC. IN ITS CAPACITY AS RECEIVER AND MANAGER OF X-TREME ENERGY GROUP INC.

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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INTRODUCTION

- 1 On April 30, 2012, the Court of Queen's Bench of Alberta (the "**Court**") issued an order (the "**Receivership Order**") appointing Ernst & Young Inc. ("**EYI**") as Receiver and Manager (the "**Receiver**") of X-Treme Energy Group Inc. ("**X-Treme**", the "**Debtor**" or the "**Company**").
- 2 EYI, in its capacity as Receiver of X-Treme, filed its first report to this Honourable Court on July 5, 2012 (the "**First Report**").

Purpose of this Report

- 3 The purpose of this report (the "**Second Report**") is to:
 - (a) summarize Receiver's actions since the date of the First Report
 - (b) summarize the outcome of the sale process undertaken for X-Treme's business and assets;
 - (c) summarize the outcome of the transfer of assets and vacation of the premises by the Receiver;
 - (d) respectfully recommend that this Honourable Court grant an order:
 - i. approving the actions of the Receiver to date;
 - ii. approving the Receiver's and its counsel's fees and disbursements;
 - iii. approving the repayment to the secured creditor of advances made by the secured creditor to the Receiver;
 - iv. approving the termination of the Capital Leases (as that term is defined herein);
 - v. approving the termination of the Red Deer Lease (as that term is defined herein) between Robust Investments Ltd. and X-Treme dated August 1, 2008; and
 - vi. approving the assignment agreement assigning the Poplar Grove Lease (as that term is defined herein) between Poplar Grove Property Development Inc. and X-Treme dated October 14, 2008.

Terms of Reference

- 4 In developing this Second Report, the Receiver has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Receiver has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future-oriented financial information relied upon in this Second Report is based on management's assumptions regarding future events. Actual results achieved

may vary from this information and these variations may be material, and as such the Receiver expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Second Report, or relied upon by the Receiver in preparing this Report.

Currency

- 5 Unless otherwise noted all currency references in this Second Report are in Canadian dollars.

BACKGROUND

- 6 The Company provided manufacturing services primarily to the oil and gas industry and specifically in the area of manufacturing rigs and rig components, safety structures and general machining.
- 7 The Receiver had retained a core group of employees in order to continue certain aspects of the business. Prior to the time of the Receiver's appointment, X-Treme had in excess of 200 employees.
- 8 In Red Deer, the Company leased two buildings totalling approximately 37,500 square feet. This facility housed the "Computer Numerical Control" machine shop, fabrication facility and head office functions (the "**Red Deer Lease**"). The Company had an extensive manufacturing facility in Innisfail where it owned six properties encompassing approximately 14 acres of land including buildings of approximately 67,000 square feet in size.
- 9 The Company also leased an additional property in Innisfail with a building approximating 17,640 square feet (the "**Poplar Grove Lease**"). Collectively, these properties formed the manufacturing facility where rig and "Protec" construction, sand blasting and "rig-up" were carried out.
- 10 In Calgary, the company leased space from Petro Fina Capital Corp. which operated as a sales centre (the "**Calgary Sales Office Lease**"). The Receiver, in June, 2012, vacated the space comprising the Calgary Sales Office Lease and gave notice to the landlord of same. The Receiver has had no contact from the landlord.
- 11 The Receiver was appointed in respect of the assets of the Company which are described below:

**Net Book Value (Note 1)
as at March 31, 2012**

Accounts receivable	\$ 9,402,714
Inventory	47,636,406
Work-in-progress	9,062,265
Prepaid expenses	569,691
Fixed Assets	12,158,725
Other	250,455
Total	\$ 79,080,256

Note 1 - Net book value is based on unaudited books and records of the Company as at March 31, 2012.

SALE OF CORE ASSETS

- 12 On July 5, 2012, the Receiver concluded an Asset Purchase Agreement (the "APA") with Do All Industries Ltd. and Korf Properties Ltd. (the "Purchaser") of the core business assets of X-Treme. The details and terms of the APA are described in the Receiver's Confidential Addendum to the First Report. This Honourable Court approved the APA as evidenced in the Sale Approval and Vesting Order (Schedule A).
- 13 The APA¹ provided for, among other things, the:
- (a) sale, assignment and delivery of the purchased assets free and clear of all claims for an amount of \$9,750,000 plus:
 - (i) certain operating costs incurred by the Receiver after June 30, 2012 and up to the date of the closing of the APA;
 - (ii) the payout of costs associated with the Capital Leases; and
 - (iii) relevant sales taxes;
 - (b) assignment of the Poplar Grove lease to the Purchaser;
 - (c) assumption by the Receiver of up to \$250,000 of costs associated with potential Environmental Remediation costs; and
 - (d) a holdback by the Purchaser of \$250,000 associated with it obtaining a Development Permit prior to the end of the Escrow Period, June 30, 2014.
- 14 The APA closed on August 24, 2012.
- 15 The APA excluded several specific assets (the "Excluded Assets"). The Excluded Assets include a Top Drive which is the subject of a possessory lien claim by the Receiver and assets particularly related to the Pemex Contract (described below). The Receiver has made arrangements to store the physical Excluded Assets at the former X-Treme business premises in Innisfail.

¹ Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the APA.

SECURED CREDITORS

- 16 The Company's first secured creditor is HSBC Bank Canada ("**HSBC**"). HSBC was owed approximately \$48,200,000 plus accrued interest as at the date of the Receiver's appointment (the "**Secured Debt**"), pursuant to a demand revolving credit facility.
- 17 The Company had numerous capital and finance leases and these secured creditors had balances outstanding as at the date of the Receiver's appointment (the "**Capital Leases**"). As described above, the terms of the APA required that the purchased assets be delivered free and clear of all encumbrances. In addition to monthly payments for the months of May and June 2012, the Receiver paid out approximately \$201,000 (including accrued interest) to these secured lenders. Three vehicles were returned as they did not form part of the purchased assets and the Receiver determined that there would be no residual equity for the estate.

OVERVIEW OF THE RECEIVER'S ACTIVITIES

- 18 Since the date of the First Report, the Receiver has carried out the following actions as detailed below.

Custody & Control

- 19 To-facilitate the transition to the Purchaser of X-Treme's assets, and in addition to the current lease payments in respect of the Poplar Grove Lease and the Red Deer lease for the months of May and June, the Receiver has made current lease payments in respect of the Poplar Grove Lease and the Red Deer lease for the months of July and August. These disbursements, along with the majority of the disbursements related to the operations of X-Treme for the period subsequent to June 30, 2012 are to be reimbursed by the Purchaser, in accordance with the APA.
- 20 The Receiver employed the services of a third party security company, X-Cops Inc., until the anticipated Closing Date. The Receiver was concerned about the security of the premises and the physical assets located thereon given the relatively remote location of X-Treme's offices and yard. No incidents were reported.
- 21 The Receiver continued to make monthly payments to the insurance provider for the months of July and August 2012, a portion of which is recoverable from the Purchaser in accordance with the APA. The insurance coverage has been adjusted in connection with the closing of the APA.

Operations

- 22 The Receiver has completed those contracts that could reasonably be expected to be completed during the two month period ended June 30, 2012. Final arrangements remain to be made for the remaining collections of minor accounts receivable related to those contracts and the ultimate retrieval of the assets related to these contracts by one of the customers. The Receiver has arranged for the storage of this customer's assets on the Purchaser's premises at the

customer's expense. The Receiver carried on the operations of the Debtor on a business as usual basis for the completion of those contracts.

Employees

- 23 One hundred sixteen (116) employees accepted offers of employment from the Receiver until May 31, 2012 or June 30, 2012. The functions of these employees included:
 - (a) operations staff to complete ongoing jobs;
 - (b) truck drivers to assist in moving equipment and returning equipment between yards and third party sites;
 - (c) quality control and safety personnel; and
 - (d) office staff to invoice ongoing projects, collect on receivables and maintain necessary records.
- 24 In addition to the employees described above, the Receiver did not immediately terminate certain inactive employees who had been on long-term disability or were receiving benefits from Workers' Compensation Board ("**WCB**"). These employees have now been terminated and information regarding the Wage Earner Protection Plan ("**WEPP**") has been mailed to these newly terminated employees. As described in the First Report, the Receiver had previously sent information to those ex-employees who had not been offered or accepted offers by the Receiver. In addition, the Receiver has analyzed all claims under the WEPP and has submitted claims to Service Canada for employees who had an eligible claim for termination pay under the Alberta Employment Standards Code.
- 25 Since the Receivership Order was granted, the workforce has been reduced as jobs and administrative tasks were completed. In addition, certain employees resigned. Although the contracts identified by the Receiver have now been completed, approximately 85 employees remained in the employ of the Receiver until August 18, 2012 in order to facilitate the transition for the Purchaser. With the exception of the costs related to specific employees retained to assist the Receiver with the completion of certain specified tasks, personnel costs incurred subsequent to June 30, 2012 are reimbursable by the Purchaser in accordance with the terms of the APA.

Inventorying, Locating, and Securing Assets

- 26 The Receiver believes that all X-Treme owned inventory with a realizable value has been brought back to X-Treme's premises and secured with the exception of: a Variable Frequency Drive electrical building in Texas, U.S.A. (the "**VFD Building**"): The Receiver has reason to believe that the fair market value of the VFD Building may exceed the estimated costs to pay the outstanding balance to the supplier and ship the VFD Building back to X-Treme's premises. The VFD Building is part of the assets excluded from the APA but no arrangement has yet been made to retrieve this asset.
- 27 The Receiver did not receive any additional 30-Day good claims since the First Report. Claims previously received for goods with a value of approximately

\$28,000 met the criteria of section 81.1 of the Act and were either collected by the respective suppliers or used in production and paid for by the Receiver.

- 28 The Receiver received property claims from seven suppliers to date. The Receiver has identified the property being claimed and has released the property to the respective suppliers.
- 29 The Receiver had identified those assets belonging to third parties that were the subject of operating leases, and has made monthly payments for the months of May through July 2012 for those assets that the Receiver required for the operations of the business. Payments made for equipment rentals after June 30, 2012 are reimbursable by the Purchaser.

Lien Issues

- 30 Since the time of its appointment, the Receiver had been made aware of two liens registered on the Innisfail property for products and services provided to X-Treme prior to the appointment of the Receiver in the amount of approximately \$4,600. Given the relative immateriality of these lien claims, the Receiver has issued payments in order to have the liens removed to allow the Receiver to proceed with the PSA.

Litigation

- 31 EYI, as Receiver, is currently engaged in two ongoing pieces of litigation.
- 32 First, the Receiver has claimed a possessory lien over a Top Drive and Hydraulic Power Unit for a rig unit manufactured by Do-All Industries Ltd. The customer, Tough Enough Ltd., has opposed the Receiver's possessory lien claim.
- 33 An order setting out a schedule for the resolution of the Receiver's possessory lien claim was granted by the Honourable Mr. Justice P.R. Jeffrey on August 22, 2012. This litigation remains ongoing.
- 34 Second, ADT Petroservicios, S.A. De C.V., an unsecured creditor, has commenced an action against each of X-Treme, Brian Edwards Gibbs, a former director of X-Treme, Axiom Oilfield Solutions Ltd. and HSBC relating to a Joint Participation Agreement for the supply of five drilling rigs to Pemex Exploracion Y Produccion. A copy of the Amended Statement of Claim is attached as Schedule "C".
- 35 The action is stayed as against the Receiver pursuant to the terms of the Receivership Order. EYI is however, currently analyzing its best course of action in light of the allegations raised by the Plaintiff.

IMPACT OF SALE

- 36 As described in the Receiver's First Report, the Purchaser had advised the Receiver that it would prefer to take the assets free and clear of all encumbrances. Therefore the Receiver caused the Capital Leases, with the exception of the leases related to the Excluded Assets, to be paid out and all registrations related thereto be discharged. All amounts paid to lessors to retire the Capital Leases and costs incurred by the Receiver in the payout of the

Capital Leases and discharge of associated registrations are the responsibility of the Purchaser and the purchase price has been increased by the amount of such costs.

- 37 The Receiver's counsel has performed a review of the underlying security related to the assets subject to Capital Leases prior to the closing date. The Receiver is satisfied with the review provided by its counsel.
- 38 As described above, the Receiver had extended temporary offers of employment to approximately 85 of the remaining employees to the closing date of the APA, in order to retain identified employees who have been offered employment by the Purchaser subject closure of the APA.

ASSIGNMENT AND ACQUISITION OF CERTAIN LEASED PROPERTY

- 39 The APA did not provide for the assumption of the Red Deer Lease as the Purchaser has indicated that it intended to pursue operations from the Innisfail location only. The Receiver communicated this information verbally to the respective landlords when the offer was accepted.
- 40 In addition to the assumption of the Poplar Grove Lease for a portion of the premises in Innisfail, Alberta, the Receiver is advised that the Purchaser has entered an agreement with that landlord for the acquisition of the property subject to that lease, as well as for the acquisition of adjacent lands currently owned by the same landlord or a related company.
- 41 The agreement to acquire the land in Innisfail was not expected to close before July 6, 2012 and such closure was not a condition precedent to the proposed APA.
- 42 Until the acquisition of the property that is the subject to the Poplar Grove Lease, the Purchaser intends to continue with the Poplar Grove Lease on the same terms and conditions set out therein. The landlord of the property subject to the Poplar Grove Lease ("**Poplar**") had previously advised the Receiver verbally that it accepted the assignment.
- 43 On or about August 18, 2012 however, Poplar refused to consent to the assignment and raised the issue of several claims against X-Treme including:
 - (a) administrative, immaterial adjustments to current monthly rent under the Poplar Grove Lease and a separate monthly equipment rental contract with Aztec Construction Ltd. ("**Aztec**"), a company related to Poplar, which were immediately paid by the Receiver;
 - (b) amounts owed to Aztec in respect of pre-receivership equipment rentals;
 - (c) an unsupported claim of ownership by Aztec to a quantity of steel beams that had been in the possession of X-Treme at the time of the Receivership appointment;
 - (d) an unsupported claim for approximately \$70,000 to remedy purported damages to the property subject to the Poplar Grove Lease; and

- (e) an unsupported claim for approximately \$600,000 of leasehold improvements allegedly performed on around the time of the signature of the Poplar Grove Lease (October 14, 2008), bearing interest at a rate of 8%.
- 44 In order to proceed with the closing of the APA on August 23, 2012, the Receiver obtained the consent of Poplar for the Purchaser to occupy the premises while the Receiver arrived at a resolution of the outstanding issues with Poplar and Aztec.
- 45 The Receiver has arranged for work to be completed as soon as possible to remedy the damage to the property subject to the Poplar Grove Lease. The Receiver has obtained a quote for approximately \$38,900 plus GST to complete the work. Following discussions with Poplar and the Purchaser, Receiver's counsel is holding \$100,000 in trust from the proceeds of the APA until such time as the work has been completed to the satisfaction of the Poplar landlord.
- 46 The Receiver had entered into agreements with two customers of X-Treme to temporarily lease a portion of the property that is the subject of Poplar Grove Lease in order to facilitate storage and shipping of the rigs manufactured by X-Treme. The Purchaser has agreed to the assumption of these temporary sub-leases which are scheduled to terminate no later than October 31, 2012. To the Receiver's knowledge, only one customer ultimately required the temporary leased space and will vacate the space prior to October 31, 2012.

Excluded Assets

- 47 The APA specifically excluded certain assets, most notably the accounts receivable and inventory related to the Pemex Contract, the accounts receivable and inventory related to the Tough Enough contract, and three vehicles which were the subject of lease agreements.
- 48 The Receiver made arrangements with the secured creditor in relation to the three vehicles for the return of the three capital assets as the balance outstanding on the vehicles exceed the estimated recoverable value of these assets.
- 49 The Receiver continues to endeavour to arrive at a mutually acceptable arrangement with the existing customers to collect the accounts receivable related to the Pemex Contract assets and the Tough Enough contract assets. If unsuccessful, the Receiver will endeavour to sell these assets through a separate sales process.
- 50 The Receiver has also been collecting on the trade accounts receivable and other amounts recoverable related to the operations of X-Treme prior to the appointment of the Receiver. To date, despite concerns about the continuation of warranty coverage and/or the ability to obtain future replacement parts and service, the Receiver has collected approximately \$1,184,000 on approximately \$1,600,000 of trade accounts receivable that had been invoiced as at April 30, 2012. Note that the \$1,600,000 value includes the disputed account receivable related to the Tough Enough contract but excludes amounts receivable related to the PEMEX contract.

- 51 The Receiver has also monetized approximately \$35,000 related to other amounts recoverable by X-Treme including credits from suppliers for returned merchandise, reimbursements for over-payments or deposits on account and termination of service agreements.
- 52 The Company had previously applied for and received Income Tax Credits related to Scientific Research and Experimental Development ("**SRED**") for fiscal years ended up to and including August 31, 2010 and was awaiting the provincial tax credit related to the same year end. The Company however, received a notice of assessment advising that the provincial claim was not filed in the appropriate manner and was therefore disallowed. This notice of assessment has been objected to.
- 53 The Receiver has prepared the appropriate SRED claim related to the year ended August 31, 2011 which will be filed shortly. A claim for any SRED performed by X-Treme for the period ended April 30, 2012 would be filed after the related tax returns are prepared. The Receiver did not continue any experimental or development work after April 30, 2012.

Red Deer Lease

- 54 The Proposed Purchaser had advised the Receiver that it would continue the Debtor's operations but only out of the Innisfail location. Therefore, as contemplated in the Receiver's First Report, the Receiver has disclaimed the Red Deer Lease and vacated the Red Deer Lease premises effective August 31, 2012.
- 55 While vacating the premises, the Receiver has been made aware by personnel of the Purchaser of certain repairs required to be made to the windows and doors at the Red Deer Lease premises. This repair work has been completed as part of the clean-up of the premises.
- 56 Subsequent to premises being vacated, the landlord of the property subject to the Red Deer Lease, Robust Investments Ltd. ("**Robust**"), has claimed that additional work was required to restore the ventilation system in one workshop to the system in place at the time the lease was signed. Former X-Treme personnel explained to the Receiver that the ventilation system in place at the date of the vacation was fully functional but that it had, after the date the Red Deer Lease was signed, been replaced with a system better suited to X-Treme's needs. The Receiver arranged for the ventilation work to be performed in accordance with the quote obtained in the amount of approximately \$4,000.
- 57 In addition, Robust is claiming an amount of \$4,830 related to a Phase 1 Environmental Assessment performed at its request on the Red Deer Lease premises. Although the Receiver does not recognize this charge as an obligation under the Red Deer Lease, the Receiver has thus far not been reimbursed the rent deposit from Robust of approximately \$41,000.

SUMMARY OF RECEIPTS AND DISBURSEMENTS AND CASH FLOW FORECAST

- 58 The Receiver has provided below a summary of cash receipts and disbursements from April 30, 2012 to September 30, 2012.

X-treme Energy Group Inc. in Receivership Summary Receipts and Disbursements to September 30, 2012 (unaudited)			
	Operations	Non-operations	Total
Opening balance - net	-	-	-
Cash receipts from Sales (Note 3)	4,591	-	4,591
Cash receipts from the collections (Note 3)	1,184	-	1,184
Sale of Business (net of bids returned)	-	9,435	9,435
Other	35	-	35
Total receipts (excluding borrowings from secured lender)	5,810	9,435	15,245
Payroll and payroll related disbursements (Note 2)	(2,999)	-	(2,999)
Materials purchases and indirect costs (Note 2)	(795)	-	(795)
Outside labour and consultants	(368)	-	(368)
Rent and insurance (Note 2)	(359)	-	(359)
Property taxes (Note 2)	(63)	-	(63)
Buy out of capital leases (Note 2)	-	(201)	(201)
Professional fees and appraisal costs	-	(928)	(928)
Others (Note 2)	(397)	-	(397)
Borrowings from secured lender (Note 1)	670	-	670
	-	-	-
Total Disbursements	(4,312)	(1,129)	(5,441)
Ending balance	1,498	8,306	9,804
<i>Note 1: Timing issue related to the funding of X-treme's payroll before the collection of sufficient accounts receivable.</i> <i>Note 2: The APA provides for the reimbursement to the Receiver of Incremental Operating Costs incurred or relating to the period after July 1, 2012.</i> <i>Note 3: Including GST</i>			

- 59 The Company's cash flows from operations were positive by approximately \$1,498,000, after taking into account Receiver's borrowings. The Receiver borrowed \$670,668 from HSBC in the form of one Receiver's Certificate to cover receivership expenses and administration costs. In accordance with the Receivership Order, the Receiver is authorized to borrow up to \$2,500,000.
- 60 A copy of the projected cash flow to December 3, 2012 is attached as Schedule B. The cash flow shows that no additional funding is required from HSBC. It should be noted however, that several items may not be resolved until after December 31, 2012. No precise time frame can be approximated at this time as the process of arising at a resolution particularly with respect to the PEMEX assets, whether settlement or litigation, is unknown.
- 61 The terms of the APA provide for the reimbursement to the Receiver of operating costs incurred after June 30, 2012 by the Purchaser, the reimbursement of certain specified employee costs incurred prior to June 30, 2012, and the

reimbursement of a portion of the property taxes paid by the Receiver is forecasted to be collected before October 31, 2012.

BANKRUPTCY OF X-TREME ENERGY GROUP INC.

- 62 An application for a bankruptcy order against X-Treme has been filed by X-Treme's secured creditor HSBC and a hearing has been scheduled for November 5, 2012.

DISTRIBUTION TO THE SECURED LENDER

- 63 Counsel to the Receiver has completed a review of the first ranking security held by HSBC over the assets of X-Treme and has advised the Receiver that it is satisfied that it ranks in priority to all other creditors subject to the qualifications referenced in this Second Report.
- 64 Accordingly, the Receiver intends to proceed with a reimbursement of the one Receiver's Certificate plus interest and the distribution to the secured lender of the funds on hand (excluding the \$100,000 held in trust with the Receiver's counsel described above pending a resolution of Poplar's claims), after holding reserves on hand for known and estimated priority claims, reserves for known and estimated out-of-pocket expenditures related to terminating the operations of X-Treme, the conclusion of the APA and the safeguarding and maintenance of the Excluded Assets.
- 65 The Receiver currently estimates that the priority claims against X-Treme would total approximately \$95,500, the majority of which are employee claims or payroll related amounts. As at the date of this Second Report, less than 75% of the ex-employees of X-Treme to whom the WEPP notices were mailed (above) have filed claims with the Receiver, and Service Canada has only filed eighteen subordinated claims with the Receiver.

PROFESSIONAL FEES

- 66 Since its appointment, EYI has provided services and incurred disbursements in the amounts of \$816,435 and \$41,259 respectively and GST/HST of \$42,885 during the period from April 29, 2012 to September 30, 2012 (the "**Period**"). Attached hereto and marked as Schedule D is a summary of all invoices rendered by EYI on a periodic basis during the Period (the "**Accounts**").
- 67 True copies of the Accounts, which include a fair and accurate description of the services provided along with the hours and applicable rates claimed by EYI, are attached as Appendix A hereto.
- 68 EYI has in this Second Report, as well as the First Report, described its conduct and details of the activities undertaken and services provided by the Receiver in connection with the administration of the receivership proceedings.
- 69 The Receiver requests that this Honourable Court approve the Accounts for the Period, in the total amount of \$857,694 (excluding GST/HST).
- 70 Norton Rose Canada LLP has acted as independent legal counsel to the Receiver and rendered services throughout these proceedings in a manner

consistent with the instructions of the Receiver and has prepared a schedule with respect to the services rendered during the Period. The Receiver has reviewed the invoices rendered by Norton Rose Canada LLP during the Period. Attached hereto as Schedule E is a summary of legal fees.

- 71 True copies of the Accounts, which include a fair and accurate description of the services provided during the Period along with the hours claimed by Norton Rose Canada LLP are attached hereto as Appendix B.

CONCLUSION AND RECOMMENDATION

- 72 The Receiver has successfully concluded the sale of the core business assets of X-Treme but has several disbursements left to make, including the payment of professional fees, repairs to the Innisfail and Red Deer Lease properties, the payment of certain priority claims and the coordination of residual operating expenses to ensure a smooth transition to the Purchaser.
- 73 Based on the foregoing, the Receiver respectfully recommends that the Receiver's Certificate #1 in the amount of \$670,667.91 bearing interest at prime plus 2% be reimbursed, and that an additional \$8,060,000 be distributed to the secured lender, and that this Honourable Court make an order granting the relief requested in paragraph 3(d) of this report and such further and other relief as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted this 15th day of November, 2012.

ERNST & YOUNG INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER OF X-TREME ENERGY GROUP
INC. AND NOT IN ITS PERSONAL CAPACITY



Neil Narfason, CA, CFP
 Senior Vice-President

SCHEDULE A

COURT FILE NUMBER 1201-05387

COURT COURT OF QUEEN'S BENCH OF ALBERTA

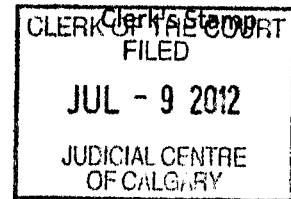
JUDICIAL CENTRE CALGARY

PLAINTIFF HSBC BANK CANADA

DEFENDANTS X-TREME ENERGY GROUP INC.

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

DOCUMENT SALE APPROVAL AND VESTING ORDER



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Norton Rose Canada LLP
3700, 400 - 3rd Avenue SW
Calgary, AB T2P 4H2
Telephone: (403) 267-8399
Facsimile: (403) 264-5973
Email: kevin.barr@macleoddixon.com

I hereby certify this to be a true copy of
the original Order
Dated this 9 day of July 2012
for Clerk of the Court

Attn: Kevin E. Barr
File No.: 284665

DATE ON WHICH ORDER WAS PRONOUNCED: Jul 5, 2012

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable T.F. McNaughton

SALE APPROVAL AND VESTING ORDER

UPON THE APPLICATION of counsel to Ernst & Young Inc. in its capacity as Court-appointed receiver (the "**Receiver**") of the assets, undertakings and property of X-Treme Energy Group Inc. (the "**Debtor**"); **AND UPON HAVING READ** the pleadings, proceedings, orders and other materials filed in this action, including the First Report of the Receiver, filed (the "**First Report**") and the Confidential Addendum to the First Report (the "**Confidential Addendum**"); **AND UPON HEARING** counsel for the Receiver and from any other interested persons who may be present, including the purchaser; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this application; **AND WHEREAS** all capitalized terms not defined herein shall take the meaning ascribed to

them in the APA (as that term is defined below); **AND UPON IT APPEARING** that the sale of the Purchased Assets (as that term is defined below) as proposed is just, fair and appropriate in all the circumstances;

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 time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTIONS

2. The Asset Purchase Agreement (the "APA") attached to the Confidential Addendum, including the sale of the Purchased Assets (as that term is described in the APA) is hereby approved and ratified, and it is hereby declared that the APA is commercially reasonable.
3. The Receiver is authorized to conclude the transactions contemplated by the APA (the "Transactions") and to take all such steps and execute all such deeds, documents and instruments as may reasonably be necessary to consummate the Transactions in accordance with the APA, subject to such amendments as the parties thereto may approve which do not materially and adversely alter the Transactions.

VESTING OF PROPERTY

4. Upon closing of the Transactions and the issuance of the New Title (as defined below), all of the Debtor's right, title and interest, estate and equity of redemption of the Debtor, if any, in and to the Purchased Assets shall, without further instrument of transfer or assignment, vest in the Purchaser as contemplated by the APA, absolutely and forever, free and clear of and from any and all claims by, through, or under the Debtors, and any of them, and free and clear of and from any and all estate, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtor whether or not they have attached or have been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "Claims"), excepting only the

Permitted Encumbrance (as that term is described in the APA), and whether such Claims came into existence prior to, subsequent to, or as a result of any previous order of this Court, by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the "Claimants"), including for greater certainty and without limiting the generality of the foregoing: (i) the Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order of this Court in these proceedings. For greater certainty and in no way limiting the foregoing, subject to the Claimants under the Permitted Encumbrances, the Purchasers (as that term is described in the APA) shall, by virtue of the completion of the Transactions, have no liability of any kind whatsoever to any Claimants to the Purchased Assets and/or the Debtors, or either of them.

5. The Transactions shall not be void or voidable at the instance of Claimants and shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, and the Transactions, or any actions taken in connection therewith, shall not constitute conduct meriting an oppression remedy.
6. The Receiver is authorized and directed to deliver to the Purchasers at the closing of the Transactions an instrument of transfer of the Purchased Assets signed by the Receiver, along with all specific conveyances necessary to convey title to the Purchased Assets to the Purchasers or the Purchasers' nominee and to complete the Transactions, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Purchased Assets to the Purchasers or the Purchasers' nominee.
7. For greater certainty and in no way limiting paragraph 6, upon the delivery of a certified copy of this Vesting Order to the Registrar of Land Titles for the South Alberta Land Registration District (the "**Registrar**") and a written request from the Receiver or the Receiver's counsel to do so, the Registrar shall:
 - (a) cancel certificates of title to the real property listed in Schedule "A" (the "**Real Property**");

- (b) issue a new certificate of title to the Real Property in the name of the Purchasers or their nominee (the "**New Title**"), which shall include the encumbrances listed in Schedule "B" to this Vesting Order; and
 - (c) discharge any and all of the encumbrances from the New Title that are not listed in Schedule "B" to this Vesting Order.
- 8. The Registrar shall perform the steps specified in paragraph 7 of this Vesting Order:
 - (a) in the order specified in paragraph 7 of this Vesting Order; and
 - (b) notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4 (the "LTA").
- 9. Upon the Registrar completing the steps identified in paragraphs 7 and 8 of this Vesting Order, the Registrar shall forthwith make available to the Purchasers' counsel a certified copy of the New Title.

NET PROCEEDS

- 10. The Receiver shall hold the proceeds from the sale of the Purchased Assets, less closing costs of the Receiver (the "**Net Proceeds**") pursuant to and in accordance with the terms of this Vesting Order.
- 11. The Net Proceeds shall stand in the place and stead of the Purchased Assets and any Claimants may assert their Claims against the Net Proceeds with the same right and priority that the Claimants had against the Purchased Assets immediately prior to the sale of the Purchased Assets, as if the Purchased Assets had not been sold and remained in the possession and control of the Debtor.
- 12. The Net Proceeds shall not be disbursed by the Receiver unless an Order allowing for a disbursement of the Net Proceeds is issued by this Court.

ASSIGNMENT OF POPLAR GROVE LEASE

- 13. The assignment to the Purchasers of the Debtor's interest in the Poplar Grove Lease (as that term is described in the APA) executed between Poplar Grove Property Development Inc. and the Debtor (October 14, 2008) is approved.

ENCUMBRANCES

14. Upon the granting of this Vesting Order, the Receiver shall serve a copy of the Receivership Order and this Vesting Order on each of the holders of registrations (as of the date of this Vesting Order) under the LTA against the Real Property and registrations under the *Personal Property Security Act*, RSA 2000, c P-7 against the Debtor (collectively, the "Registrants").
15. To the extent the Registrants are unsatisfied with this Vesting Order, the Registrants may file an application (on reasonable notice to the Receiver and the Debtor) seeking to amend or strike this Vesting Order (the "**Registrant Application(s)**"). The Registrant Application(s), if any, must be filed on or before July 12, 2012 and heard on or before July 17, 2012. Registrants that do not file a Registrant Application on or before July 12, 2012 are hereby deemed to have consented to this Vesting Order.
16. This Honourable Court hereby requests the aid and recognition of any court or administrative body in any province of Canada, the Federal Court of Canada, any administrative tribunal or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body or any other foreign courts to act in aid of and to be complimentary to this Court in carrying out the terms of this Order.
17. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier and, if served by facsimile or courier, service is deemed to be effected the next business day following the transmission or delivery of such documents. The Receiver shall post a PDF copy of this Vesting Order on the Receiver's website at:

<http://documentcentre.eycan.com/Pages/Main.aspx?SID=246>
18. Except as otherwise provided herein, service of this Order on any party not attending this application is hereby dispensed with.
19. The Receiver and/or the Purchasers are at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

T.F. McArthur

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

REAL PROPERTY

LEGAL DESCRIPTION	TITLE NUMBER
PLAN 7921753 BLOCK 71 LOT U1 EXCEPTING THEREOUT ALL MINES AND MINERALS	062 475 556
PLAN 0420312 BLOCK 71 LOT 15 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.661 HECTARES (1.63 ACRES) MORE OR LESS	062 475 280 +1
LEGAL DESCRIPTION PLAN 0420312 BLOCK 71 LOT 14 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.661 HECTARES (1.63 ACRES) MORE OR LESS	062 475 280
PLAN 7921753 BLOCK 71 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.66 HECTARES (4.1 ACRES) MORE OR LESS	062 475 556 +1
PLAN 0624793 BLOCK 71 LOT 18 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 0.607 HECTARES (1.5 ACRES) MORE OR LESS	062 481 118 +1
PLAN 0624793 BLOCK 71 LOT 17 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.867 HECTARES (4.61 ACRES) MORE OR LESS	062 481 118

Schedule "B"

Permitted Encumbrances

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
1005PC	15/11/1966	EASEMENT
6783UG	17/12/1973	EASEMENT
792 168 155	18/07/1979	UTILITY RIGHT OF WAY
852 097 637	15/05/1985	UTILITY RIGHT OF WAY
922 091 831	07/04/1992	CAVEAT
042 028 223	19/01/2004	UTILITY RIGHT OF WAY
042 028 224	19/01/2004	UTILITY RIGHT OF WAY
042 072 363	19/02/2004	CAVEAT RE: RIGHT OF WAY AGREEMENT, ETC.
042 083 606	26/02/2004	UTILITY RIGHT OF WAY
112 014 484	17/01/2011	UTILITY RIGHT OF WAY

SCHEDULE B

In the Matter of the Receivership of X-treme Energy Group Inc.
 Forecasted Cash Flow from operations and sale of assets (before professional fees)

		Forecast	Forecast	Forecast	Forecast
	Cumulative actual results to September 30, 2012	31-Oct-12	30-Nov-12	31-Dec-12	thereafter
For the week ended					
Cash, Balance Forward	-	1,296,964	1,274,771	354,389	320,889
Net Cash	-	1,296,964	1,274,771	354,389	320,889
AP - direct costs	(827,057)				
Environmental clean up					
Refunds of deposits	24,160				
Payables as of June 29					
Indirect - including consumables	(250,469)				
Sub-total Materials	(853,366)	-	-	-	-
SG&A	(2,344)				
GST Recoverable	(100,858)				
Payroll and source deductions	(2,354,845)				
Retention bonus paid	(506,983)				
Vacation	(137,197)				
Monthly obligations (Insurance, consultant Mexico, rent Innisfail) (Note 1)	(1,218,298)	(104,101)	(33,500)	(33,500)	(33,500)
Environmental clean up (contingency) (Note 2)	(5,000)				(250,000)
Interest and bank charges	(2,842)	(18,000)			
GST payable			(209,752)		
Provision for unknowns					
Unpaid invoices and charges (Note 3)		(122,189)	(8,200)		(50,000)
Total Non-Discretionary Payments	(5,181,534)	(244,290)	(251,452)	(33,500)	(333,500)
Accounts Receivable billed (Note 4)	5,809,567				
Funds advanced under Receiver Certificate #1	668,930		(668,930)		200,000
SRED 2010 AB					
SRED 2011 and 2012 AB and Fed (Note 5)					50,000
Reimbursement from Purchaser (Note 6)		222,098			
Total Collections (Note 7)	6,478,497	222,098	(668,930)	-	250,000
Net cash variance	1,296,964	(22,193)	(920,382)	(33,500)	(83,500)
Cash, ending balance	1,296,964	1,274,771	354,389	320,889	237,389

Note 1 - Includes anticipated out-of-pocket expenses to safeguard and secure Excluded Assets.

Note 2 - Includes maximum estimate for potential Environmental clean up costs of \$250,000.

Note 3 - Includes \$100,000 provision for costs to remedy re pending resolution / settlement with landlord.

Note 4 - Includes realization from Tough Enough of approximately \$200,000 to which some collection risk still remains.

Note 5 - Includes \$50,000 for SRED 2011 and 2012 claims yet to be filed. Collection will likely be after January 2013.

Note 6 - Includes reimbursement for incremental costs incurred after July 1, 2012, adjusted for amount paid at closing.

SCHEDULE C

COURT FILE NUMBER 1101-12738

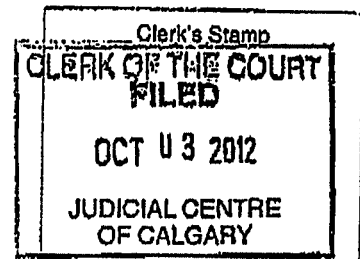
COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ADT PETROSERVICIOS, S.A. DE C.V.

DEFENDANTS X-TREME ENERGY GROUP, INC., BRIAN EDWARD GIBBS, AXIOM OILFIELD SOLUTIONS LTD., ABC CORP. AND HSBC BANK CANADA

DOCUMENT AMENDED STATEMENT OF CLAIM



ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

PEACOCK LINDER & HALT LLP

Suite 850, 400 - 3rd Avenue SW

Calgary, Alberta T2P 4H2

Peter T. Linder, Q.C.

Telephone (403) 296-2282

Fax (403) 296-2299

FILE: 4787

AMENDED this 3 day of
October 2012 Pursuant to
Rule 3.762
dated the 3 day of October

NOTICE TO DEFENDANTS: X-TREME ENERGY GROUP, INC., BRIAN EDWARD GIBBS, AXIOM OILFIELD SOLUTIONS LTD., ABC CORP. AND HSBC BANK CANADA

You are being sued. You are a defendant.

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

The Parties

1. The Plaintiff, ADT Petroservicios, S.A. de C.V. ("ADT") is a Mexican company, duly incorporated and validly existing pursuant to the laws of Mexico.
2. The Defendant, X-Treme Energy Group, Inc. ("X-Treme") is a company duly incorporated pursuant to the laws of Alberta and carrying on business in Alberta, having its head office located in Red Deer, Alberta. X-Treme is vicariously liable for the acts of its employee and officer, Brian Edward Gibbs.
3. The Defendant, Brian Edward Gibbs ("Gibbs") was the President and Chief Executive Officer of the Defendant, X-Treme.

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4. The Defendant, Axiom Oilfield Solutions Ltd. ("Axiom") is an Alberta corporation, Gibbs and the HSBC Agent (defined below) have a personal interest in or otherwise derive personal gain from their involvement in Axiom.

^ 5. The Defendant, ABC Corp., is understood by the Plaintiff to be a corporation in which Gibbs has a personal interest or in which Gibbs is otherwise involved. X-Treme, Gibbs, Axiom and ABC Corp. shall be collectively referred to as the "X-Treme Defendants".

^ 6. The Defendant, the HSBC Bank Canada ("HSBC") is a bank having an office in Calgary, Alberta and carrying on business in the province of Alberta and elsewhere.

Background and Statement of Facts Relied Upon

- ^ 7. In and around 2009, ADT and X-Treme participated together as a joint venture and consortium for the purposes of bidding on a project (the "Bid") to supply five drilling rigs to Pemex Exploracion Y Produccion ("Pemex"), a subsidiary entity of the Mexican state-owned petroleum company. As a result of their successful bid, ADT, X-Treme and Pemex entered into an agreement entitled: "Asset Purchase and Services Agreement for the Acquisition of Five New Rigs, with a Capacity of 750-HP, including their Installation, Pre-start-up, Start-up and Maintenance for the Northern Division", having Pemex contract number 424029001 (the "Pemex Contract").
- ^ 8. Further to the Pemex Contract, ADT and X-Treme entered into a Joint Participation Agreement dated November 11, 2009. The Joint Participation Agreement was amended by way of the First Amendment to the Joint Participation Agreement dated May 18, 2010 ("The First Amendment") and the Second Amendment to the Joint Participation Agreement dated August 30, 2010 (the "Second Amendment"). The Joint Participation Agreement as amended by the First Amendment and the Second Amendment shall be referred to as the "JPA".
- ^ 9. Capitalized terms not otherwise defined herein, shall have the same meaning as defined in the JPA. ADT will rely on the full terms of the Pemex Contract and the JPA at the trial of this matter.
- ^ 10. At all times, X-Treme and Gibbs represented to ADT that X-Treme had the knowledge, experience and economic and other resources required to fulfil its obligations under the Bid, the Pemex Contract and the JPA. These representations were and are patently false.
- ^ 11. Further, X-Treme and Gibbs represented and agreed that X-Treme would obtain financing to be used solely to finance the fabrication and construction of the Rigs (the "Rig Financing"). The Rig Financing was provided by the HSBC and was to be guaranteed by ADT pursuant to a Limited Recourse Guarantee made as of June 15, 2010 between ADT and the HSBC (the "Limited Recourse Guarantee").
- ^ 12. In addition, in accordance with the terms of the JPA, ADT agreed to and did advance to X-Treme the sum of USD\$11,221,130.00 (the "ADT Advances"). ADT also paid \$5,000,000.00 to third party subcontractors on behalf of X-Treme (the "ADT Third Party Payment") and incurred additional VAT and importation charges with respect to the Rigs

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(collectively, the "Importation Charges"). The ADT Advances, the ADT Third Party Payment and the Importation Charges were to be repaid to ADT out of the funds payable to X-Treme pursuant to the Pemex Contract or otherwise pursuant to the Pemex Contract.

^ 13. At all times, it was agreed and represented by X-Treme and Gibbs that the Rig Financing and the ADT Advances would be used solely for the purposes of the construction of the Rigs (the "Financing Representations"). X-Treme and Gibbs made the Financing Representations fraudulently, recklessly or negligently and with the intent that ADT would rely on the representations and advance the ADT Advances to X-Treme and guarantee the Rig Financing. ADT relied on the representations of X-Treme and Gibbs, thereby causing ADT loss and damage.

^ 14. Contrary to their express agreement and representations, X-Treme and Gibbs violated the terms of the Rig Financing and the ADT Advances, in fraudulently using the Rig Financing and the ADT Advances for purposes other than the construction of the Rigs including, but not limited to:

- (a) other projects that had been undertaken by X-Treme;
- (b) the personal accounts of Gibbs and his corporations, including ABC Corp.;
- (c) the purchasing of parts, equipment or services at prices well above market value from Axiom or ABC Corp., companies in which Gibbs and the HSBC Agent, had a personal interest;
- ^ (d) to the works of ABC Corp.; and
- ^ (e) such further and other improper uses as may be proven at trial.

(collectively, the "Improper Uses").

15. In particular, X-Treme and Gibbs used the ADT Advances and the Rig Financing to construct the first rig to be delivered under the Pemex Contract ("Rig #1"). However, notwithstanding that Rig #1 was constructed using the ADT Advances and the Rig Financing, X-Treme and Gibbs improperly transferred Rig #1 to another X-Treme customer for the sole benefit of X-Treme and to the detriment of ADT.

16. The transfer of Rig #1 to another customer was improper and constituted:

- (a) a breach by X-Treme of its contractual obligations to ADT;
- (b) a breach of X-Treme and Gibbs' representations to ADT that the ADT Advances and the Rig Financing would only be used for the construction of the Rigs for the Pemex Contract; and
- (c) a breach of the terms of the Rig-Financing.

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17. Further, X-Treme and Gibbs used the ADT Advances and Rig Financing to purchase parts, equipment or services from Axiom and ABC Corp., or one or more of them. The parts, equipment or services purchased by X-Treme from Axiom and ABC Corp. were purchased at prices far in excess of market value. Gibbs and the HSBC Agent or parties related to them, had a personal interest in, were shareholders or otherwise derived personal benefits from X-Treme's fraudulent purchases from Axiom and ABC Corp.
- ^ 18. Further, pursuant to clause 4.1 of the JPA, X-Treme covenanted *inter alia*, that:
- (a) it would design, engineer and construct five 750-HP onshore rigs (the "Rigs"), which shall duly comply with the specifications and characteristics established by Pemex and with the technical specifications established in the quotation that formed part of the Bid and an integral part of the Pemex Contract (collectively, the "Pemex Specifications"); and
 - (b) it would use its best efforts to meet certain agreed upon deadlines for the delivery of the Rigs (the "Delivery Deadlines").
- ^ 19. As more particularly set out below, X-Treme failed in all respects to perform under the JPA and breached the JPA, depriving ADT of the benefits it had contracted for under the Pemex Contract and the JPA. Specifically, not one of the five Rigs were delivered in accordance with the Pemex Specifications and not one of the five Rigs were delivered in accordance with the Delivery Deadlines expressly agreed to by X-Treme.
- ^ 20. In fact, at no time was X-Treme ever in compliance with the Delivery Deadlines. Although two rigs were ultimately delivered to ADT, the rigs did not comply with the Pemex Specifications, and the rigs were not delivered in compliance with the Delivery Deadlines, such that the rigs were rejected by Pemex.
- ^ 21. On or about March 29, 2011, as a result of X-Treme's failure to meet the Delivery Deadlines and the Pemex Specifications, Pemex issued a notice of the termination of the Pemex Contract (the "Pemex Termination Notice"). Pursuant to the Pemex Contract, Pemex had agreed to jointly pay to ADT and X-Treme the amount of USD\$90,860,000.00 plus the VAT with respect to the Rigs (the "Pemex Contract Amount"). Pursuant to the JPA, it was agreed that ADT would be entitled to payment of USD\$18,291,545.00 of the Pemex Contract Amount and ADT would be paid for training of Pemex employees, for maintenance and other going forward services provided by ADT to Pemex (the "ADT Pemex Payments").
- ^ 22. As a result of the Pemex Termination Notice issued because of the defaults by X-Treme, ADT has lost the benefit of the ADT Pemex Payments and the reimbursement of the VAT.
- ^ 23. Further, pursuant to clause 9.1 of the JPA, ADT agreed and did provide to Pemex a "performance and quality and hidden flaws bond" required under the Pemex Contract (the "Performance Bond"). As required by the Pemex Contract, the Performance Bond was posted with Pemex by ADT in the amount of USD\$9,086,000. As a result of the X-

Treme's breach of the JPA and the Pemex Contract, Pemex has claimed that it is entitled to payment under the Performance Bond.

- [^] 24. ADT is a Mexican company that provides services in the petroleum industry. Pemex is a subsidiary of Mexico's state run petroleum company. Pursuant to Mexican law, as a result of the issuance of the Pemex Termination Notice, Pemex, and its related companies, may be barred from contracting with ADT for a 1 year period. As such, ADT will lose significant profits on a go-forward basis because of the inability to contract with Pemex in the future, in an amount to be proven at trial (the "Pemex Future Losses").

Fraud and Breach of Contract by X-Treme

- [^] 25. At all times, X-Treme contracted with and, together with Gibbs, represented to ADT that the Rig Financing and the ADT Advances would be used solely for the purposes of funding the fabrication and construction of the Rigs under the Pemex Contract.
- [^] 26. In breach of the JPA, the Rig Financing and ADT Advances were fraudulently used by X-Treme and Gibbs for purposes other than the engineering and construction of the Rigs under the Pemex Contract and, instead, the Rig Financing was diverted to the other Improper Uses. Despite repeated requests by ADT, X-Treme has failed to provide an accounting of the Rig Financing or ADT Advances.

X-Treme Failed to Provide Rigs that Met the Pemex Specifications

- [^] 27. Further, pursuant to clause I.4 of the JPA, X-Treme expressly contracted and represented that it had sufficient experience, knowledge, and administrative, economic and other resources to perform its obligations under the JPA and the Pemex Contract. Further, pursuant to clause 4.1(i) of the JPA, X-Treme agreed and covenanted to provide the design, engineering and construction of the Rigs in due compliance with the Pemex Specifications.
- [^] 28. Further, pursuant to clauses 4.1(v) and 4.3, X-Treme covenanted that the Rigs would be free from defects in material and workmanship and that it would perform its obligations under the Pemex Contract, including but not limited to the manufacture of the Rigs, in a diligent, skillful and workmanlike manner in compliance with the agreed scope and terms of the Pemex Contract and in accordance with sound and generally accepted industry standards.
- [^] 29. In breach of its express covenants under the JPA, X-Treme failed to provide any of the 5 Rigs in compliance with the Pemex Specifications and the JPA or to design, engineer and construct the Rigs in a diligent, skillful and workmanlike manner or in accordance with sound and generally accepted industry standards.
- [^] 30. Specifically, prior to August 2, 2010, ADT conducted an inspection of the Rigs being constructed by X-Treme. As a result of the inspection, it was discovered by ADT that the Rigs were built in flagrant disregard and breach of the Pemex Specifications. On August 2, 2010, ADT wrote to X-Treme to advise it of the serious non-compliance of the Rigs

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with the Pemex Specifications (the "Rig Defect Letter"). ADT identified ten pages of and 55 instances in which the Rigs failed to comply with the Pemex Specifications.

- ^ 31. Pursuant to clause 4.3 of the JPA, X-Treme agreed that if it failed to complete its work in compliance with the agreed scope and terms of the Pemex Contract, it shall perform such corrective measures as established in the Pemex Contract, in order to correct any such deficiencies. Notwithstanding the receipt of the Rig Defect Letter, and in further breach of its obligations, X-Treme failed to correct the deficiencies.

X-Treme Failed to Meet the Contractual Delivery Deadlines

- ^ 32. Pursuant to the JPA, X-Treme expressly contracted to use its best efforts to deliver the Rigs to ADT in accordance with the agreed upon delivery schedule. Notwithstanding that the Delivery Schedule was extended on at least two occasions, X-Treme at no time was ever in compliance with the Delivery Deadlines and failed to use best or even reasonable efforts to meet the schedule. Ultimately, X-Treme failed to deliver the Rigs to ADT as required by the Delivery Deadlines, causing Pemex to issue the Pemex Termination Notice.

X-Treme Breached its Duty of Good Faith

- ^ 33. X-Treme owed a duty of good faith to ADT in carrying out its obligations under the JPA and the Pemex Contract. Further, X-Treme expressly covenanted pursuant to clause 6.6 of the JPA that it shall at all times deal in good faith with ADT in relation to the performance of the Pemex Contract.
- ^ 34. In diverting the ADT Advances and Rig Financing to Improper Uses, and in failing to construct the Rigs in accordance with the Pemex Specifications and the Delivery Deadlines, X-Treme breached its duty of good faith owed to ADT.

ADT has Suffered Damages as a Result of the Breach of Contract of X-Treme

- ^ 35. X-Treme breached its covenants and obligations under the JPA, thereby depriving ADT of the benefits it had contracted for under the Pemex Contract and the JPA and causing ADT to suffer significant damages.
- ^ 36. As a result of the breach of contract and fraud by X-treme, ADT has incurred the following losses, damages and expenses and is entitled to reimbursement and payment by the X-Treme Defendants, jointly and severally, of:
- (a) the ADT Advances;
 - (b) the ADT Third Party Payment;
 - (c) the Importation Charges;
 - (d) the Pemex Bond;

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- (e) the ADT Pemex Payment;
- (f) the Pemex Future Losses; and
- (g) such further and other amounts as may be proven at trial (all collectively, the "ADT Damages").

[^] 37. Further, pursuant to clause 23.6 of the JPA, X-Treme expressly agreed and covenanted to indemnify ADT for any liabilities owed to Pemex or to third parties as a result of its breach of the JPA. Specifically, clause 23.6 provides:

23.6 Pemex Contract Liabilities

Notwithstanding any provisions to the contrary set forth herein, the Defaulting Party [X-Treme] in default of its Scope of Work pursuant to Clause Fourth herein, shall release, defend, indemnify and hold harmless the Non-defaulting Party [ADT] and its respective parent, subsidiary and affiliated companies from and against the following liabilities, if any:

...

(b) any liability owed to Pemex arising out of or related to the breach by the Defaulting Party or the completion of the Defaulting Party's Scope of Work, including but not limited to the payment of any liquidated damages under the Pemex Contract (except with respect to (y) [sic] the enforcement of the Performance Bond by Pemex which shall be solely assumed by ADT, despite the cause of the breach of contract, unless caused by willful misconduct or bad faith of X-Treme, and (z) [sic] in case of section 23.8 below);

(c) any liability to third parties and subcontractors arising out of or related to the breach by the Defaulting Party or the completion of the Defaulting Party's Scope of Work...

[^] 38. Further, pursuant to the Second Amendment of the JPA, X-Treme expressly covenanted and agreed that if it failed to meet the delivery deadlines set out in Exhibit "A" to the Second Amendment, X-Treme would assume 100% of the liquidated damages imposed and collected by Pemex under the Pemex Contract. Payment of liquidated damages to Pemex was secured by the Pemex Bond paid by ADT to Pemex.

[^] 39. X-Treme failed to meet any of the Delivery Deadlines including but not limited to those set out in the Second Amendment. Accordingly, X-Treme is liable to ADT for 100% of the liquidated damages claimed by Pemex and is obligated to reimburse ADT for the payment to Pemex of the Pemex Bond.

[^] 40. Given the above breaches of the JPA, X-treme has breached, fundamentally breached and repudiated the JPA. As such, ADT seeks a declaration that ADT is relieved of its obligations to X-treme under the JPA.

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Misrepresentations With Respect to the Rigs

[^] 41. X-Treme and Gibbs fraudulently, recklessly or negligently represented to ADT that:

- (a) X-Treme had sufficient experience, knowledge and administrative, economic and other resources to perform its obligations under the JPA and Pemex Contract;
- (b) X-Treme would engineer and construct the Rigs in accordance with the Pemex Specifications and in a diligent, good and workmanlike manner in accordance with industry standards;
- (c) X-Treme would meet and comply with the Delivery Deadlines; and
- (d) the ADT Advances and the Rig Financing would only be used for the construction of the Rigs (all collectively the "Representations").

[^] 42. The Representations were made by X-Treme and Gibbs to induce ADT to enter into the JPA and fund the ADT Advances. The Representations were made by Gibbs and X-Treme with the intent that ADT would rely on such Representations. ADT did rely upon the Representations to the detriment of ADT and as a result, ADT has suffered damages including the ADT Damages for which X-Treme and Gibbs are jointly and severally liable.

X-Treme Breached its Fiduciary Duties Owed to ADT

[^] 43. Further, in entering into the Joint Venture and Consortium with ADT, X-Treme owed fiduciary duties to ADT. Further, X-Treme had the scope for and did unilaterally exercise a discretion and power so as to affect ADT's legal and practical interests, such that ADT was peculiarly vulnerable to X-Treme. Accordingly, X-Treme owed ADT fiduciary duties. In diverting the ADT Advances and the Rig Financing to the Improper Uses, and failing to manufacture or deliver the Rigs in accordance with the Pemex Specifications and the Delivery Deadlines, X-Treme breached its fiduciary duties owed to ADT and is liable to ADT for the ADT Damages.

[^] 44. Gibbs and ABC Corp. knowingly, willfully and intentionally assisted X-Treme and participated in the breach of fiduciary duties by X-Treme and therefore are jointly and severally liable with X-Treme for the ADT Damages.

X-Treme and Gibbs Induced the Breach of the Pemex Contract

[^] 45. X-Treme and Gibbs were aware of the existence of the Pemex Contract. In diverting the ADT Advances and the Rig Financing to the Improper Uses with the result that X-Treme did not and was not able to perform its obligations under the Pemex Contract and the JPA, Gibbs and X-Treme wrongfully interfered with and induced the breach of the Pemex Contract causing ADT to incur the ADT Damages. X-Treme and Gibbs are liable to ADT for the ADT Damages.

The X-Treme Defendants have been Unjustly Enriched

- ^ 46. As a result of the misappropriation of the ADT Advances, the X-Treme Defendants have been unjustly enriched and ADT has been correspondingly deprived in circumstances where there is a no juristic reason for the enrichment of the X-Treme Defendants. As such, ADT is entitled to and seeks a tracing order and a constructive trust over the ADT Advances that have been wrongfully misappropriated by the X-Treme Defendants.

The X-Treme Defendants are Liable in a Conspiracy

- ^ 47. In diverting the ADT Advances and Rig Financing to the Improper Uses, the X-Treme Defendants acted in consort, with a common design, and using unlawful means in circumstances where the X-Treme Defendants knew or should have known that injury to ADT would result. As a result of the conspiracy of the X-Treme Defendants, ADT has incurred the ADT Damages and the X-Treme Defendants are jointly and severally liable to ADT for the ADT Damages.

The X-Treme Defendants Have Converted the Property of ADT

- ^ 48. In using the ADT Advances for the Improper Uses, the X-Treme Defendants have converted the property of ADT to their own use and benefit and, as such, are jointly and severally liable to ADT for the ADT Damages.

The Limited Recourse Guarantee is of No Force and Effect and the HSBC is Liable for Damages

- ^ 49. Pursuant to the JPA, it was agreed that X-Treme would obtain Rig Financing for the fabrication and construction of the Rigs under the Pemex Contract. On or about May 21, 2010, X-Treme obtained \$40,000,000.00 in Rig Financing from the HSBC.
- ^ 50. At all material times, it was agreed and represented to ADT by X-Treme, Gibbs and the HSBC that the Rig Financing would be provided by the HSBC and used by X-Treme solely to finance the fabrication and construction of the Rigs. Further, at all material times, it was agreed and represented by X-Treme, Gibbs and the HSBC that in agreeing to the Limited Recourse Guarantee, ADT would only be responsible to guarantee those funds forwarded to X-Treme and used for the sole purpose of fabricating and constructing the Rigs.
- ^ 51. Pursuant to the Letter Agreement executed between the HSBC and X-Treme dated May 21, 2010 (the "Letter Agreement"), the HSBC and X-Treme expressly agreed and represented that the Rig Financing was being provided and would only be provided to X-Treme solely to finance the costs of fabrication and construction of the Rigs and for no other purpose. Further, the HSBC required as a term of the Rig Financing and X-Treme agreed that it would use the Rig Financing and the proceeds thereof solely for the purposes of financing the costs of the construction of the Rigs.
- ^ 52. ADT denies that it signed the Limited Recourse Guarantee or, in the alternative, that the Limited Recourse Guarantee is effective or enforceable. In the further alternative, ADT relied on the representations of X-Treme, Gibbs and the HSBC including the

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representations contained in the terms of the Letter Agreement between the HSBC and X-Treme^ in providing the Limited Recourse Guarantee.

- ^ 53. The representations made by X-Treme, Gibbs and the HSBC were made with the intention that ADT would rely upon the representations and agree to guarantee the debts of X-Treme in favour of the HSBC. ADT and X-Treme are arm's length, unrelated corporations. ADT only agreed to and did enter into the Limited Recourse Guarantee in reliance on the representations of X-Treme, Gibbs and the HSBC.
- ^ 54. X-Treme and Gibbs fraudulently, recklessly or negligently represented to ^ ADT that the Rig Financing would only be used for the purposes of constructing the Rigs. X-Treme and Gibbs breached their representations to ADT in diverting the Rig Financing from the Rigs to Improper Uses, and as such are liable to ADT for the ADT Damages and for any amounts for which ADT is liable to the HSBC under the Limited Recourse Guarantee, which liability of ADT to the HSBC is not admitted but is expressly denied.
- ^ 55. The HSBC knew or ought to have known that X-Treme was and had been diverting the Rig Financing to the Improper Uses in breach of the HSBC, X-Treme and Gibbs's Representations. Further, or in the alternative, the HSBC advanced funds and continued to advance funds to X-Treme with the knowledge that the funds were being used by X-Treme for the Improper Uses and for purposes other than for the Rigs.
56. ^ In particular, the HSBC^, through its agents, had express knowledge and participated in the improper delivery and conversion of Rig #1 from the Pemex Contract ^ to its use ^ in another contract by X-Treme. Further, HSBC knew, acquiesced and participated in X-Treme's use of the Rig Financing ^ to supply, equip and construct rigs for other X-treme ^ contracts.
57. The knowledge, acquiescence and active participation by the ^ HSBC and its agents in the use and conversion of the Rig Financing into other X-treme projects constituted a breach of the HSBC's representations ^ to ADT that the ^ Rig Financing would only be used ^ to construct the Rigs^ under the Pemex Contract.
- ^ 58. Further, the conversion of Rig #1 to ^ uses other than under the ^ Pemex Contract constituted a material alteration or breach of the ^ principal contract between X-Treme and the HSBC and, as such, the Limited Recourse Guarantee is invalid, void, of no force or effect and ADT is released and discharged from all of its obligations under the Limited Recourse Guarantee.
- ^ 59. The use of funds by X-Treme and Gibbs for purposes otherwise than the construction of the Rigs constituted a material alteration or breach of the principal contract between X-Treme and the HSBC. Through the course of dealing and without the knowledge of ADT, there were additional, material alterations or breaches of the principal contract between X-Treme and the HSBC. At no time was ADT advised of nor did ADT consent to any such alterations to or breaches of the principal contract between X-Treme and the HSBC.
- ^ 60. Further, it was a term of the Letter Agreement that the HSBC would not advance funds unless, as a condition precedent, X-Treme was in compliance with its obligations under

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the Pemex Contract and the JPA including without limitation with the Rig Delivery Schedule, as that term was defined in the Letter Agreement. In advancing funds ^ when it knew or ought to have known that X-Treme was in breach of the terms of the Pemex Contract, the JPA and the Rig Delivery Schedule, the HSBC breached and varied the terms of the principal agreement between the HSBC and X-Treme.

^ 61. As a consequence of the above, the Limited Recourse Guarantee is invalid, void, of no force or effect and ADT is released and discharged from all of its obligations under the Limited Recourse Guarantee. Further or in the alternative, the HSBC is estopped from relying on the Limited Recourse Guarantee and has waived its rights to rely on and enforce the Limited Recourse Guarantee.

^ 62. ^ Further or in the alternative, ADT agreed to guarantee only those funds provided to and used by X-Treme solely for the construction of the Rigs. Financing provided by the HSBC and used by X-Treme for the Improper Uses were not subject to the Limited Recourse Guarantee, were outside the scope of the Limited Recourse Guarantee and accordingly, were not guaranteed by ADT pursuant to the Limited Recourse Guarantee. ADT seeks a declaration that the Guarantee does not apply to any such funds applied to the Improper Uses.

The HSBC breached its duty of care owed to ADT

63. Further, or in the alternative, as the HSBC was aware that ADT was only guaranteeing funds forwarded to X-Treme for the sole purpose of carrying out the Pemex Contract and the JPA, the HSBC owed a duty to ADT to use reasonable care and diligence to inquire into and ensure that the Rig Financing was being used by X-Treme in compliance with the terms of the representations and agreement made with ADT that the funds be used solely for the purposes of constructing the Rigs. In failing to do so, the HSBC breached its duty of care owed to ADT and, further, breached its duty to warn ADT of the breaches and improper conduct being perpetrated by X-Treme and Gibbs.

64. HSBC advanced the full \$40 million of Rig Financing to X-Treme in circumstances where not one single Rig was completed to the Pemex Contract specifications and where only 2 of 5 of the Pemex Rigs were even partially completed by X-Treme. HSBC was negligent and breached its duty of care owed to ADT in failing to have adequate, reasonable or any controls in place in the release of the Rig Financing to X-Treme.

65. Further, the HSBC knew or ought to have been aware that X-Treme:

(a) was participating in a conspiracy with the X-Treme Defendants to defraud X-Treme, ADT and the HSBC by purchasing parts, equipment and services from a related company at prices far in excess of market value;

(b) was using the Rig Financing for projects other than the Rigs for the Pemex Contract;

(c) had improperly converted and diverted the ADT Advances and the Rig Financing into equipment used in other projects;

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- (d) was in breach of the terms of the Rig Financing, including but not limited to the Letter Agreement;
- (e) was in breach of its representations to ADT by which ADT agreed to provide the Limited Recourse Guarantee; or
- (f) otherwise improperly converted and diverted the ADT Advances and the Rig Financing.

The HSBC acquiesced, participated in or was willfully blind to these improper acts of the X-Treme Defendants and continued to advance the Rig Financing funds to X-Treme in the face of the improper conduct of the X-Treme Defendants. As such, HSBC breached its duty of care and its duty to warn owed to ADT. The advances of the Rig Financing to X-Treme by the HSBC in these circumstances constituted a material alteration or breach of the principal contract between X-Treme and the HSBC such that the Limited Recourse Guarantee is invalid, void, of no force or effect and ADT is released and discharged from all of its obligations under the Limited Recourse Guarantee.

- 66. Further or in the alternative, as a result of the breach of the duty of care or duty to warn owed by the HSBC to ADT, the HSBC is liable to ADT for damages in the amount of any liability ADT may have to the HSBC pursuant to the Limited Recourse Guarantee, which liability is expressly denied by ADT, or in an amount to be proven at trial.
- 67. Further, the HSBC engaged as its agent or employee to oversee the release of the Rig Financing to X-Treme an individual (the "HSBC Agent") that it knew or ought to have known was in a conflict of interest. HSBC knew or ought to have known that the HSBC Agent was employed or otherwise engaged by X-Treme as the engineer for the Rigs and that the HSBC Agent had an interest in Axiom, or ABC Corp or both, which supplied parts, equipment or services to X-Treme. The parts, equipment and services were improperly supplied to X-Treme by Axiom at prices far in excess of market value. By appointing as its agent an individual the HSBC knew or ought to have known had a conflict of interest, HSBC breached its duty of care owed to ADT and ADT incurred loss and damages.
- 68. Further, in participating in the supply of parts, equipment or services to X-Treme at prices in excess of market value, the HSBC Agent:
 - (a) acted in breach of the representations made to ADT and the terms of the Letter Agreement; and
 - (b) knew and acted in consort with the X-Treme Defendants, with a common design, and using unlawful means in circumstances where the HSBC Agent knew or should have known that injury to ADT would result.
- 69. Further, the HSBC Agent knew, acquiesced and in some instances also participated in the wrongful conversion of the ADT Advances and Rig Financing, causing injury and damage to ADT.

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70. The HSBC is liable for all the acts and omissions of its agents and employees, including without limitation the acts and omissions of the HSBC Agent.
71. As a result of the conduct of the HSBC and the HSBC Agent for whose conduct HSBC is liable, the HSBC engaged inequitable conduct which resulted in injury to ADT. As a result, the claim of the HSBC against X-Treme and the indebtedness of X-Treme to the HSBC ought to be equitably subordinated to the claim of ADT against X-Treme.
- ^ 72. As a consequence of the execution of the Limited Recourse Guarantee, ADT also entered into a Floating Lien Pledge Agreement (the "Pledge Agreement"), an Irrevocable Security, Administration and Source of Payment Trust Agreement, and a Collection Rights Assignment Agreement (collectively the "Security Agreements"). As a result of the invalidity and unenforceability of the Limited Recourse Guarantee, ADT seeks a declaration that the Security Agreements are of no force and effect and that ADT is no longer bound by the terms of those Agreements.
- ^ 73. Further, and in any event, there was no consideration provided by the HSBC to ADT for the Pledge Agreement and, as such, ADT seeks a declaration that the Pledge Agreement is of no force and effect and ADT is no longer bound by any of the terms of the Pledge Agreement.
- ^ 74. The Limited Recourse Guarantee and the Security Agreements are each a standard form document that was drafted by the HSBC. ADT pleads and relies on the doctrine of *contra proferentem* with respect to the interpretation of the Limited Recourse Guarantee and each of the Security Agreements.

Remedies sought against the Defendants, X-Treme Energy Group, Inc., Brian Edward Gibbs, and ABC Corp. jointly and severally:

- (a) A declaration and judgment that ADT is relieved of its obligations to X-Treme under the JPA;
- (b) A declaration and judgment that X-Treme is vicariously liable for the acts of its employee, Gibbs;
- (c) A Declaration that X-Treme must indemnify and hold harmless ADT from and is solely liable for any and all damages and penalties imposed by Pemex under the Pemex Contract and any costs, fees and expenses (on a solicitor and client basis) incurred by ADT with respect to X-Treme's breach of the JPA and the Pemex Contract;
- (d) Damages in the amount of USD\$11,221,130.00, or the Canadian equivalent thereof, with respect to the ADT Advances;
- (e) Damages in the amount of USD\$5,000,000.00, or the Canadian equivalent thereof, with respect to the ADT Third Party Payment, plus an additional amount to be proven at trial with respect to the Importation Charges;

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- (f) Damages in the amount of US\$9,086,000, or the Canadian equivalent thereof, with respect to the Pemex Bond;
- (g) Damages in the amount of US\$18,291,545.00, or the Canadian equivalent thereof, or such amount as may be proven at trial with respect to the ADT Pemex Payment;
- (h) Damages in an amount to be proven at trial, for reimbursements for VAT and other costs and expenses incurred by ADT;
- ^ (i) An accounting, judgment, tracing order and constructive trust with respect to Rig Financing funds and the ADT Advance received by X-Treme, Gibbs, Axiom and ABC Corp. and any proceeds thereof;
- ^ (j) Damages in an amount to be proven at trial with respect to the Pemex Future Losses;
- ^ (k) Interest pursuant to the *Judgment Interest Act*, R.S.A. 2000, c.J-1; and
- ^ (l) Costs of the within action on a solicitor and his own client basis.

Remedies sought against the Defendant Axiom Oilfield Solutions Ltd.:

- (a) An accounting, judgment, tracing order and constructive trust with respect to Rig Financing funds and the ADT Advance received by Axiom Oilfields Solutions Ltd. and any proceeds thereof;
- (b) Damages in an amount to be proven at trial;
- (c) Interest pursuant to the *Judgment Interest Act*, R.S.A. 2000, c.J-1; and
- (d) Costs of the within action on a solicitor and his own client basis.

Remedies sought against the Defendant the HSBC:

- (a) A declaration and judgment that each of the Limited Recourse Guarantee, the Pledge Agreement, the Trust Agreement and the Collection Agreement are of no force and effect;
- (b) A declaration and judgment that ADT is released from each and all of its obligations under each of the Limited Recourse Guarantee, the Pledge Agreement, the Trust Agreement and the Collection Agreement;
- (c) A declaration and judgment that HSBC is vicariously liable for the acts of its employee and agents;
- ^ (d) In the alternative, a declaration and Judgment that the Limited Recourse Guarantee does not apply to and ADT has not guaranteed any Rig Financing applied by X-Treme to the Improper Uses;

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(e) Further or in the alternative, a declaration that any indebtedness of X-Treme to HSBC is equitably subordinated to the indebtedness of X-Treme to ADT;

^ (f) In the alternative, damages in an amount to be proven at trial;

^ (g) Interest pursuant to the *Judgment Interest Act*, R.S.A. 2000, c.J-1; and

^ (h) Costs of the within action on a solicitor and his own client basis.

WARNING**NOTICE TO THE DEFENDANTS**

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff against you.

SCHEDULE D

X-Treme Energy Group Inc.
 Summary of Ernst & Young Inc. Receiver's invoices

Invoice	Services	CAE	Disbursements	GST	Total
CA0189722317	213,354.00		12,486.81	11,292.04	237,132.85
CA0189713227	108,744.00		768.04	5,475.60	114,987.64
CA0189705467	312,655.00		13,961.25	16,330.81	342,947.06
CA0189708436	91,915.00		12,688.64	5,230.18	109,833.82
CA0189727320	89,767.00		1,354.02	4,556.05	95,677.07
	816,435.00	-	41,258.76	42,884.68	900,578.44

SCHEDULE E

Bill #	Bill Date	Fees	Disbursem	Other	Total Billed	Total Paid	A/R Balance
<u>10122214</u>	06/11/2012	\$14,144.50	\$50.01	\$709.73	\$14,904.24	\$14,904.24	\$0.00
<u>10125361</u>	08/17/2012	\$93,725.50	\$900.42	\$4,731.30	\$99,357.22	\$99,357.22	\$0.00
<u>10126259</u>	09/12/2012	\$36,398.50	\$175.23	\$1,828.69	\$38,402.42	\$38,402.42	\$0.00
<u>10127382</u>	10/05/2012	\$17,371.50	\$244.73	\$877.57	\$18,493.80	\$18,493.80	\$0.00
		\$161,640.00	\$1,370.39	\$8,147.29	\$171,157.68	\$171,157.68	\$0.00

APPENDIX A



Ernst & Young Inc.
Calgary, Alberta

Invoice

Invoice Number: CA0189705467

Date: June 11, 2012

X-Treme Energy Group
8014 Edgar Industrial Crescent
Red Deer, AB T4P 3R3
Canada

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries : 416-943-3851
1-800-311-1104

Client Reference: 16318071

CAD

For professional services rendered from April 29, 2012 to June 1, 2012 in
our capacity as Creditor Advisor in connection with X-treme Energy
Group Inc.

312,655.00

Engagement Related Expenses

13,961.25

Subtotal:

326,616.25

GST 5%:

16,330.81

TOTAL DUE:

\$ 342,947.06

Due to our fiscal year end close, your payment is appreciated prior to June 29, 2012.
Thank You!

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.

GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:

Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst &
Young LLP, Transit #2411 Account #24111000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name &
address of remitter, invoice number & engagement number

X-Treme Energy Group Inc.
From April 29, 2012 to June 1, 2012

Individual	Hrs	Rate	Amount
Neil Narfason	106.9	675	\$ 72,157.50
Bob Taylor	0.1	625	62.50
Neil Honess	76.5	495	37,867.50
Debbie Conroy	218.0	495	107,910.00
Miguel Rodrigues	217.5	395	85,912.50
Robert Ferguson	1.1	225	247.50
Jessica Caden	32.3	225	7,267.50
Grace Perales	0.8	150	120.00
Greg Stevenson	0.4	150	60.00
Charles Ang	7.0	150	1,050.00
Subtotal	660.6	\$	312,655.00
Expenses			
Travel and related expenses		\$	10,041.94
Printing, copying and advertisements			3,919.31
Subtotal		\$	13,961.25
Total		\$	326,616.25

X-Treme Energy Group Inc.
Time details from April 29, 2012 to June 1, 2012

Person	Date	Details	Hours	Total
Narfason, Neil	29-Apr-12	T/a Jay Simmons, emails with Bentham	0.7	\$ 472.50
Conroy, Debbie	30-Apr-12	Day 1 of Receivership	10.0	\$ 4,950.00
Honess, Neil	30-Apr-12	Initial control of receivership, discussion with employees re effects of receivership, work on operational matters, cash flows and castings	11.5	\$ 5,692.50
Narfason, Neil	30-Apr-12	Travel to Red Deer, t/a HSBC x3, t/a Jay Simmons x2, emails with Bentham/Zimmer/Simmons, mtg with Dagmar Knutson, emails to HSBC, review WIP and customer deposits,	9.6	\$ 6,480.00
Rodrigues, Miguel	30-Apr-12	Receivership kick off procedures, communications to staff, WIP analysis, other sundry receivership tasks.	12.0	\$ 4,740.00
Caden, Jessica	1-May-12	Prepare documents to open bank accounts with HSBC, prepare letters to employees, prepare creditor listing for Ascend. Open file in Ascend. Record deposits, prepare cheques, prepare 245/246 notice.	2.0	\$ 450.00
Conroy, Debbie	1-May-12	Day 2 payroll, locks, back up, vacation, etc	11.0	\$ 5,445.00
Honess, Neil	1-May-12	Day 2 matters including dealing with suppliers, employers, discussions with customers	7.8	\$ 3,861.00
Narfason, Neil	1-May-12	Travel to Calgary	1.3	\$ 877.50
Narfason, Neil	1-May-12	Mtg with Alan Gallant re: employee matters, WIP analysis, numerous disc with employees, t/a HSBC, t/a Saxon, t/a Xcoil, numerous emails, further WIP analysis and costs to complete analysis, security matters, general file admin re: insurance/IT, accounting, banking	8.9	\$ 6,007.50
Rodrigues, Miguel	1-May-12	Receivership kick off procedures, communications to staff, WIP analysis, other sundry receivership tasks.	10.0	\$ 3,950.00
Caden, Jessica	2-May-12	Prepare documents to open bank accounts with HSBC, prepare letters to employees, prepare creditor listing for Ascend. Open file in Ascend. Record deposits, prepare cheques, prepare 245/246 notice.	2.0	\$ 450.00
Conroy, Debbie	2-May-12	Day 2 payroll, locks, back up, vacation, etc	15.0	\$ 7,425.00
Honess, Neil	2-May-12	Day 3 matters including suppliers and customers, security matters, liaison with HSBC and customers, operational issues	6.1	\$ 3,019.50
Narfason, Neil	2-May-12	T/a HSBC, review emails re: WIP, t/a Zimmer, continue with WIP analysis and costs to complete, t/a CSI re: WIP appraisal as is, numerous emails re: WIP, Saxon and Xcoil,	3.8	\$ 2,565.00
Rodrigues, Miguel	2-May-12	Receivership kick off procedures, communications to staff, WIP analysis, other sundry receivership tasks.	10.0	\$ 3,950.00
Caden, Jessica	3-May-12	Prepare documents to open bank accounts with HSBC, prepare letters to employees, prepare creditor listing for Ascend. Open file in Ascend. Record deposits, prepare cheques, prepare 245/246 notice.	4.0	\$ 900.00
Conroy, Debbie	3-May-12	Day 2 payroll, locks, back up, vacation, etc	12.5	\$ 6,187.50
Narfason, Neil	3-May-12	Travel to/from Innisfail, conf call with Xcoil, mtg with Saxon CEO and project lead, conf call with HSBC, work on employee retention program and letter/contract to employees, numerous disc. with Alan Gallant and Dagmar Knutson, numerous emails re: Initiat file matters, X22 disc. with Xcoil and XEG, numerous disc. with various XEG staff, attend all staff mtg with Innisfail to present retention offer,	12.5	\$ 8,437.50
Rodrigues, Miguel	3-May-12	Receivership kick off procedures, communications to staff, WIP analysis, other sundry receivership tasks.	10.0	\$ 3,950.00
Caden, Jessica	4-May-12	Prepare documents to open bank accounts with HSBC, prepare letters to employees, prepare creditor listing for Ascend. Open file in Ascend. Record deposits, prepare cheques, prepare 245/246 notice.	2.0	\$ 450.00
Conroy, Debbie	4-May-12	Day 2 payroll, locks, back up, vacation, etc	4.0	\$ 1,980.00
Conroy, Debbie	4-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	10.0	\$ 4,950.00

Honess, Neil	4-May-12	Further matters including liaison re employees, work on Protec customers, work on Top Drive issue, security matters, interested parties (sending CA's), work with Kevin Barr re XCoil and Saxon deals, work with suppliers, discussions with Jess Caden re notices	4.4	\$	2,178.00
Narfason, Neil	4-May-12	Travel to Innisfail and back, numerous meetings with staff re: retention, disc. with landlord of Innisfail site, disc. Gallant re: security in Red Deer, numerous emails re: file matters, disc. Xcoil re: X22 payment status and release/emails re: same, emails re: CA's to potential parties, t/a Tom Cumming counsel to PE pot buyer, disc. with purchasing re: EY supplier letter, negotiate retention amendments to certain staff, email with Gallant re: staff matters and upcoming meetings, email from/to HSBC, banking	9.8	\$	6,615.00
Rodrigues, Miguel	4-May-12	Receivership kick off procedures, communications to staff, WIP analysis, other sundry receivership tasks.	12.0	\$	4,740.00
Honess, Neil	5-May-12	Security issues, call with Fortis re utilities, emails re same	1.6	\$	792.00
Narfason, Neil	5-May-12	T/a Gallant re: equipment and security matters, emails with gallant re: security, leases and employees	1.0	\$	675.00
Taylor, Bob	5-May-12	Cheques	0.1	\$	62.50
Honess, Neil	6-May-12	Emails re staffing, truck leases, protec and CNC work	1.9	\$	940.50
Narfason, Neil	6-May-12	Email clean up and forward to various folk re: file matters, assess o/s matters for upcoming week and advise team via email, emails from Gallant re: CNC and employees	0.6	\$	405.00
Caden, Jessica	7-May-12	Prepare data to be used in mailouts, estate banking, prepare Notice and Statement of Receiver and Manager, manage mailout to creditors, prepare affidavit of mailing.	0.5	\$	112.50
Conroy, Debbie	7-May-12	Day to day management	7.0	\$	3,465.00
Honess, Neil	7-May-12	To do list, protec customers, suppliers, various issues re trading on, various trading on matters, strategy, liaison with HSBC	3.3	\$	1,633.50
Narfason, Neil	7-May-12	Travel to/from Innisfail, t/a Alan Gallant, disc. Miles Y., emails re: Protec and o/s matters, mtg with Alan Gallant, t/a Dagmar Knutson, numerous emails, numerous employee meetings, attend XEG employee mtg re: Wipe scheduling, travel up to Red Deer and attend a meeting with XEG payroll/accounting, further emails, travel back to Innisfail	8.2	\$	5,535.00
Rodrigues, Miguel	7-May-12	Supplier issues, 30 day goods, staffing issues, cash flow, meeting with project managers, meeting with customers.	10.0	\$	3,950.00
Conroy, Debbie	8-May-12	Day to day management	5.5	\$	2,722.50
Honess, Neil	8-May-12	Work on protec matters, discussions with parties re deals to be struck	1.2	\$	594.00
Honess, Neil	8-May-12	Supplier and creditor calls	1.6	\$	792.00
Honess, Neil	8-May-12	Trading matters including supplier calls, discussions with production staff, procurement meetings, planning re top drive	2.1	\$	1,039.50
Honess, Neil	8-May-12	Employee issues specifically Alan and Dagmar matters, queries re bonuses and pay periods, review of information	1.4	\$	693.00
Narfason, Neil	8-May-12	T/a HSBC, emails re: payroll and WIP, further t/a HSBC, t/a Luis Roja, emails re: WIP and employees.	1.6	\$	1,080.00
Rodrigues, Miguel	8-May-12	Supplier issues, 30 day goods, staffing issues, cash flow, meeting with project managers, meeting with customers.	7.0	\$	2,765.00
Caden, Jessica	9-May-12	Prepare data to be used in mailouts, estate banking, prepare Notice and Statement of Receiver and Manager, manage mailout to creditors, prepare affidavit of mailing.	3.0	\$	675.00
Conroy, Debbie	9-May-12	Day to day management	5.0	\$	2,475.00
Honess, Neil	9-May-12	Employee issues	1.3	\$	643.50
Honess, Neil	9-May-12	Supplier and creditor calls	2.4	\$	1,188.00
Honess, Neil	9-May-12	Supplier and trading matters	1.0	\$	495.00
Honess, Neil	9-May-12	Work on cash flow	1.2	\$	594.00
Honess, Neil	9-May-12	Work on protec deals, tough enough deal	2.0	\$	990.00
Narfason, Neil	9-May-12	245/246, letter to GE, letter to WRL, review r-shi cash flows, emails re: operations and employees	1.2	\$	810.00
Rodrigues, Miguel	9-May-12	Supplier issues, 30 day goods, staffing issues, cash flow, meeting with project managers, meeting with customers.	9.0	\$	3,555.00
Caden, Jessica	10-May-12	Prepare data to be used in mailouts, estate banking, prepare Notice and Statement of Receiver and Manager, manage mailout to creditors, prepare affidavit of mailing.	5.0	\$	1,125.00

Conroy, Debbie	10-May-12	Day to day management	4.0	\$	1,980.00
Honess, Neil	10-May-12	Cash flow conference call, discussions with Neil, Debbie re same	1.0	\$	495.00
Honess, Neil	10-May-12	Meeting with HSBC re receivership and Pemex	0.5	\$	247.50
Honess, Neil	10-May-12	Work on Saxon/Xcoil trading agreements	0.6	\$	297.00
Honess, Neil	10-May-12	Work on HSBC spreadsheet re Pemex permutations	1.0	\$	495.00
Honess, Neil	10-May-12	Collation of interested party information, discussion with Neil and Shane Dunn re sale process, preparation of teaser, setting up Kim to list items available, review of information	1.0	\$	495.00
Honess, Neil	10-May-12	Meeting with Carlos re ADT with HSBC, discussions re way forward	2.0	\$	990.00
Narfason, Neil	10-May-12	Cash flow discussion with EY team, Dagmar and Alan, mtg HSBC, then mtg with Carlos Solozano, numerous emails re: ops and cash flows,	4.2	\$	2,835.00
Perales, Grace	10-May-12	Deposit Cheque/Post Receipt in Ascend	0.7	\$	105.00
Rodrigues, Miguel	10-May-12	Supplier issues, 30 day goods, staffing issues, cash flow, meeting with project managers, meeting with customers.	8.0	\$	3,160.00
Caden, Jessica	11-May-12	Prepare data to be used in mailouts, estate banking, prepare Notice and Statement of Receiver and Manager, manage mailout to creditors, prepare affidavit of mailing.	0.5	\$	112.50
Conroy, Debbie	11-May-12	Day to day management	3.0	\$	1,485.00
Honess, Neil	11-May-12	Protec emails and calls	1.0	\$	495.00
Honess, Neil	11-May-12	Creditor/supplier calls	1.0	\$	495.00
Honess, Neil	11-May-12	Collation of interested party information, discussion with Neil and Shane Dunn re sale process, preparation of teaser, setting up Kim to list items available, review of information	1.0	\$	495.00
Honess, Neil	11-May-12	Cash flow and Saxon/Xcoil matters	1.3	\$	643.50
Honess, Neil	11-May-12	WEPPA set up, conversation with Greg, information from XEG	0.5	\$	247.50
Narfason, Neil	11-May-12	T/a HSBC, email to/from HSBC, emails re: cash flow and ops, cash flow finalization discussion, t/a Gallant, emails from Dagmar re: cash flows, sale process matters,	2.6	\$	1,755.00
Rodrigues, Miguel	11-May-12	Supplier issues, 30 day goods, staffing issues, cash flow, meeting with project managers, meeting with customers.	10.0	\$	3,950.00
Stevenson, Greg	11-May-12	Emails with Neil Honess and Dagmar Knutson (Xtreme) re WEPP related matters.	0.4	\$	60.00
Narfason, Neil	12-May-12	Pemex rig sale, newco, lease analysis, email to Honess,	2.2	\$	1,485.00
Narfason, Neil	13-May-12	Revise Pemex rig valuation schedule, revise letter agreements drafts with Xcoil and Saxon, emails	1.8	\$	1,215.00
Caden, Jessica	14-May-12	Prepare source deduction cheques.	0.8	\$	180.00
Conroy, Debbie	14-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	7.0	\$	3,465.00
Honess, Neil	14-May-12	Sale of business - issuance of CA's work on teaser, advert, liaison with Shane Dunn, handover to Debbie	1.5	\$	742.50
Honess, Neil	14-May-12	Meeting with Steve Widmar, Axiom	0.4	\$	198.00
Honess, Neil	14-May-12	Hand over of issues to Debbie and Miguel	1.0	\$	495.00
Honess, Neil	14-May-12	Protec issues - determination of amounts remaining to complete	1.1	\$	544.50
Honess, Neil	14-May-12	Attendance at Red Deer site: protec matters including discussions with Husky counsel	1.0	\$	495.00
Honess, Neil	14-May-12	Supplier issues, including Airgas, discussion with Kevin Barr re same	1.0	\$	495.00
Honess, Neil	14-May-12	Meeting with Ken Embury, Tough Enough, discussion of top Drive, call with Neil Narfason, Kevin Barr re same, moving item inside, discussion re costs to complete	1.8	\$	891.00
Narfason, Neil	14-May-12	Work on teaser, emails re: Protec email to HSBC re: Pemex rig analysis, t/a Norton Rose re: Top Drive, t/a GE re: Top Drive, emails re: Husky, t/a Honess, t/a Dagmar, emails re: Xcoil and Saxon amounts owing, t/a Fulcrum Capital, further emails with HSBC, further Pemex rig analysis, t/a Alan Gallant, emails with Xcoil, further t/a GE re: Tough Enough, general file admin, t/a Saxon, further emails with HSBC re: Pemex rigs, revise and send letter agreement to Saxon, revise and finalize Saxon o/s amounts listing, emails re: Top Drive	5.1	\$	3,442.50
Rodrigues, Miguel	14-May-12	Dealing with staffing, suppliers, general receivership issues.	9.0	\$	3,555.00
Caden, Jessica	15-May-12	Prepare source deduction cheques.	0.2	\$	45.00

Conroy,Debbie	15-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	11.5	\$	5,692.50
Honess,Neil	15-May-12	Hand over of issues to Debbie and Miguel	1.0	\$	495.00
Honess,Neil	15-May-12	Involvement in various issues ongoing including sale of business and vendors	1.0	\$	495.00
Honess,Neil	15-May-12	Discussion with Neil re tough enough and Pemex	0.4	\$	198.00
Narfason,Neil	15-May-12	Emails re: top drive/insurance/suppliers/ops/sale teaser, t/a Norton Rose re: GE security, review and revise sale teaser, numerous calls and emails re: operations/sale process/suppliers/liquidators, t/a Luis Roja re: rigs, emails re: suppliers, emails re: rigs,	2.4	\$	1,620.00
Rodrigues,Miguel	15-May-12	Dealing with staffing, suppliers, general receivership issues.	6.0	\$	2,370.00
Caden,Jessica	16-May-12	Prepare wire transfer forms for Russel Metals and Airgas.	0.6	\$	135.00
Conroy,Debbie	16-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	7.5	\$	3,712.50
Honess,Neil	16-May-12	Involvement in handover on Airgas, WRL, Protec issues	1.2	\$	594.00
Narfason,Neil	16-May-12	Travel to Red Deer, mtg EY team, mtg Dagmar and Alan re: ops, travel to Innisfail facility, International Lease Agreement mtg with Jake, mtg with Jeff Leedholm, t/a Gallant, numerous emails re: top drive and 168 work, t/a Saxon, travel back to Calgary, email from HSBC, t/a HSBC, work on analysis for HSBC, emails re: Russell Metals and Arigas, further t/a Gallant, negotiations with Saxon, HSBC analysis,	7.7	\$	5,197.50
Rodrigues,Miguel	16-May-12	Dealing with staffing, suppliers, general receivership issues.	9.0	\$	3,555.00
Caden,Jessica	17-May-12	Follow up on status of wire transfers with HSBC, prepare cheques for payables and courier to Miguel.	0.7	\$	157.50
Conroy,Debbie	17-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	9.0	\$	4,455.00
Ferguson,Robert	17-May-12	Co-ordinate placing of ad.	1.1	\$	247.50
Honess,Neil	17-May-12	Work on finalizing Radiant protec matter	0.4	\$	198.00
Honess,Neil	17-May-12	Handover matters re calls and trading issues to Debbie/Miguel	0.4	\$	198.00
Narfason,Neil	17-May-12	Emails to/from/to HSBC, updating recovery analysis, emails re: rig 168 WIP, t/a HSBC, emails re: Radiant, emails re: employees, operational matters (employees/suppliers/wires/emails re: 168 and API/further emails with HSBC, emails with Luis Rojas,	2.8	\$	1,890.00
Rodrigues,Miguel	17-May-12	Dealing with staffing, suppliers, general receivership issues.	8.5	\$	3,357.50
Caden,Jessica	18-May-12	Prepare wire transfer forms for 2 additional wires, follow up with HSBC, prepare cheque & courier to Miguel.	1.0	\$	225.00
Conroy,Debbie	18-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	9.0	\$	4,455.00
Rodrigues,Miguel	18-May-12	Dealing with staffing, suppliers, general receivership issues.	9.0	\$	3,555.00
Conroy,Debbie	22-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	9.5	\$	4,702.50
Honess,Neil	22-May-12	Various calls and emails re suppliers, VFD building and sale of business	1.7	\$	841.50
Narfason,Neil	22-May-12	Emails re: ops update, emails re: Mexico, emails re: suppliers and insurance, general matters, email to HSBC re: Mexico, t/a Pemex 4 VHF building contractor, emails re: fuel for Mexico, emails re: general operations, emails with HSBC re: Pemex rigs % complete, disc. Honess,	2.2	\$	1,485.00
Rodrigues,Miguel	22-May-12	Supplier issues, staff and payroll issues, sales process, general questions and inquiries from staff, customers and suppliers.	9.0	\$	3,555.00
Conroy,Debbie	23-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	11.0	\$	5,445.00
Honess,Neil	23-May-12	Various calls and emails re creditors, insurance and sale of business	0.9	\$	445.50
Narfason,Neil	23-May-12	Emails re: sale process and interest parties, t/a Alan Gallant, emails with HSBC, emails with EY team, vm's from suppliers, t/a Saxon, email Gallant re: Saxon,	1.4	\$	945.00
Perales,Grace	23-May-12	Follow-up Alan G. for Receipt Details-Oil Country Engg/Update Ascend	0.1	\$	15.00
Rodrigues,Miguel	23-May-12	Supplier issues, staff and payroll issues, sales process, general questions and inquiries from staff, customers and suppliers.	8.5	\$	3,357.50
Conroy,Debbie	24-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	11.0	\$	5,445.00

Narfason, Neil	24-May-12	Prep for and attend mtg with HSCB and ADT re: Pemex rigs, general emails re ops, t/a Gallant	2.9	\$	1,957.50
Rodrigues, Miguel	24-May-12	Supplier issues, staff and payroll issues, sales process, general questions and inquiries from staff, customers and suppliers.	8.5	\$	3,357.50
Conroy, Debbie	25-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	4.5	\$	2,227.50
Narfason, Neil	25-May-12	Email from/to HSBC, emails with XEG re: Rig 3 mud pumps/shale shaker and other components, email from Saxon and review their mark up of letter agreement, prepare analysis of factors to consider re: Pemex rigs	2.0	\$	1,350.00
Rodrigues, Miguel	25-May-12	Supplier issues, staff and payroll issues, sales process, general questions and inquiries from staff, customers and suppliers.	9.0	\$	3,555.00
Narfason, Neil	27-May-12	Pemex rig analysis re: settlement with HSBC/ADT	1.3	\$	877.50
Caden, Jessica	28-May-12	Prepare cheques, record deposits, wire transfers. Prepare GL & R&D reports.	2.0	\$	450.00
Conroy, Debbie	28-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	9.0	\$	4,455.00
Narfason, Neil	28-May-12	Emails with EY Mexico re: Pemex, review appraisal on Pemex rigs 1 and 2, emails re: Saxon letter agreement, emails re: ops/general	1.1	\$	742.50
Rodrigues, Miguel	28-May-12	Supplier issues, staff issues, leasing.	9.0	\$	3,555.00
Caden, Jessica	29-May-12	Prepare cheques, record deposits, wire transfers. Prepare GL & R&D reports.	4.0	\$	900.00
Conroy, Debbie	29-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	14.0	\$	6,930.00
Narfason, Neil	29-May-12	Attend conf call with XEG mgmt and EY team re: ops update, cash flows, AR and WIP, conf call with HSBC re: Pemex rigs, work on Pemex rig split analysis, t/a Gallant, email to Saxon, revise Saxon letter agreement, further work on Pemex rig analysis, emails with Gallant and with Conroy.	3.8	\$	2,565.00
Rodrigues, Miguel	29-May-12	Supplier issues, staff issues, leasing.	9.0	\$	3,555.00
Conroy, Debbie	30-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	9.0	\$	4,455.00
Narfason, Neil	30-May-12	Emails re: employees, t/a HSBC (Englot), emails re: ops, sign cheques, finalize Pemex rig analysis and email with HSBC, email from HSBC, email to ADT (Solorzano), emails re: Receiver's Cert and cash funding, general emails	1.5	\$	1,012.50
Rodrigues, Miguel	30-May-12	Supplier issues, staff issues, leasing.	9.0	\$	3,555.00
Ang, Charles Ong	31-May-12	SR&ED Claim analysis	1.0	\$	150.00
Caden, Jessica	31-May-12	Prepare cheques, record deposits, wire transfers. Prepare GL & R&D reports.	2.0	\$	450.00
Conroy, Debbie	31-May-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	12.0	\$	5,940.00
Narfason, Neil	31-May-12	Emails from/to Saxon, emails with XEG, t/a Bruce Jones re: Pemex rig 3, 4 and 5,	0.6	\$	405.00
Rodrigues, Miguel	31-May-12	Supplier issues, staff issues, leasing.	8.0	\$	3,160.00
Ang, Charles Ong	1-Jun-12	SR&ED Claim analysis	6.0	\$	900.00
Caden, Jessica	1-Jun-12	Prepare cheques, record deposits, wire transfers. Prepare GL & R&D reports.	2.0	\$	450.00
Conroy, Debbie	1-Jun-12	Matters related to the Receivership of XEG including securing assets, stabilizing operations, sale of assets and other	7.0	\$	3,465.00
Narfason, Neil	1-Jun-12	T/a HSBC, review Century Services appraisal, t/a Gallant, review bid from Madco Machine, emails, t/a Do-All, review bids, emails re: bids, further t/a Gallant, disc. Debbie Conroy,	2.1	\$	1,417.50
Rodrigues, Miguel	1-Jun-12	Supplier issues, staff issues, leasing.	8.0	\$	3,160.00
Grand Total			660.6	\$	312,655.00



Ernst & Young Inc.
Calgary, Alberta

Invoice

Invoice Number: CA0189708436

Date: June 22, 2012

X-Treme Energy Group
8014 Edgar Industrial Crescent
Red Deer, AB T4P 3R3
Canada

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :

416-943-3851
1-800-311-1104

Client Reference: 16318071

	CAD
For professional services rendered from June 1, 2012 to June 15, 2012 in our capacity as Creditor Advisor in connection with X-treme Energy Group Inc.	91,915.00
Lodging and meal expenses	8,228.07
Printing, copying and advertisements expenses	3,919.31
Travel related expenses	541.26
Subtotal:	104,603.64
GST 5%:	5,230.18
TOTAL DUE:	\$ 109,833.82

Due to our fiscal year end close, your payment is appreciated prior to June 29, 2012.
Thank You!

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:

Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #2411 1000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

X-Treme Energy Group Inc.
From June 1, 2012 to June 15, 2012

Individual	Hrs	Rate	Amount
Neil Narfason	13.6	675	\$ 9,180.00
Greg Boone	6.0	550	3,300.00
Debbie Conroy	80.0	495	39,600.00
Lynda Huber	0.2	400	80.00
Miguel Rodrigues	76.5	395	30,217.50
Riccardo Zevallos	7.1	375	2,662.50
Andrea Moores	7.0	275	1,925.00
Jessica Caden	22.0	225	4,950.00
Subtotal	212.4	\$	91,915.00
Expenses			
Lodging and meals		\$	8,228.07
Printing, copying and advertisements			3,919.31
Travel related			541.26
Subtotal		\$	12,688.64
Total		\$	104,603.64

X-Treme Energy Group Inc.
Time details from June 1, 2012 to June 15, 2012

Person	Date	Description	Hours	Total
Boone, Greg	12-Jun-12	Meeting with Management to discuss preparation of SR&ED claims	2.0	1,100
Boone, Greg	12-Jun-12	To and from Red Deer	3.0	1,650
Boone, Greg	13-Jun-12	Meeting with Management to discuss preparation of SR&ED claims	1.0	550
Caden, Jessica France	9-May-12	X-Treme: Prepare data to be used in mailouts, estate banking, prepare Notice and Statement of Receiver and Manager, manage mailout to creditors, prepare affidavit of mailing.	3.0	675
Caden, Jessica France	4-Jun-12	Follow up the HSBC on transactions in X-Treme's account. Record deposits, wires.	1.0	225
Caden, Jessica France	5-Jun-12	Follow up the HSBC on transactions in X-Treme's account. Record deposits, wires.	2.0	450
Caden, Jessica France	6-Jun-12	Follow up the HSBC on transactions in X-Treme's account. Record deposits, wires.	4.0	900
Caden, Jessica France	7-Jun-12	Follow up the HSBC on transactions in X-Treme's account. Record deposits, wires.	2.0	450
Caden, Jessica France	8-Jun-12	Follow up the HSBC on transactions in X-Treme's account. Record deposits, wires.	2.0	450
Caden, Jessica France	11-Jun-12	Prepare May bank reconciliation, record deposits, prepare GL's for week of June 4th, prepare journal entries, follow up with HSBC.	2.5	563
Caden, Jessica France	12-Jun-12	Prepare journal entries, prepare and record wire transfer, prepare cheques.	1.0	225
Caden, Jessica France	13-Jun-12	Prepare journal entries, prepare and record wire transfer, prepare cheques.	1.5	338
Caden, Jessica France	14-Jun-12	Prepare journal entries, prepare and record wire transfer, prepare cheques.	1.0	225
Caden, Jessica France	15-Jun-12	Prepare journal entries, prepare and record wire transfer, prepare cheques.	2.0	450
Conroy, Debbie	4-Jun-12	Analysis of bids, revision of cash flow forecasts, ongoing Receiver operations, Receiver employee matters	7.0	3,465
Conroy, Debbie	5-Jun-12	Analysis of bids, revision of cash flow forecasts, ongoing Receiver operations, Receiver employee matters	9.0	4,455
Conroy, Debbie	6-Jun-12	Analysis of bids, revision of cash flow forecasts, ongoing Receiver operations, Receiver employee matters	12.0	5,940
Conroy, Debbie	7-Jun-12	Analysis of bids, revision of cash flow forecasts, ongoing Receiver operations, Receiver employee matters	10.0	4,950
Conroy, Debbie	8-Jun-12	Analysis of bids, revision of cash flow forecasts, ongoing Receiver operations, Receiver employee matters	3.0	1,485
Conroy, Debbie	11-Jun-12	APA, collections, ees, bid returns	7.5	3,713
Conroy, Debbie	12-Jun-12	APA, collections, ees, bid returns	6.0	2,970
Conroy, Debbie	13-Jun-12	APA, collections, ees, bid returns	10.5	5,198
Conroy, Debbie	14-Jun-12	APA, collections, ees, bid returns	10.0	4,950
Conroy, Debbie	15-Jun-12	APA, collections, ees, bid returns	5.0	2,475
Huber, Lynda	4-Jun-12	Discussion with creditor, pass information on to Jessica	0.2	80
Moore, Andrea Marie	2-Jun-12	S: Review of SR&ED docs.	0.5	138
Moore, Andrea Marie	11-Jun-12	M: SR&ED scoping mtg prep. T: Scoping mtg in Red Deer. R: Scoping call w/XEG.	0.5	138
Moore, Andrea Marie	12-Jun-12	M: SR&ED scoping mtg prep. T: Scoping mtg in Red Deer. R: Scoping call w/XEG.	5.0	1,375

X-Treme Energy Group Inc.
Time details from June 1, 2012 to June 15, 2012

Person	Date	Description	Hours	Total
Moore,Andrea Marie	14-Jun-12	M: SR&ED scoping mtg prep. T: Scoping mtg in Red Deer. R: Scoping call w/XEG.	1.0	275
Narfason,Neil	4-Jun-12	Review bid summary, numerous emails	0.8	540
Narfason,Neil	5-Jun-12	Conf call with HSBC re: bids, attend XEG / Do All / Ernst & Young conference call re bid, t/a HSBC, emails, review receiver cash flows, disc. Conroy, corr from NRC re: Tough Enough, emails re: Tough enough, t/a Saxon, review updated cash flows, further call with Gallant,	3.4	2,295
Narfason,Neil	6-Jun-12	Emails with Luis in Mexico, emails with Saxon re: letter agreement, emails re: cash flows, t/a Gallant, emails with Gallant, email to Gallant, review and revise cash flow update, email to Conroy	1.8	1,215
Narfason,Neil	7-Jun-12	T/a Century, review and revise cash flows, emails re: 168 mud tank, t/a Gallant x2 re: 168 mud tank, t/a Conroy re: Do All APA, review draft APA,	1.7	1,148
Narfason,Neil	8-Jun-12	T/a HSBC x2, t/a Solorzano, emails with Gallant x2, emails re: 168 mud tank, t/a Gallant, emails with Saxon re: 168 mud tank, emails with Conroy re: Do All, review and sign cheques, mails re: staff matters	1.2	810
Narfason,Neil	11-Jun-12	Saxon emails re: 168 mud tank, emails with HSBC, emails re: Tough Enough, general admin,	0.7	473
Narfason,Neil	12-Jun-12	Emails re: ops update, t/a Century	0.6	405
Narfason,Neil	14-Jun-12	T/a Debbie Conroy re: Do All	0.2	135
Narfason,Neil	14-Jun-12	Attend conf call with Gallant, Knutson and EY team re: o/s matters, general emails	1.2	810
Narfason,Neil	14-Jun-12	T/a HSBC (Englot), emails re: Do All APA and excluded assets, t/a Solorzano, - t/a Gallant, emails re: top drive, emails re: ops, cheques,	1.2	810
Narfason,Neil	15-Jun-12	T/a Halliburton re: Pemex rigs, review AR collection status, review numerous emails re: Saxon AR, emails re: Do All APA, vm Carlos Solorzano	0.8	540
Rodrigues,Miguel Lino	4-Jun-12	Supplier issues, purchasing, staffing, other sundry issues.	8.0	3,160
Rodrigues,Miguel Lino	5-Jun-12	Supplier issues, purchasing, staffing, other sundry issues.	8.0	3,160
Rodrigues,Miguel Lino	6-Jun-12	Supplier issues, purchasing, staffing, other sundry issues.	8.5	3,358
Rodrigues,Miguel Lino	7-Jun-12	Supplier issues, purchasing, staffing, other sundry issues.	8.0	3,160
Rodrigues,Miguel Lino	8-Jun-12	Supplier issues, purchasing, staffing, other sundry issues.	5.0	1,975
Rodrigues,Miguel Lino	11-Jun-12	Dealing with suppliers, PO approval and cheque requests, lease items, WIP management.	8.0	3,160
Rodrigues,Miguel Lino	12-Jun-12	Dealing with suppliers, PO approval and cheque requests, lease items, WIP management.	8.0	3,160
Rodrigues,Miguel Lino	13-Jun-12	Dealing with suppliers, PO approval and cheque requests, lease items, WIP management.	7.0	2,765
Rodrigues,Miguel Lino	14-Jun-12	Dealing with suppliers, PO approval and cheque requests, lease items, WIP management.	7.5	2,963
Rodrigues,Miguel Lino	15-Jun-12	Dealing with suppliers, PO approval and cheque requests, lease items, WIP management.	8.5	3,358
Zevallos,Ricardo	11-Jun-12	SR&ED: Mo11: Prepare f/client meeting; Tu12: Trip to Red Deer to visit client f/scoping meeting and return to Calgary; Th14: scoping conf. call w/client; Fr15: organize data;	0.5	188
Zevallos,Ricardo	12-Jun-12	SR&ED: Mo11: Prepare f/client meeting; Tu12: Trip to Red Deer to visit client f/scoping meeting and return to Calgary; Th14: scoping conf. call w/client; Fr15: organize data;	5.0	1,875
Zevallos,Ricardo	14-Jun-12	SR&ED: Mo11: Prepare f/client meeting; Tu12: Trip to Red Deer to visit client f/scoping meeting and return to Calgary; Th14: scoping conf. call w/client; Fr15: organize data;	1.1	413

X-Treme Energy Group Inc.
Time details from June 1, 2012 to June 15, 2012

Person	Date	Description	Hours	Total
Zevallos,Ricardo	15-Jun-12	SR&ED: Mo11: Prepare f/client meeting; Tu12: Trip to Red Deer to visit client f/scoping meeting and return to Calgary; Th14: scoping conf. call w/client; Fr15: organize data;	0.5	188
Total			212.4	91,915



Ernst & Young Inc.
Calgary, Alberta

Invoice

X-Treme Energy Group
8014 Edgar Industrial Crescent
Red Deer, AB T4P 3R3
Canada

Client Reference: 16318071

Invoice Number: CA0189713227

Date: July 12, 2012

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

CAD

For professional services rendered from June 18, 2012 to June 30, 2012
in our capacity as Receiver and Manager in connection with X-treme
Energy Group Inc.

108,744.00

Printing and copying expenses

84.60

Travel related expenses

683.44

Subtotal:

109,512.04

GST 5%:

5,475.60

TOTAL DUE:

\$ 114,987.64

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.

GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:

Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #2411000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

X-Treme Energy Group Inc.
From June 18, 2012 to June 30, 2012

Individual	Hrs	Rate	Amount
Neil Narfason	23.9	675	\$ 16,132.50
Daniel Legault	0.7	595	416.50
Greg Boone	0.5	550	275.00
Debbie Conroy	93.0	495	46,035.00
Miguel Rodrigues	93.0	395	36,735.00
Ricardo Zevallos	14.4	375	5,400.00
Andrea Moores	0.3	275	82.50
Jessica Caden	16.3	225	3,667.50
Subtotal	242.1		\$ 108,744.00
Expenses			
Printing and copying		\$	84.60
Travel related expenses			277.35
Subtotal		\$	361.95
Total		\$	109,105.95

X-Treme Energy Group Inc.
Time details from June 18, 2012 to June 30, 2012

Person	Date	Description	Hours	Total
Conroy,Debbie	18-Jun-12	APA, payroll, ee issues, payments to suppliers, varia, info for potential buyers, cash flow, Pemex, Report to crt	9.5	4,702.50
Narfason,Neil	18-Jun-12	T/a Gallant, email to Bruce Jones, t/a HSBC, t/a Kruger, t/a Gallant, IM with Conroy re: DO All status,	1.2	810.00
Rodrigues,Miguel	18-Jun-12	Staffing, supplier issues, payment approval, leased assets.	10.0	3,950.00
Boone,Greg	19-Jun-12	SR&ED work	0.5	275.00
Caden,Jessica	19-Jun-12	Prepare reports, follow up with HSBC re: deposits.	0.5	112.50
Conroy,Debbie	19-Jun-12	APA, payroll, ee issues, payments to suppliers, varia, info for potential buyers, cash flow, Pemex, Report to crt	7.5	3,712.50
Moore,Andrea Marie	19-Jun-12	T: Status update.	0.3	82.50
Narfason,Neil	19-Jun-12	T/a Gallant, emails re: Pemex, emails re: Do All, vm from/to Brad Jacobs, general emails, t/a Do All, travel to Red Deer, mtg with Gallant and engineering team re: ops and top drive	4.8	3,240.00
Rodrigues,Miguel	19-Jun-12	Staffing, supplier issues, payment approval, leased assets.	8.0	3,160.00
Zevallos,Ricardo	19-Jun-12	SR&ED: Tu19: organized data, internal w/GB, AM; Fr22: worked on 2 PDs;	1.2	450.00
Conroy,Debbie	20-Jun-12	APA, payroll, ee issues, payments to suppliers, varia, info for potential buyers, cash flow, Pemex, Report to crt	10.5	5,197.50
Narfason,Neil	20-Jun-12	T/a Do All, general emails re: Do All deal and ops,	1.0	675.00
Rodrigues,Miguel	20-Jun-12	Staffing, supplier issues, payment approval, leased assets.	7.0	2,765.00
Caden,Jessica	21-Jun-12	Prepare cheques, follow up with banking questions.	2.5	562.50
Conroy,Debbie	21-Jun-12	APA, payroll, ee issues, payments to suppliers, varia, info for potential buyers, cash flow, Pemex, Report to crt	9.5	4,702.50
Narfason,Neil	21-Jun-12	t/a Gallant, emails re: HR matters, emails re: Saxon, emails re: Do All, t/a Do All - Brad Jacobs	1.6	1,080.00
Rodrigues,Miguel	21-Jun-12	Staffing, supplier issues, payment approval, leased assets.	6.0	2,370.00
Caden,Jessica	22-Jun-12	Organize emails from Miguel and prepare cheques according to the various cheques requests.	2.5	562.50
Conroy,Debbie	22-Jun-12	Draft report	2.0	990.00
Conroy,Debbie	22-Jun-12	APA, payroll, ee issues, payments to suppliers, varia, info for potential buyers, cash flow, Pemex, Report to crt	2.0	990.00
Narfason,Neil	22-Jun-12	T/a Saxon, emails re: Do All, t/a Debbie Conroy re: Do All deal, numerous emails re: Do All, vm Gallant, t/a Do All, t/a Gallant, t/a HSBC, draft email for communication to all staff re: Do All, sign cheques, review Do All mark up to APA, email to HSBC, t/a Norton Rose	3.5	2,362.50
Rodrigues,Miguel	22-Jun-12	Staffing, supplier issues, payment approval, leased assets.	8.0	3,160.00
Zevallos,Ricardo	22-Jun-12	SR&ED: Tu19: organized data, internal w/GB, AM; Fr22: worked on 2 PDs;	4.7	1,762.50
Conroy,Debbie	23-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	2.0	990.00
Rodrigues,Miguel	23-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	2.0	790.00
Rodrigues,Miguel	24-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	6.0	2,370.00
Caden,Jessica	25-Jun-12	Prepare letters, couriers to return cheques to unsuccessful bidders, prepare cheques and wires for bid returns and payables.	4.0	900.00
Conroy,Debbie	25-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	2.0	990.00
Narfason,Neil	25-Jun-12	T/a HSBC re: Pemex rigs, emails re: Do All APA, emails from Luis Rojas, t/a Gallant re: ops	1.4	945.00
Rodrigues,Miguel	25-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	9.0	3,555.00
Zevallos,Ricardo	25-Jun-12	X-treme SR&ED: Mo25: work on PD, review SD; Th26: Split PD, clean and sent for review; We27: conf. call. review PD & costing; Th28: conf. call w/client, sign-off; Fr29: organize files on server;	3.5	1,312.50
Caden,Jessica	26-Jun-12	Prepare cheques, wires, record transactions in Ascend.	1.8	405.00
Conroy,Debbie	26-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	12.0	5,940.00

Rodrigues,Miguel	28-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues	9.0	3,555.00
Zevallos,Ricardo	28-Jun-12	X-treme SR&ED: Mo25: work on PD, review SD; Th26: Split PD, clean and sent for review; We27: conf. call review PD & costing; Th28: conf. call w/client, sign-off; Fr29: organize files on server;	2.5	937.50
Caden,Jessica	27-Jun-12	Record transactions, prepare wires, cheques, R&D reports.	2.0	450.00
Conroy,Debbie	27-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	14.5	7,177.50
Legault,Daniel	27-Jun-12	X-TREME // EMAIL/D.CONROY + REVIEW + RESEARCH + DISC. DB RE: SALE OF ASSETS - REAL PROPERTY AND TANGIBLE PROPERTY	0.3	178.50
Narfason,Neil	27-Jun-12	Travel to Innisfail, t/a Gallant, mtg Gallant, tour site and discuss WIP, review Tough Enough top drive, disc. EY team, mtg Do All, emails re: purchase agreement, emails re: employee matters, travel to Calgary, emails re: equip leases, further emails re: employee matters/extension, further emails re: Do All,	7.2	4,860.00
Rodrigues,Miguel	27-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	8.0	3,160.00
Zevallos,Ricardo	27-Jun-12	X-treme SR&ED: Mo25: work on PD, review SD; Th26: Split PD, clean and sent for review; We27: conf. call. review PD & costing; Th28: conf. call w/client, sign-off; Fr29: organize files on server;	0.5	187.50
Caden,Jessica	28-Jun-12	Record transactions, prepare wires, cheques, R&D reports.	1.0	225.00
Conroy,Debbie	28-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	14.5	7,177.50
Legault,Daniel	28-Jun-12	X-TREME // EMAIL/D.CONROY + REVIEW + RESEARCH + DISC. DB RE: SALE OF ASSETS - REAL PROPERTY AND TANGIBLE PROPERTY	0.4	238.00
Narfason,Neil	28-Jun-12	t/a Do All, t/a HSBC (x2), emails re: Do All agreement, review draft first report and comment on a high level,	1.7	1,147.50
Rodrigues,Miguel	28-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	10.0	3,950.00
Zevallos,Ricardo	28-Jun-12	X-treme SR&ED: Mo25: work on PD, review SD; Th26: Split PD, clean and sent for review; We27: conf. call. review PD & costing; Th28: conf. call w/client, sign-off; Fr29: organize files on server;	1.0	375.00
Caden,Jessica	29-Jun-12	Prepare wire, follow up on incoming wire with HSBC, record transactions, prepare cheques.	2.0	450.00
Conroy,Debbie	29-Jun-12	APA employee matters, Saxon mtg, discussion and comm. Do All, HSBC and NN, draft report.	7.0	3,465.00
Narfason,Neil	29-Jun-12	T/a Gallant, t/a Conroy, vm from/to Jacobs, emails with Jacobs, emails re: Do All, email to/from HSBC	1.5	1,012.50
Rodrigues,Miguel	29-Jun-12	Tie in of fixed asset listing. Additional staff contracts. Communications with staff. Supplier issues.	10.0	3,950.00
Zevallos,Ricardo	29-Jun-12	X-treme SR&ED: Mo25: work on PD, review SD; Th26: Split PD, clean and sent for review; We27: conf. call. review PD & costing; Th28: conf. call w/client, sign-off; Fr29: organize files on server;	1.0	375.00
Grand Total			242.1	108,744.00



Ernst & Young Inc.
Calgary, Alberta

Invoice

Invoice Number: CA0189722317

Date: September 6, 2012

X-Treme Energy Group
8014 Edgar Industrial Crescent
Red Deer, AB T4P 3R3
Canada

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :

416-943-3851
1-800-311-1104

Client Reference: 16318071

CAD

For professional services rendered from May 14, 2012 to August 17,
2012 in our capacity as Receiver and Manager in connection with
X-treme Energy Group Inc.

213,354.00

Lodging and meals expenses

12,165.11

Printing and copying expenses

12.67

Travel related expenses

309.03

Subtotal:

225,840.81

GST 5%:

11,292.04

TOTAL DUE:

\$ 237,132.85

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.

GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:

Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #24111000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

X-Treme Energy Group Inc.
From May 14, 2012 to August 17, 2012

Individual	Hrs	Rate	Amount
Neil Narfason	31.0	675	\$ 20,925.00
Greg Boone	1.3	550	715.00
Winn Brown	0.7	535	374.50
Debbie Conroy	195.0	495	96,525.00
Neil Honess	2.8	400	1,120.00
Miguel Rodrigues	207.0	395	81,765.00
Franca Mazulla	0.9	255	229.50
Jessica Caden	31.4	225	7,065.00
Greg Stevenson	28.8	150	4,320.00
Grace Perales	2.1	150	315.00
Subtotal	501.0		\$ 213,354.00
Expenses			
Lodging and meals			\$ 12,165.11
Printing and copying			12.67
Travel related			309.03
Subtotal			\$ 12,486.81
Total			\$ 225,840.81

X-Treme Energy Group Inc.
Time details from May 14, 2012 to August 17, 2012

Person	Date	Description	Hours	Total
Stevenson, Greg	14-May-12	WEPP emails with Neil Honess and Debbie Conroy	0.2	30
Stevenson, Greg	15-May-12	Multiple employee call backs re outstanding wages and WEPP	0.6	90
Stevenson, Greg	18-May-12	Multiple call backs with employees re WEPP package and arrears.	0.4	60
Stevenson, Greg	22-May-12	Call with multiple employees re WEPP	0.6	90
Stevenson, Greg	23-May-12	Call with employee re WEPP.	0.2	30
Stevenson, Greg	24-May-12	Emails with Debbie Conroy re status of payroll info for WEPP purposes.	0.3	45
Stevenson, Greg	29-May-12	Multiple calls with employees re WEPP, proof of claims.	0.4	60
Stevenson, Greg	30-May-12	Emails with Debbie Conroy and Suzette from X-Ireme re WEPP. Review WEPP/payroll information. Calls with employees re WEPP	1.2	180
Stevenson, Greg	31-May-12	emails with Debbie Conroy and Suzette of X-Ireme re WEPP/payroll matters. review of materials.	0.6	90
Stevenson, Greg	1-Jun-12	Calls from employees re WEPP matters.	0.4	60
Stevenson, Greg	5-Jun-12	Emails with Debbie Conroy & Miguel Rodrigues re WEPP issues. Call with employee re WEPP.	0.3	45
Stevenson, Greg	7-Jun-12	Multiple calls from employees re status of arrears/WEPP/etc.	0.6	90
Stevenson, Greg	11-Jun-12	Emails with Debbie Conroy re WEPP packages. Send her sample of package documents. Call to service Canada re WEPP issues.	0.8	120
Stevenson, Greg	13-Jun-12	Work on WEPP documents - letters, notices. review WEPP information, emails with Debbie re payroll info.	0.7	105
Stevenson, Greg	14-Jun-12	WEPP matters - call with Service Canada re deadlines & employee matters. Emails with Debbie re employees/WEPP. Review employee info, payroll info. Call backs to employees re status of wages/ROEs/WEPP.	1.3	195
Stevenson, Greg	15-Jun-12	Work on WEPP, call with employees re arrears/WEPP, call with Office of the Superintendent of Bankruptcy re employee concerns and WEPP.	2.0	300
Stevenson, Greg	18-Jun-12	Review employee info, payroll info, work on WEPP packages - schedules, letters, notices. Emails with Debbie Conroy, Suzette @ Xtreme.	3.7	555
Stevenson, Greg	21-Jun-12	Work on WEPP packages - schedules, letters, notices, mail out. Call with Suzette re payroll calculations. Calls with employees re arrears and WEPP packages.	2.7	405
Stevenson, Greg	22-Jun-12	Employee calls re WEPP matters.	0.4	60
Stevenson, Greg	27-Jun-12	calls to multiple employees re WEPP package and amounts owed.	0.8	120
Stevenson, Greg	28-Jun-12	Calls from employees re WEPP. forward payroll information to Greg Boone in Tax group.	0.4	60
Stevenson, Greg	29-Jun-12	Calls to employees re questions with WEPP and proof of claims.	0.7	105
Narfason, Neil	3-Jul-12	1/a Norton Rose x2, numerous emails re: Do All, 1/a Conroy, 1/a HSBC,	2.0	1,350
Rodrigues, Miguel	3-Jul-12	Supplier issues, employee issues, court report, environmental assessment, property claims.	10.0	3,950
Narfason, Neil	4-Jul-12	emails re: Do All, 1/a Gallant, emails with HSBC, attend conf call with HSBC, emails with counsel re: Do All deal, emails re: court,	1.7	1,148
Rodrigues, Miguel	4-Jul-12	Supplier issues, employee issues, court report, environmental assessment, property claims.	9.0	3,555
Stevenson, Greg	4-Jul-12	review employee proof of claim and file with service Canada. call with employee re same matter	0.4	60
Narfason, Neil	5-Jul-12	1/a Gallant, review numerous emails re: Do All APA, 1/a Norton Rose re: Do All, execute APA, finalize Receiver's Reports,	2.2	1,485
Rodrigues, Miguel	5-Jul-12	Supplier issues, employee issues, court report, environmental assessment, property claims.	9.0	3,555
Stevenson, Greg	5-Jul-12	Review WEPP documents/payroll calculations. Call with Michelle @ Xtreme to discuss same matters.	1.2	180
Narfason, Neil	6-Jul-12	1/a Conroy x2 re: ops and next steps re: Do All closing,	0.5	338
Rodrigues, Miguel	6-Jul-12	Supplier issues, employee issues, court report, environmental assessment, property claims.	10.0	3,950
Rodrigues, Miguel	9-Jul-12	Environmental assessment, Pemex inventory, supplier issues and payment, leases, staffing.	6.0	2,370

Narfason, Neil	10-Jul-12	1/a GE, review Tough Enough agreements/invoices, 1/a HSBC,	1.0	675
Rodrigues, Miguel	10-Jul-12	Environmental assessment, Pemex inventory, supplier issues and payment, leases, staffing.	10.5	4,148
Stevenson, Greg	10-Jul-12	Work on WEPP matters and return employee calls re the same.	0.6	90
Narfason, Neil	11-Jul-12	1/a Gorman, 1/a Barr, email from Mexico, email to HSBC, 1/a Miguel re: environmental clean up, vm Galiani re: new July work, disc. BLG, email NRC.	1.6	1,080
Rodrigues, Miguel	11-Jul-12	Environmental assessment, Pemex inventory, supplier issues and payment, leases, staffing.	8.5	3,358
Stevenson, Greg	11-Jul-12	Call back employees re WEPP questions.	0.2	30
Narfason, Neil	12-Jul-12	1/a Gorman, email to Gorman re: assignment, general emails re: top drive, emails re: ops	1.2	810
Rodrigues, Miguel	12-Jul-12	Environmental assessment, Pemex inventory, supplier issues and payment, leases, staffing.	8.5	3,358
Narfason, Neil	13-Jul-12	emails re: Saxon, disc. Conroy, vm Braun, emails re: ops, emails with NRC	0.7	473
Rodrigues, Miguel	13-Jul-12	Environmental assessment, Pemex inventory, supplier issues and payment, leases, staffing.	9.0	3,555
Narfason, Neil	16-Jul-12	review and sign cheques re: op expenses, emails re: operations and administration, - 1/a BLG and NRC re: Pemex rigs	1.1	743
Rodrigues, Miguel	16-Jul-12	Leased assets, supplier issues and payment, fixed assets, other.	10.0	3,950
Stevenson, Greg	16-Jul-12	Emails with Debbie Conroy re WEPP and employee proof of claims.	0.3	45
Narfason, Neil	17-Jul-12	review emails re: top drive, review emails re: opex charge back to Do All, vm from/to HSBC.	0.6	405
Rodrigues, Miguel	17-Jul-12	Leased assets, supplier issues and payment, fixed assets, other.	8.5	3,358
Stevenson, Greg	17-Jul-12	Review letter from Service Canada re WEPP payout, update summary schedule.	0.1	15
Perales, Grace	18-Jul-12	email Debbie Conroy regarding GST	0.2	30
Rodrigues, Miguel	18-Jul-12	Leased assets, supplier issues and payment, fixed assets, other.	8.5	3,358
Stevenson, Greg	18-Jul-12	Emails with Michelle kuntzemann @ X-Treme re employee let go and WEPP issues. organize package for employee and send out. Calls with employees re issues with WEPP matters. emails with Debbie re proof of claim issues.	1.3	195
Honess, Neil	19-Jul-12	Emails and call with Debbie re covering payroll in her absence	0.5	200
Narfason, Neil	19-Jul-12	1/a HSBC, 1/a Conroy, general admin matters	1.0	675
Rodrigues, Miguel	19-Jul-12	Leased assets, supplier issues and payment, fixed assets, other.	8.5	3,358
Stevenson, Greg	19-Jul-12	Work on WEPP matters. Emails with Debbie Conroy and Michelle @ KT re additional employees for WEPP. Put package together and mail to employees.	0.6	90
Rodrigues, Miguel	20-Jul-12	Leased assets, supplier issues and payment, fixed assets, other.	9.0	3,555
Stevenson, Greg	20-Jul-12	Calls with employees re WEPP and proof claims. file claims with service Canada	0.4	60
Rodrigues, Miguel	22-Jul-12	Fixed assets, supplier issues, AP, other.	3.0	1,185
Rodrigues, Miguel	23-Jul-12	Fixed assets, supplier issues, AP, other.	10.0	3,950
Stevenson, Greg	23-Jul-12	Calls with employees re proof of claims and WEPP.	0.4	60
Boone, Greg	13-Jul-12	Notice of Objection review	1.0	550
Boone, Greg	19-Jul-12	Call Alberta re SR&ED claim	0.3	165
Brown, Winn	9-Aug-12	SR&ED - 2 project description preview	0.5	268
Brown, Winn	16-Aug-12	Project description review	0.2	107
Caden, Jessica	4-Jul-12	Prepare wire, cheques, deposit, reports.	3.0	675
Caden, Jessica	5-Jul-12	Prepare wire, cheques, deposit, reports.	1.0	225
Caden, Jessica	11-Jul-12	Prepare cheques, wire transfers.	0.5	113
Caden, Jessica	13-Jul-12	Prepare cheques, wire transfers.	3.8	855
Caden, Jessica	16-Jul-12	Assemble mailing of X-treme cheques from Friday, prepare cheques, prepare couriers, follow up with HSBC re wires.	1.5	338
Caden, Jessica	18-Jul-12	Enter transactions, wires, deposits, prepare cheques, process journal entries, prepare reports, update website, prepare June bank reconciliations.	1.3	293
Caden, Jessica	19-Jul-12	Enter transactions, wires, deposits, prepare cheques, process journal entries, prepare reports, update website, prepare June bank reconciliations.	2.7	608

Caden, Jessica	20-Jul-12	Enter transactions, wires, deposits, prepare cheques, process journal entries, prepare reports, update website, prepare June bank reconciliations.	6.0	1,350
Caden, Jessica	23-Jul-12	Clean up emails and send out cheques printed on Friday, attempt to look at files on XEG memory stick, follow up with HSBC re wires sent and received.	1.3	293
Caden, Jessica	27-Jul-12	Prepare cheque runs for Lease buy outs and payables.	3.5	788
Caden, Jessica	30-Jul-12	Prepare cheques, wire.	0.3	68
Caden, Jessica	31-Jul-12	Prepare cheques, arrange couriers for cheques signed.	0.5	113
Caden, Jessica	1-Aug-12	Prepare cheques, arrange couriers for cheques signed.	0.7	158
Caden, Jessica	8-Aug-12	Prepare deposit.	0.2	45
Caden, Jessica	10-Aug-12	Prepare deposit.	0.1	23
Caden, Jessica	14-Aug-12	Prepare cheques, deposits, wires, request information from bank, reconcile June & July bank statements & up to date for August.	2.0	450
Caden, Jessica	17-Aug-12	Prepare cheques, deposits, wires, request information from bank, reconcile June & July bank statements & up to date for August.	3.0	675
Conroy, Debbie	23-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	2.0	990
Conroy, Debbie	25-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	2.0	990
Conroy, Debbie	26-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	12.0	5,940
Conroy, Debbie	27-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	14.5	7,178
Conroy, Debbie	28-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	14.5	7,178
Conroy, Debbie	29-Jun-12	APA, employee matters, Saxon mtg, discussions and comm. Do All, HSBC and NN, draft report	7.0	3,465
Conroy, Debbie	1-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	5.5	2,723
Conroy, Debbie	2-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	5.0	2,475
Conroy, Debbie	3-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	8.0	3,960
Conroy, Debbie	4-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	12.5	6,188
Conroy, Debbie	5-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	10.5	5,198
Conroy, Debbie	6-Jul-12	Cash flow analysis and reconciliation, info for report, drafting and reviewing changes from legal, environmental issues, disc NN, HSBC	4.0	1,980
Conroy, Debbie	9-Jul-12	transition, completing Rec operations, collections, employees, information details to purchaser, reports to the court	7.0	3,465
Conroy, Debbie	10-Jul-12	transition, completing Rec operations, collections, employees, information details to purchaser, reports to the court	11.0	5,445
Conroy, Debbie	11-Jul-12	transition, completing Rec operations, collections, employees, information details to purchaser, reports to the court	1.5	743
Conroy, Debbie	12-Jul-12	transition, completing Rec operations, collections, employees, information details to purchaser, reports to the court	6.5	3,218
Conroy, Debbie	13-Jul-12	transition, completing Rec operations, collections, employees, information details to purchaser, reports to the court	9.0	4,455
Conroy, Debbie	16-Jul-12	sale of rigs, transition, Receiver operations and payroll, wrapping-up invoicing and collections	7.0	3,465
Conroy, Debbie	18-Jul-12	sale of rigs, transition, Receiver operations and payroll, wrapping-up invoicing and collections	10.0	4,950
Conroy, Debbie	19-Jul-12	sale of rigs, transition, Receiver operations and payroll, wrapping-up invoicing and collections	9.0	4,455
Conroy, Debbie	20-Jul-12	sale of rigs, transition, Receiver operations and payroll, wrapping-up invoicing and collections	2.0	990
Conroy, Debbie	23-Jul-12	transition, prep for closing, collections, prep rpts, Rec. dept from Red Deer	8.5	4,208
Conroy, Debbie	24-Jul-12	transition, prep for closing, collections, prep rpts, Rec. dept from Red Deer	10.0	4,950
Narfason, Neil	24-Jul-12	travel to/from Innisfail, mtg Do All, mtg Gallant, mtg Debbie and Miguel re: closing matters, vm to Englot, t/a Basford, t/a BLG, general email matters, emails with HSBC (Englot)	6.2	4,185

Rodrigues, Miguel	24-Jul-12	Fixed assets, supplier issues, AP, other.	9.0	3,555
Stevenson, Greg	24-Jul-12	Review and organize mail out package for employees on long term disability. Phone call with employee re WEPP and proof of claim.	0.7	105
Conroy, Debbie	25-Jul-12	transition, prep for closing, collections, prep rpts, Rec. dept from Red Deer	6.0	2,970
Rodrigues, Miguel	25-Jul-12	Fixed assets, supplier issues, AP, other.	9.0	3,555
Conroy, Debbie	26-Jul-12	transition, prep for closing, collections, prep rpts, Rec. dept from Red Deer	7.5	3,713
Mazzulla, Franca	26-Jul-12	Redirection of mail - letter, fill in forms and take to Canada Post	0.9	230
Narfason, Neil	26-Jul-12	vm Gallant, emails with BLG re: security for Do All, emails with Do All, attend mtg with BLG and NRC re: rigs, t/a HSBC	1.5	1,013
Rodrigues, Miguel	26-Jul-12	Fixed assets, supplier issues, AP, other.	9.0	3,555
Conroy, Debbie	27-Jul-12	transition, prep for closing, collections, prep rpts, Rec. dept from Red Deer	0.5	248
Narfason, Neil	27-Jul-12	emails with Gallant re: ops, email from McCarthy re: rigs, email to BLG,	0.5	338
Rodrigues, Miguel	27-Jul-12	Fixed assets, supplier issues, AP, other.	3.0	1,185
Narfason, Neil	30-Jul-12	review draft order re: top drive, emails re: top drive, t/a BLG, t/a HSBC, emails from HSBC, Do All emails	1.5	1,013
Narfason, Neil	31-Jul-12	t/a HSBC (Englot), emails with gallant, sign cheques re: ops, t/a BLG, t/a Gallant, emails with ADT rep	1.3	878
Perales, Grace	31-Jul-12	Fill up RC59-Business Consent Form/Draft Letter to CRA to open New GST Account/Call CRA	1.2	180
Honess, Neil	1-Aug-12	Review of payroll, discussion with XEG re same, email to HSBC	2.3	920
Narfason, Neil	1-Aug-12	execute Do All closing docs at NRC, emails with Gallant, payroll emails, email with HSBC re: Do all financing, work on updating Do All op exp closing schedule	1.0	675
Narfason, Neil	2-Aug-12	emails re: Do All closing, email to API re: certification matters, sign cheques, email with ADT rep, revise settlement analysis,	1.1	743
Conroy, Debbie	7-Aug-12	employee notification, emails, closing delayed	1.0	495
Narfason, Neil	7-Aug-12	review op invoices, emails re: ops, review expenses bills, Do All closing, emails with Gallant re: overtime week of Aug 7	0.6	405
Stevenson, Greg	8-Aug-12	Calls with employees re proof of claims/WEPP. Review proof of claims.	0.7	105
Narfason, Neil	9-Aug-12	numerous emails re: Do All closing, t/a HSBC	0.9	608
Perales, Grace	9-Aug-12	Fax RC59 business Consent Form to CRA	0.6	90
Stevenson, Greg	9-Aug-12	Review multiple proof of claims, file with Service Canada. calls to employee re same matters, errors with proof of claims, mail out documents to employees. Email with Debbie Conroy re same.	1.8	270
Conroy, Debbie	10-Aug-12	employee notification, emails, closing delayed	1.0	495
Stevenson, Greg	10-Aug-12	Calls with employees re proof of claims/WEPP. Review claims and file with Service Canada.	0.8	120
Narfason, Neil	11-Aug-12	emails with ADT rep (Carlos) re: attempt to settle	0.8	540
Narfason, Neil	13-Aug-12	t/a Norton Rose x2 re: Do All closing matters, emails re: o/s PO's, attend Do all closing update call, vm HSBC	0.8	540
Rodrigues, Miguel	13-Aug-12	Accounts payable reconciliations and follow up on leased assets.	8.0	3,160
Perales, Grace	14-Aug-12	Phone call to CRA to follow-up Receivership GST Account Opening	0.1	15
Rodrigues, Miguel	14-Aug-12	Accounts payable reconciliations and follow up on leased assets.	8.0	3,160
Rodrigues, Miguel	15-Aug-12	Accounts payable reconciliations and follow up on leased assets.	7.0	2,765
Narfason, Neil	16-Aug-12	emails re: Do All closing, disc. Conroy, emails re: Mexico rigs,	0.6	405
Rodrigues, Miguel	16-Aug-12	Accounts payable reconciliations and follow up on leased assets.	8.0	3,160
Narfason, Neil	17-Aug-12	disc. Conroy, general emails re: Do all closing, email to HSBC	0.6	405
Rodrigues, Miguel	17-Aug-12	Accounts payable reconciliations and follow up on leased assets.	8.0	3,160
Grand Total			501.0	\$213,354



Ernst & Young Inc.
Calgary, Alberta

Invoice

X-Treme Energy Group
8014 Edgar Industrial Crescent
Red Deer, AB T4P 3R3
Canada

Invoice Number: CA0189727320

Date: October 3, 2012

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 16318071

For professional services rendered from August 13, 2012 to
September 30, 2012 in our capacity as Receiver and Manager in
connection with X-treme Energy Group Inc.

CAD

89,767.00

Lodging and meals expenses

631.31

Printing and copying expenses

556.81

Travel related expenses

165.90

Subtotal:

91,121.02

GST 5%:

4,556.05

TOTAL DUE:

\$ 95,677.07

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Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.

GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:

Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP,
Transit #2411 Account #2411000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter,
invoice number & engagement number

X-Treme Energy Group Inc.
From August 13, 2012 to September 30, 2012

Individual	Hrs	Rate	Amount
Neil Narfason	11.5	675	\$ 7,762.50
Greg Boone	1.0	550	550.00
Debbie Conroy	88.6	495	43,857.00
Neil Honess	7.0	400	2,800.00
Miguel Rodrigues	74.0	395	29,230.00
Ricardo Zevallos	1.0	335	335.00
Marites Carandang	2.6	250	650.00
Jessica Caden	5.9	225	1,327.50
Greg Stevenson	12.3	150	1,845.00
Grace Perales	9.4	150	1,410.00
Subtotal	213.3	\$	89,767.00
Expenses			
Lodging and meals		\$	631.31
Printing and copying			556.81
Travel related			165.90
Subtotal		\$	1,354.02
Total		\$	91,121.02

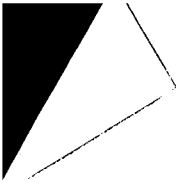
X-Treme Energy Group Inc.
Time details from August 13, 2012 to September 30, 2012

Person	Date	Description	Hours	Total
Conroy, Debbie	13-Aug-12	correspondence, calls from creditors, ee matters, update cash flow forecast, collections issues, update cash flow forecast and reconcile actuals	4.0	\$ 1,980.00
Stevenson, Greg	13-Aug-12	Email with Debbie Conroy re proof of claims. Calls with multiple employees re proof of claims/WEPP. Review/file WEPP claims.	0.8	\$ 120.00
Boone, Greg	14-Aug-12	SRED - file review	1.0	\$ 550.00
Conroy, Debbie	14-Aug-12	correspondence, calls from creditors, ee matters, update cash flow forecast, collections issues, update cash flow forecast and reconcile actuals	3.0	\$ 1,485.00
Stevenson, Greg	14-Aug-12	Review proof of claims. Call to employees re issues/questions. Email with Michelle @ Xtreme re employee information. File claims with Service Canada.	0.9	\$ 135.00
Conroy, Debbie	15-Aug-12	correspondence, calls from creditors, ee matters, update cash flow forecast, collections issues, update cash flow forecast and reconcile actuals	12.0	\$ 5,940.00
Stevenson, Greg	15-Aug-12	Review proof of claims, calls with employees re concerns. File remaining WEPP applications without proof of claims.	1.4	\$ 210.00
Conroy, Debbie	16-Aug-12	correspondence, calls from creditors, ee matters, update cash flow forecast, collections issues, update cash flow forecast and reconcile actuals	7.5	\$ 3,712.50
Conroy, Debbie	17-Aug-12	correspondence, calls from creditors, ee matters, update cash flow forecast, collections issues, update cash flow forecast and reconcile actuals	2.0	\$ 990.00
Conroy, Debbie	20-Aug-12	update actuals, Do All reimbursement calc., forecast, corres and collections, reimbursements, Innisfail landlord order disc Rodrigues re final payments, new landlord claims	4.5	\$ 2,227.50
Rodrigues, Miguel Lino	20-Aug-12	Final utility and service allocation to Do-All, final bill payments and reconciliations, respond to suppliers. VFD building discussion follow up and negotiation. Lessor follow up and reply to lessor requests.	8.0	\$ 3,160.00
Stevenson, Greg	20-Aug-12	Calls with employees re wepp questions and proof of claim forms.	0.6	\$ 90.00
Conroy, Debbie	21-Aug-12	update actuals, Do All reimbursement calc., forecast, corres and collections, reimbursements, Innisfail landlord order disc Rodrigues re final payments, new landlord claims	4.0	\$ 1,980.00
Narfason, Neil	21-Aug-12	t/a HSBC, emails with ADT repo, emails with counsel re: closing	0.6	\$ 405.00
Rodrigues, Miguel Lino	21-Aug-12	Final utility and service allocation to Do-All, final bill payments and reconciliations, respond to suppliers. VFD building discussion follow up and negotiation. Lessor follow up and reply to lessor requests.	4.0	\$ 1,580.00
Stevenson, Greg	21-Aug-12	Calls with employees re WEPP questions and proof of claims issues.	0.4	\$ 60.00
Conroy, Debbie	22-Aug-12	update actuals, Do All reimbursement calc., forecast, corres and collections, reimbursements, Innisfail landlord order disc Rodrigues re final payments, new landlord claims	5.5	\$ 2,722.50
Rodrigues, Miguel Lino	22-Aug-12	Final utility and service allocation to Do-All, final bill payments and reconciliations, respond to suppliers. VFD building discussion follow up and negotiation. Lessor follow up and reply to lessor requests.	4.0	\$ 1,580.00
Stevenson, Greg	22-Aug-12	Review proof of claim. Contact employee re issues, send out package to employee.	0.3	\$ 45.00
Conroy, Debbie	23-Aug-12	update actuals, Do All reimbursement calc., forecast, corres and collections, reimbursements, Innisfail landlord order disc Rodrigues re final payments, new landlord claims	4.5	\$ 2,227.50
Narfason, Neil	23-Aug-12	work on ADT settlement analysis, t/a HSBC, t/a Conroy re: Do All closing and Poplar Grove, t/a Gallant, numerous emails	1.6	\$ 1,080.00
Rodrigues, Miguel Lino	23-Aug-12	Final utility and service allocation to Do-All, final bill payments and reconciliations, respond to suppliers. VFD building discussion follow up and negotiation. Lessor follow up and reply to lessor requests.	3.5	\$ 1,382.50
Stevenson, Greg	23-Aug-12	Email from Debbie Conroy re employee WEPP claim. Review payroll documents, speak with employee and send package. Call from employee re incorrect information for WEPP, look through documents, correct issue, submit claim with Service Canada.	0.6	\$ 90.00

Person	Date	Description	Hours	Total
Conroy, Debbie	24-Aug-12	update actuals, Do All reimbursement calc., forecast, corres and collections, reimbursements, Innsfail landlord order disc Rodrigues re final payments, new landlord claims	6.0	\$ 2,970.00
Narfason, Neil	24-Aug-12	t/a HSBC, emails re: Do All closing, t/a Do All,	1.0	\$ 675.00
Rodrigues, Miguel Lino	24-Aug-12	Final utility and service allocation to Do-All, final bill payments and reconciliations, respond to suppliers. VFD building discussion follow up and negotiation. Lessor follow up and reply to lessor requests.	2.0	\$ 790.00
Stevenson, Greg	24-Aug-12	Call with service Canada re employee claim. call with multiple employees re claims/issues, assistance with forms. file claims	0.7	\$ 105.00
Carandang, Marites	27-Aug-12	Mails	0.2	\$ 50.00
Conroy, Debbie	27-Aug-12	landlord, forecast, reports, reimbursement	5.0	\$ 2,475.00
Narfason, Neil	27-Aug-12	revise draft rig split schedule and sent to ADT rep (Carlos), emails re: Do All	0.8	\$ 540.00
Perales, Grace	27-Aug-12	Process Wire Transfer Payment to Mr. Rojas	1.0	\$ 150.00
Rodrigues, Miguel Lino	27-Aug-12	Payment of expenses and preparation of utility schedule, VFD building follow up and update to Court Report.	4.5	\$ 1,777.50
Stevenson, Greg	27-Aug-12	Review employee proof of claim and submit with Service Canada.	0.2	\$ 30.00
Carandang, Marites	28-Aug-12	Mails	0.2	\$ 50.00
Conroy, Debbie	28-Aug-12	landlord, forecast, reports, reimbursement	7.5	\$ 3,712.50
Perales, Grace	28-Aug-12	Prepare Cheque Payment/email Miguel R.	3.2	\$ 480.00
Rodrigues, Miguel Lino	28-Aug-12	Payment of expenses and preparation of utility schedule, VFD building follow up and update to Court Report.	5.0	\$ 1,975.00
Stevenson, Greg	28-Aug-12	Emails with Debbie Conroy re WEPP matters, email with Miguel Rodrigues re WEPP matters. Revise/Update WEPP summary schedule for Debbie. Call to Service Canada re super priority question.	1.2	\$ 180.00
Carandang, Marites	29-Aug-12	Mails	0.2	\$ 50.00
Conroy, Debbie	29-Aug-12	landlord, forecast, reports, reimbursement	4.5	\$ 2,227.50
Perales, Grace	29-Aug-12	Follow-up wire Payment to Mr. Rojas	0.1	\$ 15.00
Perales, Grace	29-Aug-12	Follow-up with CRA Re: Receivership GST Account Opening	0.1	\$ 15.00
Rodrigues, Miguel Lino	29-Aug-12	Payment of expenses and preparation of utility schedule, VFD building follow up and update to Court Report.	7.5	\$ 2,962.50
Carandang, Marites	30-Aug-12	Mails	0.2	\$ 50.00
Conroy, Debbie	30-Aug-12	landlord, forecast, reports, reimbursement	5.5	\$ 2,722.50
Honess, Neil	30-Aug-12	Meeting/review of mud/gravel issue in Innsfail; landlord/vacation of premises review and meeting in Red Deer.	4.5	\$ 1,800.00
Narfason, Neil	30-Aug-12	emails re: Mexico, email with Conroy re: Do All closing reconciliation, t/a Conroy	0.8	\$ 540.00
Perales, Grace	30-Aug-12	Prepare Cheques	1.6	\$ 240.00
Rodrigues, Miguel Lino	30-Aug-12	Payment of expenses and preparation of utility schedule, VFD building follow up and update to Court Report.	4.5	\$ 1,777.50
Zevallos, Ricardo	30-Aug-12	SR&ED: Th30: updated PD and sent to WB for TAD review;	1.0	\$ 335.00
Carandang, Marites	4-Sep-12	Mails	0.1	\$ 25.00
Honess, Neil	4-Sep-12	emails re site visit, clean up, mud issue	0.5	\$ 200.00
Perales, Grace	4-Sep-12	Prepare Wire Transfer to Mr. Rojas/Call Mr. Rojas to confirm receipt of Funds	1.2	\$ 180.00
Rodrigues, Miguel Lino	4-Sep-12	Reply to suppliers, suppliers letters, leasing, PO approval, cheque requests. Review and reconciliation of general ledger payments.	3.0	\$ 1,185.00
Carandang, Marites	5-Sep-12	Mails	0.2	\$ 50.00
Perales, Grace	5-Sep-12	Follow up with HSBC- Wire Transfer to Mr. Rojas	0.2	\$ 30.00
Rodrigues, Miguel Lino	5-Sep-12	Reply to suppliers, suppliers letters, leasing, PO approval, cheque requests. Review and reconciliation of general ledger payments.	2.0	\$ 790.00
Stevenson, Greg	5-Sep-12	Review employee proof of claims, submit with service Canada. Call from employee re WEPP pay out amounts, call to service Canada re same matters and eligibility questions. Review WEPP schedule and payroll documents. Emails with Debbie Conroy and Michelle Kuntzemann re same matters.	1.4	\$ 210.00
Conroy, Debbie	6-Sep-12	cr queries, disc Norton re landlord	2.0	\$ 990.00
Narfason, Neil	6-Sep-12	emails with HSBC, emails with Mexico, t/a HSBC	0.7	\$ 472.50
Rodrigues, Miguel Lino	6-Sep-12	Reply to suppliers, suppliers letters, leasing, PO approval, cheque requests. Review and reconciliation of general ledger payments.	3.0	\$ 1,185.00
Caden, Jessica France	7-Sep-12	Prepare cheques.	1.0	\$ 225.00

Person	Date	Description	Hours	Total
Carandang, Marites	7-Sep-12	Mails	0.2	\$ 50.00
Conroy, Debbie	7-Sep-12	cr queries, disc Norton re landlord	1.8	\$ 891.00
Perales, Grace	7-Sep-12	Call CRA to follow-up GST Account Opening/re-tax Account opening request	0.3	\$ 45.00
Rodrigues, Miguel Lino	7-Sep-12	Reply to suppliers, suppliers letters, leasing, PO approval, cheque requests. Review and reconciliation of general ledger payments.	5.0	\$ 1,975.00
Caden, Jessica France	10-Sep-12	Prepare cheque	0.2	\$ 45.00
Carandang, Marites	10-Sep-12	Mails	0.2	\$ 50.00
Conroy, Debbie	10-Sep-12	cr calls, follow-up disbursements	1.0	\$ 495.00
Narfason, Neil	10-Sep-12	Mexico rigs control/handling - calls with HSBC x2, emails with HSBC, t/a Carlos, - further emails with HSBC,	1.1	\$ 742.50
Stevenson, Greg	10-Sep-12	Call with employee re WEPP procedures.	0.2	\$ 30.00
Carandang, Marites	11-Sep-12	Mails	0.2	\$ 50.00
Conroy, Debbie	11-Sep-12	cr calls, follow-up disbursements	1.0	\$ 495.00
Stevenson, Greg	11-Sep-12	Employee call re proof of claim issues/WEPP questions.	0.2	\$ 30.00
Conroy, Debbie	12-Sep-12	cr calls, follow-up disbursements	0.5	\$ 247.50
Narfason, Neil	12-Sep-12	t/a Century, emails re: ops, gen corr	0.5	\$ 337.50
Perales, Grace	12-Sep-12	Call CRA to follow up closing Pre-receivership GST and open Post Receivership Account/Refax request	0.3	\$ 45.00
Stevenson, Greg	12-Sep-12	phone with employee re wepp claim issues, termination pay and matters relating to termination date.	0.4	\$ 60.00
Carandang, Marites	13-Sep-12	Mails	0.2	\$ 50.00
Conroy, Debbie	13-Sep-12	cr calls, follow-up disbursements	0.5	\$ 247.50
Stevenson, Greg	13-Sep-12	Review payout letters from Service Canada re WEPP, update WEPP schedule. Employee call re payout issues.	0.5	\$ 75.00
Caden, Jessica France	17-Sep-12	Prepare cheques, deposits.	1.0	\$ 225.00
Carandang, Marites	17-Sep-12	Mails	0.3	\$ 75.00
Conroy, Debbie	17-Sep-12	cr queries, disc Rodrigues re Red Deer and utility charges, disc NN re Poplar grove, email Brad Jacobs	0.5	\$ 247.50
Rodrigues, Miguel Lino	17-Sep-12	A/P and processing of supplier payments and addressing supplier issues. Update to utility schedule to make payment to Do-all. Reply to legal counsel.	5.0	\$ 1,975.00
Stevenson, Greg	17-Sep-12	review proof of claim re WEPP, submit to service Canada.	0.3	\$ 45.00
Caden, Jessica France	18-Sep-12	Prepare cheques, wire.	0.5	\$ 112.50
Carandang, Marites	18-Sep-12	Mails	0.2	\$ 50.00
Conroy, Debbie	18-Sep-12	disc A Gallant re status of Red Deer and Innisfail, disc MR	0.5	\$ 247.50
Narfason, Neil	18-Sep-12	t/a Carlos, t/a HSBC, email HSBC, email counsel	0.6	\$ 405.00
Rodrigues, Miguel Lino	18-Sep-12	A/P and processing of supplier payments and addressing supplier issues. Update to utility schedule to make payment to Do-all. Reply to legal counsel.	4.0	\$ 1,580.00
Stevenson, Greg	18-Sep-12	review proof of claims, file with service Canada, update summary schedule.	0.4	\$ 60.00
Conroy, Debbie	19-Sep-12	cr queries, disc Rodrigues re Red Deer and utility charges, disc NN re Poplar grove, email Brad Jacobs	1.0	\$ 495.00
Narfason, Neil	19-Sep-12	call with Debbie Conroy, emails re: Do All reconciliation, emails with HSBC, emails with counsel	0.7	\$ 472.50
Rodrigues, Miguel Lino	19-Sep-12	A/P and processing of supplier payments and addressing supplier issues. Update to utility schedule to make payment to Do-all. Reply to legal counsel.	2.0	\$ 790.00
Caden, Jessica France	20-Sep-12	Prepare cheques, wire.	1.3	\$ 292.50
Conroy, Debbie	20-Sep-12	cr queries, disc Rodrigues re Red Deer and utility charges, disc NN re Poplar grove, email Brad Jacobs	1.0	\$ 495.00
Narfason, Neil	20-Sep-12	emails with counsel and HSBC re: Do All final adjustments, t/a HSBC	0.3	\$ 202.50
Rodrigues, Miguel Lino	20-Sep-12	A/P and processing of supplier payments and addressing supplier issues. Update to utility schedule to make payment to Do-all. Reply to legal counsel.	3.0	\$ 1,185.00
Caden, Jessica France	21-Sep-12	Prepare cheques, wire.	1.0	\$ 225.00
Carandang, Marites	21-Sep-12	Mails	0.2	\$ 50.00
Honess, Neil	21-Sep-12	Downloading pictures from site visits at Red Deer and Innisfail	2.0	\$ 800.00
Narfason, Neil	21-Sep-12	t/a HSBC,	0.2	\$ 135.00

Person	Date	Description	Hours	Total
Stevenson, Greg	21-Sep-12	email/call with employee re proof of claim and wepp issues. call with service Canada re payout issues.	0.4	\$ 60.00
Conroy, Debbie	24-Sep-12	agent representation, cr calls, collections	0.5	\$ 247.50
Narfason, Neil	24-Sep-12	emails with HSBC, emails re: Do Ali, emails with Luis Roja, Mexico security assessment	0.5	\$ 337.50
Perales, Grace	24-Sep-12	Follow-up with CRA Re: Closing Pre-receivership Account and opening Post Receivership Account	0.3	\$ 45.00
Conroy, Debbie	25-Sep-12	top drive questions Kevin Barr	0.5	\$ 247.50
Narfason, Neil	25-Sep-12	call with HSBC,	0.3	\$ 202.50
Rodriguez, Miguel Lino	25-Sep-12	Supplier issues, reply to suppliers, payments.	0.5	\$ 197.50
Stevenson, Greg	25-Sep-12	Email from Debbie Conroy re bankrupting company and effect of wepp claims. review wepp rules/regulations.	0.2	\$ 30.00
Caden, Jessica France	26-Sep-12	Prepare wire, amend wire, for Mr. Rojas. Prepare bank deposit.	0.2	\$ 45.00
Conroy, Debbie	26-Sep-12	Tough Enough affidavit disc K Barr, S Bastos	1.5	\$ 742.50
Narfason, Neil	26-Sep-12	review draft affidavit reL top drive, 1/a NRC x3,	0.8	\$ 405.00
Rodriguez, Miguel Lino	26-Sep-12	Supplier issues, reply to suppliers, payments.	0.5	\$ 197.50
Stevenson, Greg	26-Sep-12	call with multiple employees re outstanding proof of claim issues, review proof of claims, amend WEPP form with service Canada, update employee schedule.	0.7	\$ 105.00
Caden, Jessica France	27-Sep-12	Prepare wire, amend wire, for Mr. Rojas. Prepare bank deposit.	0.3	\$ 67.50
Conroy, Debbie	27-Sep-12	Tough Enough affidavit disc K Barr, S Bastos	0.8	\$ 396.00
Narfason, Neil	27-Sep-12	review and comment on top drive affidavit	0.3	\$ 202.50
Narfason, Neil	27-Sep-12	1/a HSBC, email to HSBC, emails with NRC re: Top Drive	0.4	\$ 270.00
Perales, Grace	27-Sep-12	Follow-up with CRA to close RT0001 and open RT0002/Requested Access Codes	1.1	\$ 165.00
Rodriguez, Miguel Lino	27-Sep-12	Supplier issues, reply to suppliers, payments.	2.0	\$ 790.00
Caden, Jessica France	28-Sep-12	Prepare wire, amend wire, for Mr. Rojas. Prepare bank deposit.	0.4	\$ 90.00
Narfason, Neil	28-Sep-12	emails re: top drive affidavit, swear affidavit	0.5	\$ 337.50
Rodriguez, Miguel Lino	28-Sep-12	Supplier issues, reply to suppliers, payments.	1.0	\$ 395.00
Stevenson, Greg	28-Sep-12	call/email with employee re missing proof of claim form and wepp information. call with employee re concerns about payout from service Canada	0.5	\$ 75.00
Grand Total			213.3	\$ 89,767.00



APPENDIX B



Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

T: +1 403.267.8222
F: +1 403.264.5973
calgary@nortonrose.com
nortonrose.com

On January 1, 2012, Macleod Dixon joined
Norton Rose OR to create Norton Rose Canada.

INVOICE

Invoice Number: 10127382
Date: October 5, 2012
Client: Ernst & Young LLP
Re: X-treme Energy Group Inc.
Matter No.: 284565

Ernst & Young LLP
1000 Ernst & Young Tower
440 - 2nd Ave. S.W.
Calgary AB T2P 5E9
Canada

Attention: Neil Narfason

GST : R111340006
QST : 1007441611

For professional services rendered and disbursements incurred for the
period ending September 30, 2012.

FEES		\$17,371.50
DISBURSEMENTS & CHARGES (Taxable)		179.73
DISBURSEMENTS & CHARGES (Non Taxable)		65.00
	NET	\$17,616.23
GST		\$877.57
	TOTAL FOR THIS INVOICE	\$18,493.80
	Previous Balance Outstanding	\$0.00
	TOTAL OWING FOR THIS INVOICE	\$18,493.80

Payable upon receipt

Banking information for wire transfer
TD Canada Trust, 340-5th Ave SW
Calgary, Alberta, Canada
Swift#: TDOMCATTOR, Transit#: 80609-004
Account#: 0805-5278547
Include invoice number on transfer order

Ernst & Young LLP
 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 1

 **NORTON ROSE**

Our File # 284565
 Invoice# 10127382
 Date: October 5, 2012

ATTN: Neil Narfason

RE: X-treme Energy Group Inc.

For Services Rendered Through September 30, 2012

Date	Description	Timekeeper	Hours
09/04/12	Various emails and conference calls; (August 21 - September 3, 2012);	Barr, K.E.	3.00
09/04/12	Telephone call from I Lock & Key;	Barr, K.E.	0.10
09/04/12	Email to M. Flach;	Burt, J. A.	0.10
09/05/12	Email from K. Armstrong; Email to K. Verhelst;	Burt, J. A.	0.20
09/06/12	Email to K. Verhelst re: registration of name change; Email to K. Armstrong;	Burt, J. A.	0.30
09/06/12	Receipt of executed Articles of Amendment re: name change; Filing same with CORES and forwarding to J. Burt for further handling;	Verhelst, K.L.	0.30
09/10/12	Email from M. Flach; Call to E. Moe;	Burt, J. A.	0.20
09/11/12	Review of file materials re: preparation of Receiver's Report; Telephone call from I Lock & Key (multiple); E-mail messages to and from client;	Barr, K.E.	1.50
09/11/12	Emails to and from K. Armstrong; Calls to E. Moe; Email to E. Moe; Call with K. Barr; Preparation of letter to Kal-Tire; Emails to and from M. Flach;	Burt, J. A.	1.30
09/11/12	Telephone call to Receiver; Revise documents;	Gorman, H.A.	0.50
09/11/12	Telephone call from J. Burt re: builders' lien claimant, next steps, status of closing, etc; Preparation of memorandum to file;	Kashuba, K.D.	0.10
09/12/12	Letter from B. Maruyama; E-mail messages to and from N. Narfason (multiple); Drafting Affidavit (possessory lien);	Barr, K.E.	1.20
09/12/12	Meeting with E. Moe re: builders' lien release and payment; Letter to Kal-Tire re: payment of invoice; Emails to and from R. Savard; Email to M. Flach; Emails from and to K. Armstrong;	Burt, J. A.	0.60
09/13/12	Conference with S. Koch;	Burt, J. A.	0.10
09/13/12	Voicemail message to R. Warrender;	Koch, S.N.	0.10
09/14/12	Voice message from R. Warrender; Email to D. Conroy;	Burt, J. A.	0.20
09/17/12	Call with D. Conroy;	Burt, J. A.	0.10
09/17/12	Review Engagement Letter;	Gorman, H.A.	0.30
09/18/12	Review of file re: report of Receiver;	Barr, K.E.	1.10
09/18/12	Review retainer documents;	Gorman, H.A.	0.30
09/20/12	E-mail from and e-mail to K. Armstrong and M.	Flach, M.P.	1.20

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 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 2

 **NORTON ROSE**

Our File # 284565
 Invoice# 10127382
 Date: October 5, 2012

Date	Description	Timekeeper	Hours
09/20/12	Rodriguez re trailers and truck registrations; Telephone call to Solid Services re: truck lease; Review draft documents; Telephone call to Receiver;	Gorman, H.A.	0.20
09/21/12	Drafting possessory lien Affidavit; E-mail messages to and from Blakes and client (multiple);	Barr, K.E.	1.80
09/24/12	E-mail messages to and from client; Drafting motion material; E-mail message from K. Armstrong;	Barr, K.E.	3.30
09/24/12	E-mail messages to and from K. Barr re: preparing application materials; Review previous research re: the Possessory Liens Act; Consultation with K. Barr re: preparing Notice of Application;	Burrowes, S.A.	0.40
09/24/12	Telephone call from Solid Services re: truck lease; E-mail from and e-mail to M. Rodriguez re: truck lease;	Flach, M.P.	0.30
09/25/12	Drafting motion materials; Telephone call to D. Conroy (multiple); E-mail message to D. Conroy (multiple); Review PPR searches; Telephone call from and to B. Davison;	Barr, K.E.	5.10
09/25/12	Emails from K. Armstrong; Emails from M. Flach;	Burt, J. A.	0.30
09/25/12	Emails to and from M. Flach re: Kal Tire; Instructions to L. Van Mierlo;	Burt, J. A.	0.20
09/25/12	E-mail from and e-mail to M. Rodriguez and J. Burt re: Kal Tire payout;	Flach, M.P.	0.30
09/25/12	Conducting search at Personal Property Registry on X-treme Energy Group Inc. and reporting;	Southwell, J.D.	0.30
09/26/12	E-mail messages to and from client (multiple); Revising Affidavit; Telephone calls from and to client (multiple); Telephone call to and e-mail to B. Maruyama;	Barr, K.E.	4.40
09/26/12	Review Affidavit;	Burrowes, S.A.	0.50
09/27/12	Drafting Affidavits; E-mail messages to and from S. Bastos; E-mail messages to and from client; Telephone call from client; Review revised spreadsheets from S. Bastos; Telephone call to S. Bastos;	Barr, K.E.	3.80
09/28/12	Finalize Affidavit of client; E-mail messages to and from client (multiple); Letter to B. Davison and B. Maruyama; Meeting with client;	Barr, K.E.	1.90
09/28/12	File affidavit at the courthouse;	Haspel, F.R.	0.50
TOTAL FEES FOR PROFESSIONAL SERVICES 5% GST			\$17,371.50 868.58

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1000 Ernst & Young Tower
440 - 2nd Ave. S.W.
Calgary AB T2P 5E9
Canada

Page# 3

NORTON ROSE

Our File # 284565
Invoice# 10127382
Date: October 5, 2012

Date	Description	Timekeeper	Hours
TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)			\$18,240.08

OTHER CHARGES

Charge for long distance telephone calls	\$9.22
Teleconferencing	71.28
Courier Services	23.73
Reproduction costs	42.50
TOTAL OTHER CHARGES	\$146.73
5% GST	7.34
TOTAL OTHER CHARGES (Including GST)	\$154.07

DISBURSEMENTS

INCURRED AS AGENT

Date	Description	
09/06/12	Alberta Corporate Registries Re: Name Change 18502067	\$50.00
09/13/12	Land Titles Office Re: Registration of Documents DRR# F05D3E2	15.00
TOTAL INCURRED AS AGENT		\$65.00

SUBJECT TO GST

Date	Description	
09/11/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 22025783	\$10.00
09/12/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 22031579	20.00
09/25/12	Personal Property Registry Re: Searches Z4073961	3.00
TOTAL SUBJECT TO GST		\$33.00
5% GST		1.65
TOTAL DISBURSEMENTS (Including GST)		\$34.65

TOTAL CURRENT BILLING ON THIS INVOICE **\$18,493.80**

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE **\$18,493.80**

Ernst & Young LLP
1000 Ernst & Young Tower
440 - 2nd Ave. S.W.
Calgary AB T2P 5E9
Canada

Page# 4

 **NORTON ROSE**

Our File # 284565
Invoice# 10127382
Date: October 5, 2012

Norton Rose Canada LLP

Per: _____

E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

INVOICE

Invoice Number: 10126259
 Date: September 12, 2012
 Client: Ernst & Young LLP
 Re: X-treme Energy Group Inc.
 Matter No.: 284565

Norton Rose Canada LLP
 400 3rd Avenue SW, Suite 3700
 Calgary, Alberta T2P 4H2 CANADA

T: +1 403.267.8222
 F: +1 403.264.5973
 calgary@nortonrose.com
 nortonrose.com

On January 1, 2012, Macleod Dixon joined
 Norton Rose OR to create Norton Rose Canada.

Ernst & Young LLP
 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Attention: Neil Narfason

GST : R111340006
 QST : 1007441611

For professional services rendered and disbursements incurred for the period ending August 31, 2012.

FEES		\$36,398.50
DISBURSEMENTS & CHARGES (Taxable)		175.23
DISBURSEMENTS & CHARGES (Non Taxable)		0.00
	NET	\$36,573.73
GST		\$1,828.69
	TOTAL FOR THIS INVOICE	\$38,402.42
	Previous Balance Outstanding	\$99,357.22
	TOTAL OWING FOR THIS INVOICE	\$137,759.64

Payable upon receipt

Banking information for wire transfer
 TD Canada Trust, 340-5th Ave SW
 Calgary, Alberta, Canada
 Swift#: TD0MCATTTOR, Transit#: 80609-004
 Account#: 0805-5278547
 Include invoice number on transfer order

Ernst & Young LLP
 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 1

 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

ATTN: Neil Narfason

RE: X-treme Energy Group Inc.

For Services Rendered Through August 31, 2012

Date	Description	Timekeeper	Hours
08/01/12	Re: closing - E-mail messages to and from opposing counsel (multiple); E-mail messages to and from M. Flach (multiple); Telephone call from and to M. Flach (multiple); Meeting with client;	Barr, K.E.	2.30
08/01/12	Preparation of documents for signing;	Bollinger, J.K.	3.00
08/01/12	Emails to and from K. Armstrong; Conference with M. Flach; Revisions to closing documents; Conference with J. Bollinger; Emails to and from M. Flach; Call to Landlord's solicitor; Preparation of statement of adjustments;	Burt, J. A.	2.60
08/01/12	E-mail to and e-mail from K. Armstrong re: outstanding issues;	Flach, M.P.	1.90
08/01/12	Conference with K. Barr; Review documents;	Gorman, H.A.	0.30
08/01/12	Correspondence with M. Rodrigues; Telephone conference with J. Burt re: lease payouts;	Mak, J.C.	0.40
08/01/12	Ordering Corporate searches regarding Poplar Grove Property Development Inc., X-Treme Energy Group Inc. and reporting;	Michel, J.	0.30
08/01/12	Consultation with K. Kashuba re: employee claims and extending the employees claims;	Rieger, C.M.	0.20
08/02/12	Multiple emails from and emails to client; Multiple emails from and emails to opposing counsel re: closing; Memo to file;	Barr, K.E.	1.30
08/02/12	Preparation of documents for signing and closing;	Bollinger, J.K.	2.70
08/02/12	Conference with J. Bollinger; Conference with M. Flach; Calls with K. Armstrong; Call to R. Warrender; Email to R. Warrender; Instructions to L. Van Mierlo; Emails from M. Flach; Emails from K. Armstrong; Emails from K. Barr;	Burt, J. A.	0.90
08/02/12	E-mail(s) to and from K. Barr and M. Flach re: closing timeline;	Rieger, C.M.	0.10
08/03/12	Instructions to S. Koch; Review of letter to landlord re: consent; Email to R. Warrender; Emails to and from K. Armstrong;	Burt, J. A.	0.80
08/03/12	E-mail(s) from K. Barr re: closing, employee issues; E-mail(s) to and from K. Barr and C. Rieger re: same, next steps; Review of WCB/employee issues, letters, etc; Preparation	Kashuba, K.D.	0.30

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 Calgary AB T2P 5E9
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Page# 2

 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
	of memorandum to file re: next steps; Review of e-mails from Osler and BLG re: next steps going forward;		
08/03/12	Consultation with J. Burt; Revise letter to landlord;	Koch, S.N.	0.30
08/06/12	E-mail(s) to and from C. Reiger re: WCB issues, letters concerning Long Term Disability issues, closing of sale, etc; Review of various correspondence re: same;	Kashuba, K.D.	0.30
08/06/12	Emails to and from K. Kashuba regarding employee claims and next steps; Telephone call to K. Kashuba regarding retaining employees longer if closing delayed;	Rieger, C.M.	0.30
08/07/12	Various e-mails from other lawyers re: closing; Telephone call to D. Douglas; E-mail message to B. Maruyama; Telephone call from B. Maruyama; E-mail message from B. Maruyama; E-mail message to J. Kruger; Conference call;	Barr, K.E.	3.10
08/07/12	Review of documents for closing;	Bollinger, J.K.	1.50
08/07/12	Emails to and from K. Armstrong re: outstanding items for closing; Revisions to statement of adjustments; Conference with M. Flach; Conference Call with M. Flach, K. Barr, Osler, BLG re: closing; Call to R. Warrender re: confirmation of amount of security deposit; Emails to and from M. Flach;	Burt, J. A.	2.70
08/07/12	Telephone conference with Oslers, K. Barr and J. Burt re: closing; E-mail to and e-mail from K. Armstrong and J. Burt re: outstanding issues; Meeting with J. Burt re: outstanding issues; Attendance to various closing issues;	Flach, M.P.	5.20
08/07/12	E-mail(s) to and from K. Barr and C. Reiger re: employee claims, next steps with closing, etc;	Kashuba, K.D.	0.10
08/08/12	Telephone call from D. Douglas; E-mail to client; Conference call with all counsel; Telephone call from D. Douglas (x2); Review of various e-mails; Discussion re: Top Drive;	Barr, K.E.	1.90
08/08/12	Emails to and from M. Flach; Emails to and from K. Armstrong; Revisions to statement of adjustments; Revisions to trust letter;	Burt, J. A.	1.00
08/08/12	Telephone conference with Oslers and K. Barr re: closing issues; E-mail to and e-mail from K. Armstrong re: capital lease payout issues; Meeting with J. Burt re: revisions to trust letter; E-mail to and e-mail from N. Narfason re: capital lease payout amounts;	Flach, M.P.	2.20

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 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 3

 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
08/08/12	Ordering AB & SK Corporate searches regarding P & O Xeg Assets Ltd. and reporting;	Michel, J.	0.30
08/09/12	Review of multiple e-mails re: closing;	Barr, K.E.	1.30
08/09/12	Emails from and to R. Warrender; Review of asset purchase agreement; Conference with M. Flach; Call to K. Armstrong; Calls with D. Schweitzer; Emails to and from K. Armstrong; Emails to and from K. Barr; Emails to and from M. Flach;	Burt, J. A.	1.00
08/09/12	E-mail(s) to and from K. Barr and C. Reiger re: closing issues, retention of employees, etc; Review of e-mails to M. Flach and J. Burt; E-mail(s) to K. Barr re: next steps;	Kashuba, K.D.	0.20
08/09/12	Emails to and from K. Barr regarding delay in closing and requirement to retain employees further; Review of file; Draft email to employees retaining them further pending closing of sale; Emails to and from K. Barr regarding sending email to employees pending closing and adjusting pay periods;	Rieger, C.M.	0.50
08/09/12	E-mail(s) to and from K. Barr regarding closing delayed and requirement to retain employees longer; Draft e-mail regarding further retention of employees pending closing; E-mail(s) to K. Barr;	Rieger, C.M.	0.50
08/10/12	Calls to and from K. Armstrong; Email from K. Armstrong; Email to and from M. Flach;	Burt, J. A.	0.30
08/13/12	Telephone call from client; Review of e-mails re: closing; Telephone call to K. Armstrong; E-mail message to all counsel; E-mail message from D. Douglas; Conference call with all counsel; Telephone call to Client;	Barr, K.E.	1.40
08/13/12	Conference call with K. Barr, K. Armstrong, D. Schweitzer and N. Narfason; Call from Miguel; Email from M. Flach;	Burt, J. A.	0.40
08/13/12	Telephone call to Receiver;	Gorman, H.A.	0.20
08/13/12	Consultation with K. Barr regarding status of closing, employees and adjustments to wages;	Rieger, C.M.	0.20
08/14/12	Multiple conference calls; E-mail messages to and from client (multiple); Telephone calls from and to client; E-mail message from B. Maruyama; E-mail messages to and from K. Fellowes; E-mail messages from K. Armstrong (multiple); Telephone call from D. Douglas;	Barr, K.E.	2.90
08/14/12	Conference calls with K. Armstrong, D. Schweitzer, K. Barr and D. Douglas; Emails to and from K. Armstrong; Revisions to trust letter;	Burt, J. A.	1.60

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 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 4

 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
08/14/12	Email to K. Barr;		
08/14/12	Emails to and from K. Barr regarding submitting documents for registration on closing and retaining employees until registration complete;	Rieger, C.M.	0.10
08/15/12	Review of various e-mails re: closing; E-mail messages to and from G. Barracough;	Barr, K.E.	1.40
08/15/12	Telephone call from K. Armstrong;		
08/15/12	Emails to and from K. Armstrong; Emails to and from K. Barr; Email to N. Narfason; Emails to and from L. Harper;	Burt, J. A.	0.90
08/15/12	E-mail(s) to and from K. Barr re: closing and employees;	Rieger, C.M.	0.10
08/16/12	E-mail messages to and from D. Conroy (multiple); Telephone call to D. Conroy; Telephone call from N. Narfason; Review various e-mails re: Do-All closing;	Barr, K.E.	2.60
08/16/12	Email from L. Harper; Call to K. Armstrong;	Burt, J. A.	0.20
08/17/12	Telephone call from and to D. Schweitzer; E-mail messages to and from D. Schweitzer; Revise Order; Review of various e-mails;	Barr, K.E.	1.30
08/17/12	Calls with K. Barr; Emails to and from K. Armstrong; Revisions to request to registrar; Letter to K. Armstrong;	Burt, J. A.	0.60
08/17/12	Receipt of instructions from K. Barr re: Attendance at Justice Chambers; Review pleadings and proposed amended order; Attendance at Justice Chambers to obtain and file consent amendment order;	Moffet-Burima, K.G.	2.20
08/20/12	Telephone calls from B. Maruyama; Telephone call from and to B. Davison; Revise Order; Conference call; Review of e-mails re: closing; Attendance at Chambers; Telephone calls from client;	Barr, K.E.	2.30
08/20/12	Emails to and from K. Armstrong; Call with K. Barr;	Burt, J. A.	0.30
08/20/12	Review closing issues;	Gorman, H.A.	0.40
08/21/12	Emails to and from K. Armstrong; Conference with M. Flach; Email from D. Wall; Email to K. Barr; Review of titles re: confirmation of transfer to P & O XEG Assets Ltd.;	Burt, J. A.	0.50
08/21/12	Telephone call from and telephone call to D. Conroy re: employment cut off; meeting with J. Burt re: closing and Poplar Grove lease claims by landlord;	Flach, M.P.	1.60
08/21/12	Review closing issues;	Gorman, H.A.	0.20
08/22/12	Conference with M. Flach; Emails from D. Wall;	Burt, J. A.	1.40

Ernst & Young LLP
 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Page# 5

 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
08/22/12	Emails to and from K. Armstrong; Emails to K. Barr; Conference with A. Bowler; Review e-mail from Poplar Grove re: landlord issues justifying withholding of consent; Prepare response to landlord concerns; Telephone call to K. Armstrong re: payroll cut-off; Meeting with J. Burt re: funds release and closing;	Flach, M.P.	1.70
08/22/12	Emails to and from K. Barr regarding closing, Do-All and the employees; Consultation with J. Burt regarding delay in closing;	Rieger, C.M.	0.20
08/23/12	Emails from and to D. Conroy; Conference with M. Flach; Call to K. Armstrong; Emails from and to K. Armstrong; Emails from and to M. Flach;	Burt, J. A.	1.30
08/23/12	E-mail to and e-mail from D. Conroy re: Innisfail lease issues; Telephone call to and telephone call from R. Warrender's office re: landlord consent and claims; Review XEG financial statements; Telephone call to D. Conroy re: communications with Poplar Grove; Meeting with J. Burt re: fund holdback; Telephone call to K. Armstrong re: holdback for landlord consent; Telephone conference with Oslers re: closing;	Flach, M.P.	6.50
08/24/12	Review of Poplar Grove Lease; Conference with M. Flach; Call to S. Erickson; Voice Message from S. Erickson; Emails from M. Flach; Emails from D. Conroy; Emails from K. Armstrong;	Burt, J. A.	1.30
08/24/12	Attend to closing matters; Telephone call to and telephone call from K. Armstrong, R. Warrender and D. Conroy; Meeting with J. Burt re: lease issues;	Flach, M.P.	5.60
08/24/12	Review documents;	Gorman, H.A.	0.40
08/24/12	E-mail(s) to K. Barr regarding D. Wall and setting up conference call;	Rieger, C.M.	0.10
08/27/12	Conference call with K. Barr, M. Flach and C. Rieger; Conference call with M. Flach, C. Rieger and K. Kashuba; Call with K. Armstrong; Preparation of letter to landlord re: notice of termination of Red Deer lease; Preparation of release re: builders' lien claim; Preparation of withdrawal of lien; Preparation of letter to E. Moe re: builders' lien payout;	Burt, J. A.	3.20
08/27/12	Telephone conference with C. Rieger, J. Burt and K. Barr; Meeting with K. Kashuba re: notice to Red Deer landlord; Telephone call to D. Conroy re: next steps; Meeting with J. Burt re: draft letter; E-mail to K. Kashuba re: lease; E-	Flach, M.P.	2.00

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
	mail to N. Narfason re: status and plan going forward;		
08/27/12	Telephone call to Receiver; Review sales issues; Review correspondence;	Gorman, H.A.	0.30
08/27/12	Consultation with M. Flach, J. Burt and C. Rieger re: termination of lease, application of Receivership Order, next steps with assignment of lease to Do All; Review of file materials; E-mail(s) to and from J. Burt re: letter to Robustment Investments; E-mail(s) from M. Flach re:lease, further information on termination letter, etc; Draft letter and Consultation with C. Rieger re: next steps, instructions from D. Conroy/K. Barr, etc; Preparation of memorandum to file; Telephone call from and telephone call to J. Burt;	Kashuba, K.D.	1.10
08/27/12	E-mail(s) to and from K. Barr; Conference call with K. Barr, J. Burt and M. Flach; E-mail(s) to K. Barr regarding notice to Robust Investments Ltd.; Telephone call to D. Conroy regarding update on employee claims and next steps; Meeting with K. Kashuba regarding terminating lease of Robust Investments Ltd.;	Rieger, C.M.	3.60
08/28/12	Review of letter to Poplar Grove Landlord; Emails to and from D. Conroy; Conference call with K. Armstrong; Letter to N. Narfason re: wire transfer; Conference with M. Flach;	Burt, J. A.	0.90
08/28/12	Telephone call to K. Armstrong re: communication with landlord; Telephone call to D. Conroy re: base damage costs and assignment consent;	Flach, M.P.	0.60
08/28/12	Review Confidential Agreements; Telephone call to Receiver;	Gorman, H.A.	0.90
08/28/12	Review of letter to Robust Investments; Summarize and review pertinent sections of Receivership Order, lease, etc; Finalize draft letter; E-mail(s) to and from K. Barr, C. Rieger, J. Burt and M. Flach re: same; Revise letter re: lease termination; Arrange delivery and courier of letter to Robust Investments, N. Narfason et al;	Kashuba, K.D.	0.60
08/28/12	Review of and revise letter to Robust Investments Ltd.; E-mail(s) to and from K. Kashuba regarding letter;	Rieger, C.M.	0.50
08/29/12	Finalize letter to E. Moe; Email to K. Armstrong;	Burt, J. A.	0.30
08/29/12	Review sales documents;	Gorman, H.A.	0.30

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10126259
 Date: September 12, 2012

Date	Description	Timekeeper	Hours
	TOTAL FEES FOR PROFESSIONAL SERVICES		\$36,398.50
	5% GST		1,819.93
	TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)		\$38,218.43

OTHER CHARGES

Charge for long distance telephone calls	\$9.39
Courier Services	113.59
Reproduction costs	28.25
TOTAL OTHER CHARGES	\$151.23
5% GST	7.56
TOTAL OTHER CHARGES (Including GST)	\$158.79

DISBURSEMENTS

SUBJECT TO GST

Date	Description	
08/01/12	Alberta Corporate Registries Re: Search 18357489	\$3.00
08/01/12	Alberta Corporate Registries Re: Search 18357485	3.00
08/01/12	Alberta Corporate Registries Re: Search 18357478	3.00
08/08/12	Alberta Corporate Registries Re: Search 18386707	3.00
08/08/12	ISC of SK Corporate search re: P & O Xeg Assets	2.00
08/27/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21933182	10.00
	TOTAL SUBJECT TO GST	\$24.00
	5% GST	1.20
	TOTAL DISBURSEMENTS (Including GST)	\$25.20

TOTAL CURRENT BILLING ON THIS INVOICE **\$38,402.42**

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE **\$38,402.42**

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 **NORTON ROSE**

Our File # 284565
Invoice# 10126259
Date: September 12, 2012

Norton Rose Canada LLP

Per: _____

E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

INVOICE

Invoice Number: 10125361
 Date: August 17, 2012
 Client: Ernst & Young LLP
 Re: X-treme Energy Group Inc.
 Matter No.: 284565

Norton Rose Canada LLP
 400 3rd Avenue SW, Suite 3700
 Calgary, Alberta T2P 4H2 CANADA

T: +1 403.267.8222
 F: +1 403.264.5973
 calgary@nortonrose.com
 nortonrose.com

On January 1, 2012, Macleod Dixon joined
 Norton Rose OR to create Norton Rose Canada.

Ernst & Young LLP
 1000 Ernst & Young Tower
 440 - 2nd Ave. S.W.
 Calgary AB T2P 5E9
 Canada

Attention: Neil Narfason

GST : R111340006
 QST : 1007441611

For professional services rendered and disbursements incurred for the period ending July 31, 2012.

FEES		\$93,725.50
DISBURSEMENTS & CHARGES (Taxable)		900.42
DISBURSEMENTS & CHARGES (Non Taxable)		0.00
	NET	\$94,625.92
GST		\$4,731.30
	TOTAL FOR THIS INVOICE	\$99,357.22
	Previous Balance Outstanding	\$0.00
	TOTAL OWING FOR THIS INVOICE	\$99,357.22

Payable upon receipt

Banking information for wire transfer
 TD Canada Trust, 340-5th Ave SW
 Calgary, Alberta, Canada
 Swift#: TDOMCATTTOR, Transit#: 80609-004
 Account#: 0805-5278547
 Include invoice number on transfer order

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 1000 Ernst & Young Tower
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 Calgary AB T2P 5E9
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Page# 1

 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

ATTN: Neil Narfason

RE: X-treme Energy Group Inc.

For Services Rendered Through July 31, 2012

Date	Description	Timekeeper	Hours
06/01/12	Telephone call to Client	Barr, K.E.	0.10
06/05/12	Letter from B. Davison; E-mail messages to and from client;	Barr, K.E.	0.40
06/06/12	E-mail messages to and from client (multiple); Conference call with client;	Barr, K.E.	0.60
06/06/12	Review letter of intent; E-mails from D. Conroy re: additional deal points; Meeting with L. Mitchell re: asset purchase agreement; Review and revise asset purchase agreement;	Flach, M.P.	2.50
06/06/12	Draft Asset Purchase Agreement; Conference with M. Flach;	Mitchell, L.J.	5.00
06/07/12	E-mail messages to and from D. Conroy (multiple); Telephone call from and to D. Conroy (multiple); Reviewing and revising letters (Landlord, Human Rights, Contractor);	Barr, K.E.	1.60
06/07/12	Telephone call from and email to K. Barr; Review of documents; Preparation of Lease Disclaimer;	Bowler, A.J.	0.50
06/07/12	Revise asset purchase agreement; E-mail to and e-mail from D. Conroy re: lease and APA;	Flach, M.P.	3.50
06/07/12	Consultation with K. Barr re: termination of sales office lease, WRL Industries Inc. subcontractor exposure, and agency agreements; E-mail(s) from K. Barr re: same; Review of file materials; Meeting with C. Rieger and Review of termination letter and revise same; Preparation of memorandum to file;	Kashuba, K.D.	0.70
06/07/12	Draft and edit X-treme Asset Purchase Agreement; Telephone call with D. Conroy;	Mitchell, L.J.	4.70
06/07/12	Receiving instructions from K. Barr; Draft letter to Human Rights Commission; Receiving further instructions from K. Barr; Draft letter to J. Kubash; Consultation with K. Kashuba;	Rieger, C.M.	3.10
06/08/12	Revise Asset Purchase Agreement; Meeting with L. Mitchell re: revisions;	Flach, M.P.	2.50
06/08/12	Edit Asset Purchase Agreement re: X-treme assets;	Mitchell, L.J.	2.10
06/08/12	Consultation with L. Mitchell regarding employee;	Rieger, C.M.	0.20
06/11/12	E-mail messages to and from client (multiple); Revise letters; Telephone call to Client;	Barr, K.E.	1.10

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
06/11/12	Meeting with L. Mitchell re: revisions to APA; Revise APA; E-mail to D. Conroy re: revised APA;	Flach, M.P.	2.50
06/11/12	Edit Asset Purchase Agreement re: X-treme assets; Conference with M. Flach; Telephone call with D. Conroy;	Mitchell, L.J.	3.00
06/12/12	E-mail messages to and from client; Review Purchase and Sale Agreement;	Barr, K.E.	0.50
06/15/12	E-mail from D. Conroy re: further revisions to APA; Revise APA; Telephone conference with D. Conroy re: letter agreement with Saxon, letter agreement with X-Coil and further APA revisions;	Flach, M.P.	2.30
06/18/12	Telephone call to D. Conroy re: X-Coil letter agreement; Review letter agreement; Revise asset purchase agreement; E-mail to D. Conroy re: revised documentation; E-mail to and e-mail from D. Conroy re: subleases to X-Coil and Saxon;	Flach, M.P.	1.30
06/18/12	Receipt of instructions from K. Barr; Review letter sent to WRL re: payment of claim; Draft and revise statutory declaration; Emails from and to K. Barr re: statutory declaration;	Moffet-Burima, K.G.	0.70
06/19/12	Telephone call to Client; E-mail messages to and from client;	Barr, K.E.	0.30
06/19/12	E-mail to D. Conroy re: status enquiry;	Flach, M.P.	0.10
06/19/12	Telephone call with opposing counsel;	Mitchell, L.J.	0.20
06/19/12	E-mail(s) to K. Barr regarding review of employee claims regarding personal days; Review of Employment Standard Code; Consultation with K. Barr regarding Employment Standard Code requirements and policies; E-mail(s) to and from D. Conroy regarding personal days;	Rieger, C.M.	0.40
06/20/12	E-mail messages to and from client (multiple);	Barr, K.E.	0.30
06/20/12	Telephone call with opposing counsel;	Mitchell, L.J.	0.10
06/21/12	E-mail to and e-mail from D. Conroy re: additional provisions; E-mail to D. Anderson re: additional provisions;	Flach, M.P.	1.00
06/22/12	E-mail message from and telephone call to client; Review email; Review changes; Letter to Court;	Barr, K.E.	1.30
06/22/12	E-mail from K. Armstrong re: revised APA; Review revised APA; E-mail to D. Conroy re: revised APA;	Flach, M.P.	1.90
06/22/12	E-mail(s) to and from K. Barr; Consultation with K. Barr regarding Employment Standards Code	Rieger, C.M.	0.10

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	review and flex days;		
06/25/12	Telephone call from and to and E-mail messages to and from client; Consideration of HSBC priority issues;	Barr, K.E.	1.30
06/25/12	Conference with K. Barr re: research re: effect of use of proceeds of crime to purchase assets on priorities;	Doll, J.D.	0.20
06/25/12	Review revised APA; E-mail to D. Conroy re: revised APA; Revise APA;	Flach, M.P.	1.10
06/26/12	Conference call with client; Research pertaining to priority issues;	Barr, K.E.	2.60
06/26/12	Telephone conference with D. Conroy re: revised APA; Revise APA; E-mail to D. Conroy and e-mail to D. Anderson re: revised APA; Review permitted encumbrances; Review title related to X-treme real property and land title registrations; E-mail to and telephone call from J. Mak re: priority review for capital leases;	Flach, M.P.	4.50
06/26/12	Receipt of instructions and telephone conference with M. Flach; Attend to matters re: security review re: existing capital leases; Review of Personal Property Registry searches;	Mak, J.C.	1.40
06/26/12	Consultations with J. Mak re capital leases;	Maksimow, D.L.	0.20
06/26/12	Receipt of instructions from K. Barr; Research re: ability to bring an application for sale in the face of a proceeds of crime civil action, impact of fraud allegations on sale of assets in receiverships, notice requirements under proceeds of crime legislation, ability to concurrently run a receivership and a tort action regarding proceeds of crime; Meetings with J. Doll re: research; Phone calls with K. Barr re: research;	Moffet-Burima, K.G.	7.10
06/27/12	Drafting opinion; Review of research;	Barr, K.E.	3.80
06/27/12	Conference with S. Koch re: assignment of leases;	Bolitho, M.C.	0.30
06/27/12	Review land titles; Meeting with J. Mak re: security review; E-mail to D. Conroy re: land title review; Telephone call from and telephone call to J. Mak re: security review; Memorandum from J. Mak re: capital lease priority; Telephone call to and e-mail to J. Mak re: memo revisions; E-mail from D. Conroy re: revisions to APA; review APA;	Flach, M.P.	3.70
06/27/12	Telephone call to and telephone call from L. Mitchell; Email to and email from L. Mitchell and	Koch, S.N.	3.60

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
06/27/12	M. Flach; Review of lease; Research pertaining to Builder's Liens Act; Draft landlord consent; Draft assignment and novation agreement; Consultation with L. Mitchell; Review of title; Review of builders lien registered on title; Receipt of instructions, meeting and telephone conferences to and from M. Flach; Attend to and preparation of security review; Review of capital leases and Personal Property Registry searches; Consultation with M. Wylie; Telephone conference and emails to K. Barr; Review of Asset Purchase Agreement;	Mak, J.C.	7.10
06/27/12	Review Lease; Coordinate preparation of closing and assignment documents; E-mails to Client;	Mitchell, L.J.	1.60
06/27/12	Research re: proceeds of crime jurisprudence and duty of care of banks in relation to such legislation and fraud; Phone call with K. Barr re: same; Review ADT Statement of Claim; Meeting with K. Barr re: analysis for legal opinion; Research re: Duty of care of banks in relation to victims of fraud; Emails from K. Barr re: opinion to client;	Moffet-Burima, K.G.	2.90
06/27/12	Conducting search at Personal Property Registry on X-treme Energy Group Inc. and reporting;	Southwell, J.D.	0.30
06/28/12	E-mail to, e-mail from, telephone call to and telephone call from D. Conroy re: APA and lease assignment; E-mail to, e-mail from, telephone call to and telephone call from K. Armstrong re: APA;	Flach, M.P.	6.70
06/28/12	Draft assignment and novation agreement; Email to M. Flach;	Koch, S.N.	0.70
06/28/12	Telephone conference and receipt of instructions from K. Barr; Attend to matters re: security review; Telephone conference with M. Flach; Correspondence;	Mak, J.C.	1.10
06/28/12	Consultation with M. Flach regarding GST issues; Review of e-mail from M. Flach; Review of GST issues;	Shewchuk, R.M.P.	0.50
06/28/12	Legal research re priority to serial numbered goods;	Watson, J.P.	3.50
06/29/12	E-mail messages to and from client; Telephone call from B. Davison;	Barr, K.E.	0.30
06/29/12	E-mail from and e-mail to D. Conroy re: microsoft software licenses; E-mail from D. Conroy re: revisions; Telephone call to K. Armstrong re: revisions; Revise APA;	Flach, M.P.	1.70

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
07/03/12	Telephone call from client (multiple); Revise Confidential Addendum; Revise First Report; Draft Order; Draft motion; Review leases; E-mail messages to and from client (multiple);	Barr, K.E.	5.70
07/03/12	Conference with M. Flach; Review of Innisfail Land Use Bylaw; Review of environmental protection and enhancement act; Preparation of holdback provision for asset purchase agreement;	Burt, J. A.	3.50
07/03/12	Telephone call from D. Conroy re: environmental holdback; Telephone conference with K. Barr and K. Armstrong re: timing; Prepare escrow agreement; Meeting with J. Burt re: terms for release of holdback amount; Revise purchase agreement;	Flach, M.P.	4.20
07/04/12	Revising reports; Telephone call to Client (multiple); Telephone call from client (multiple); E-mail messages to and from client (multiple); Revise Order and motion; Telephone call to R. Gurofsky; E-mail message to P. Linder; E-mail message to J. Kruger; Letter to Court; Telephone call from P. Linder; E-mail message to all counsel; E-mail message from J. Kruger;	Barr, K.E.	4.90
07/04/12	Conference with F. Bush; Revisions to holdback provision;	Burt, J. A.	0.70
07/04/12	Reviewed environmental holdback provision;	Bush, F.M.	0.30
07/04/12	E-mail to and e-mail from D. Conroy re: environmental remediation language; Revise APA; E-mail to D. Conroy re: revised language; E-mail to Oslers re: revised APA and escrow agreement; E-mail to HSBC re: APA and escrow agreement; Telephone conference with K. Armstrong re: revisions to APA;	Flach, M.P.	3.70
07/04/12	Conference with K. Barr; Review documents;	Gorman, H.A.	1.00
07/04/12	Consultation with K. Barr re: sale approval and vesting Order; Review of file materials and Receiver's Report; Review precedent real estate sale orders; Draft form of Order provisions disclaiming leases, etc; Preparation of memorandum to file;	Kashuba, K.D.	0.70
07/05/12	Review of Asset Purchase Agreement; Telephone calls to and from opposing counsel (multiple); Revise Reports; Revise Order; Revise motion; E-mail messages to and from client (multiple); Telephone calls from and to client (multiple); Prepare for Court application; Attend	Barr, K.E.	6.50

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
07/05/12	Court application; Calls with K. Armstrong; Conference with K. Barr; Review of changes to asset purchase agreement; Emails from M. Flach; Conference with F. Bush;	Burt, J. A.	1.20
07/05/12	Telephone call to K. Armstrong re: revisions to APA; E-mail from K. Armstrong re: revisions to APA; E-mail to D. Conroy and N. Narfason re: summary of revisions; Telephone call to K. Barr re: execution; E-mail to K. Armstrong re: schedules;	Flach, M.P.	2.90
07/05/12	Review Receiver's Report and Confidential Addendum; Review of file materials and prepare revised Sale Approval and Vesting Order; Review of asset purchase agreement and correspondence from Oslers; Consultation with K. Barr re: Sealing Order and next steps with same; Review of Alberta Rules of Court and case law re: Restricted Court Access Orders; E-mail(s) to K. Barr re: draft form of Orders; E-mail(s) to and from J. Burt re: asset purchase agreement, next steps, etc; Meeting with N. Narfason re: asset purchase agreement, Receiver's Report and Confidential Addendum; E-mail(s) to K. Barr re: draft Sale Approval and Vesting Order and Restricted Court Access Order; E-mail(s) to and from J. Burt and K. Barr re: slip sheet in asset purchase agreement; Preparation of memorandum to file;	Kashuba, K.D.	3.90
07/09/12	E-mail messages to and from client;	Barr, K.E.	0.10
07/10/12	E-mail messages to and from client; E-mail messages to and from D. Schweitzer; Telephone call from D. Schweitzer;	Barr, K.E.	0.60
07/10/12	Attending court centre to file confidential addendum;	Stevens, G.L.	0.80
07/11/12	E-mail messages to and from client (multiple); Telephone call from and to D. Schweitzer; Letter to all PPR and Land Titles Registrants; Review Top Drive accounting;	Barr, K.E.	1.50
07/12/12	E-mail message from Wells Fargo; Telephone call from Wells Fargo; Drafting letter to Tough Enough; E-mail message to client; Telephone call to D. Conroy; E-mail message to D. Conroy; E-mail messages to and from N. Narfason; E-mail message to D. Knutson;	Barr, K.E.	2.50
07/12/12	Finalize letter; E-mail message to B. Davison;	Barr, K.E.	0.50

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	Telephone call to B. Davison; E-mail message from client;		
07/12/12	Telephone conference with R. Henneberry re: transfer of application;	Flach, M.P.	0.50
07/12/12	Memorandum from and telephone call to N. Narfason; Review documents;	Gorman, H.A.	2.40
07/12/12	Receiving instructions from K. Barr regarding employee on disability with X-treme; E-mail(s) to D. Conroy regarding further information required for termination; E-mail(s) from D. Conroy regarding information on termination of employee on Long-term Disability; Review of same;	Rieger, C.M.	0.40
07/13/12	Consultation with K. Barr regarding X-treme Human Rights Complaint; Letter from Human Rights Commission;	Rieger, C.M.	0.30
07/16/12	Review documents; Telephone call to Receiver; Conference with HSBC solicitors;	Gorman, H.A.	1.80
07/16/12	E-mail(s) from D. Conroy regarding Wage Earner Protection Program Act claims; E-mail(s) to and from K. Barr;	Rieger, C.M.	0.20
07/17/12	E-mail messages to and from client (multiple); Telephone call from client (multiple); Telephone call to opposing counsel; Reviewing documents re: closing of asset purchase agreement;	Barr, K.E.	2.40
07/17/12	Meeting with K. Barr and C. Rieger to discuss employment and other issues;	Burrowes, S.A.	0.50
07/17/12	Review of asset purchase agreement; Review of closing agenda; Conference with M. Flach; Email to Schweitzer;	Burt, J. A.	2.50
07/17/12	Review closing agenda; Meeting with J. Burt and J. Mak re: preparation of closing documents; Telephone conference with K. Armstrong re: closing agenda and identity of escrow agent;	Flach, M.P.	1.10
07/17/12	Telephone call to Receiver; Review assignment issues;	Gorman, H.A.	1.30
07/17/12	Attend to matters re: Asset Purchase Agreement; Receipt of instructions from M. Flach; telephone conference with J. Burt; Preparation of closing documents;	Mak, J.C.	2.20
07/17/12	Meeting with K. Barr to discuss employment and other issues; Review of Long Term Disability Policy; Draft e-mail to D. Conroy re: terminating an individual on Long Term Disability; Telephone calls to D. Conroy and K. Barr re: end date and term contract; Telephone call to D. Schweitzer	Rieger, C.M.	4.10

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	re: delayed closing and implications of purchasers offer to employees; Draft termination letter for M. Berlett;		
07/18/12	E-mail messages to and from client; E-mail message from counsel for Do-All (multiple); Telephone call from B. Nariyama;	Barr, K.E.	2.10
07/18/12	Conference with M. Flach; Review of vesting order; Review of revised closing agenda; Review of closing documents prepared by Oslers; Preparation of additional closing documents; Review of emails from K. Thompson and M. Flach re: property taxes; Review of property tax assessments; Call with J. Mak;	Burt, J. A.	1.70
07/18/12	Telephone conference with K. Armstrong re: outstanding issues and closing date; E-mail to K. Barr re: closing date; Telephone call from D. Conroy re: operating costs; E-mail to and telephone call to T. Armstrong re: operating costs;	Flach, M.P.	1.80
07/18/12	Attend to matters re: Asset Purchase Agreement; Conference with J. Burt; Preparation of closing documents; Correspondence with K. Armstrong of Osler, Hoskin & Harcourt LLP;	Mak, J.C.	0.70
07/18/12	E-mail(s) to and from D. Conroy regarding employee on Workers' Compensation and employee on disability; Finalize termination letters for M. Berlett and S. Perkins; E-mail(s) to K. Barr; Telephone call to D. Schweitzer regarding employees at closing; Telephone call to D. Conroy; E-mail(s) from D. Schweitzer regarding Do All making offers to employees;	Rieger, C.M.	3.70
07/19/12	E-mail messages to and from client (multiple);	Barr, K.E.	0.20
07/19/12	Email to K. Verhelst re: preparation of articles of amendment for change of name; Revisions to resolution re: change of name; Conference with M. Flach and J. Mak; Email from J. Mak;	Burt, J. A.	1.30
07/19/12	Meeting with J. Burt and J. Mak re: closing documents;	Flach, M.P.	1.50
07/19/12	Attend to matters re: asset acquisition; Consultation with T. Collopy; Conferences and emails to and from J. Burt; Preparation of closing documents; Meeting and correspondence with M. Flach; Correspondence with working group;	Mak, J.C.	3.60
07/19/12	Attend to matters re: payout of capital leases; E-mail(s) to and from K. Barr and D. Conroy regarding delayed closing and employees; Draft	Rieger, C.M.	1.60

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	offer of further employment; E-mail(s) to D. Conroy; Telephone call to J. Mak regarding closing and employees;		
07/20/12	Emails from J. Mak; Review of resolution approving sale; Revisions to same; Revisions to GST undertaking and indemnity; Comments on Certificate of Purchaser re: closing conditions and reps and warranties; Email to M. Flach;	Burt, J. A.	1.00
07/20/12	Meeting with J. Mak re: PPR search results and equipment encumbered by security interests;	Flach, M.P.	0.50
07/20/12	Attend to matters re: Asset Purchase Agreement; Correspondence to D. Conroy re: capital leases; Meeting and receipt of instructions from M. Flach; Preparation of closing documents;	Mak, J.C.	2.50
07/23/12	Telephone call from C. Harper; Review of various emails re: closing;	Barr, K.E.	0.80
07/23/12	Email to M. Flach;	Burt, J. A.	0.10
07/23/12	Review draft closing documents;	Flach, M.P.	0.30
07/23/12	Review documents; Telephone call to Receiver;	Gorman, H.A.	0.30
07/24/12	Telephone call to B. Davison; Telephone call to B. Maruyama; Telephone call from B. Davison; E-mail messages to and from client; E-mail message to B. Maruyama;	Barr, K.E.	0.90
07/24/12	Meeting with J. Burt re: outstanding issues; Review closing documents; Telephone call to K. Armstrong re: purchaser financing and closing documents;	Flach, M.P.	1.00
07/24/12	Telephone call to Receiver; Telephone call to HSBC solicitor;	Gorman, H.A.	0.40
07/24/12	Correspondence with working group re: closing matters; Meeting with M. Flach; Telephone call with M. Rodrigues re: capital lease payouts;	Mak, J.C.	0.80
07/24/12	Consultation with K. Barr regarding employees on Long Term Disability and receiving instructions from D. Schweitzer counsel for Do-All prior to termination; Telephone call to D. Schweitzer regarding revised closing dated; E-mail from D. Conroy regarding revised closing;	Rieger, C.M.	0.40
07/25/12	Review notice of Application and Affidavit of GE; E-mail messages to and from B. Maruyama (multiple); Telephone call from B. Maruyama; Telephone call to Client; Telephone call to counsel for Do-All; Telephone call with Do-All; E-mail message to client;	Barr, K.E.	3.20
07/25/12	Review of revisions to closing documents from K. Thompson; Emails to and from M. Flach;	Burt, J. A.	1.30

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	Conference call with M. Flach and K. Thompson; Emails to and from J. Mak; Review of Poplar Lease;		
07/25/12	Telephone conference with D. Conroy re: outstanding issues; E-mail to K. Armstrong re: additional considerations and closing documents; Telephone conference with J. Burt and K. Armstrong re: outstanding issues; E-mail to and e-mail from K. Barr re: timing; Review documents from K. Armstrong; Review payout information; E-mail to and e-mail from M. Rodrigues re: capital leases;	Flach, M.P.	5.50
07/25/12	Telephone call from and telephone call to Receiver;	Gorman, H.A.	0.30
07/25/12	Correspondence with working group re: closing matters; Meeting with M. Flach; Correspondence with M. Rodrigues re: capital lease payouts;	Mak, J.C.	1.00
07/25/12	E-mail(s) to and from K. Barr regarding employee matters; E-mail(s) to D. Conroy regarding revisions to e-mail to employees regarding closing; E-mail(s) to D. Conroy regarding termination letters for disabled employees; Telephone calls to D. Schweitzer regarding no offer to Long Term Disability employees;	Rieger, C.M.	1.20
07/26/12	E-mail messages to and from client (multiple); E- mail message to B. Maruyama; E-mail message to client; Review of spreadsheets; E-mail message from B. Maruyama; E-mail messages to and from D. Conroy;	Barr, K.E.	2.40
07/26/12	Emails from M. Flach; Conference with M. Flach; Review of lease; Review of receivership order;	Burt, J. A.	1.60
07/26/12	E-mail from D. Conroy re: closing payments for capital leases and rent; Meeting with J. Burt re: Red Deer Lease analysis; Telephone call to K. Barr re: disclaiming Red Deer lease;	Flach, M.P.	2.80
07/26/12	Telephone call from M. Flach re: Receiver's powers, lease termination; Review of file materials and Receivership Order re: same; Preparation of memorandum to file re: next steps;	Kashuba, K.D.	0.40
07/26/12	E-mail(s) to and from D. Conroy regarding Workers Compensation Board employee M. Perkins; Draft termination letter of M. Perkins; Revise termination letters for M. Perkins and M. Berlett as per D. Conroy's instructions;	Rieger, C.M.	1.20

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
	Consultation with K. Barr regarding employee claims;		
07/27/12	E-mail message to opposing counsel (x2); E-mail message to client; Conference call with B. Maruyama and B. Davison; E-mail messages to and from client/X-treme; Telephone call from B. Davison; E-mail messages to and from Do-All (multiple);	Barr, K.E.	2.30
07/27/12	Emails from K. Thompson; Conference with M. Flach;	Burt, J. A.	0.20
07/27/12	Telephone call to K. Armstrong re: escrow agreement; E-mail to K. Armstrong re: escrow agent; Telephone call to K. Barr re: disclaiming Red Deer Lease; Meeting with J. Burt re: closing mechanics for real property;	Flach, M.P.	1.50
07/27/12	Attendance at Court house to obtain original certified copy of Order;	Hillier, N.W.	0.50
07/27/12	Review of lease, clauses in same re: default provisions, E-mail(s) to M. Flach and J. Burt re: governing provisions of Receivership Order, next steps; Telephone call to M. Flach re: same; E-mail(s) from and e-mail(s) to J. Burt re: Sale Approval and Vesting Order; Review of file materials re: same; E-mail(s) to and from K. Barr re: same and next steps; Telephone call to J. Burt re: certified copy of Order, arrange ordering of same and Consultation with N. Hillier re: same; Deliver to J. Burt; Preparation of memorandum to file re: next steps;	Kashuba, K.D.	1.20
07/27/12	Meeting with K. Barr regarding employee issues on closing; E-mail(s) from K. Barr and K. Armstrong regarding closing;	Rieger, C.M.	0.70
07/30/12	Review Consent Order; Telephone call to B. Davison; E-mail messages to and from client; Telephone call to B. Davison; Telephone call to J. Kruger; Prepare for and attend Court application; E-mail message to and telephone call from B. Maruyama; Telephone call from J. Kruger (security issues); Telephone call from K. Armstrong;	Barr, K.E.	2.80
07/30/12	Conference with M. Flach; Review of list of purchased assets; Preparation of bill of sale; Conference call with M. Flach and K. Thompson; Conference Call with M. Flach, K. Thompson, D. Schweitzer and C. Fahlman; Emails from K. Thompson, D. Schweitzer, K. Barr and M. Flach;	Burt, J. A.	1.30

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 **NORTON ROSE**

Our File # 284565
 Invoice# 10125361
 Date: August 17, 2012

Date	Description	Timekeeper	Hours
07/30/12	Telephone conference with Oslers; Review Escrow Agreement and closing agreement; Meeting with J. Burt re: real estate issues; Attend to closing matters;	Flach, M.P.	2.40
07/30/12	Review report; Telephone call to Receiver; Review documents and pleadings;	Gorman, H.A.	1.00
07/30/12	Further Review of Bankruptcy and Insolvency Act and Receivership Order regarding contingent claim of J. Kubash; Consultation with K. Kashuba regarding Human Rights Commission; Finalize letter to Human Rights Commission regarding J. Kubash;	Rieger, C.M.	1.00
07/31/12	E-mail message from M. Flach re: closing (multiple);	Barr, K.E.	0.30
07/31/12	Preparation of trust letter; Revisions to request to Registrar; Emails from M. Flach; Conference with M. Flach;	Burt, J. A.	1.70
07/31/12	Review escrow agreement; Revise closing agreement; Meeting with J. Burt re: execution copies of closing documents; Meeting with J. Burt re: trust conditions and statement of adjustments; E-mail to K. Armstrong re: revisions to escrow and closing agreements;	Flach, M.P.	3.30
07/31/12	Review of claim of M. Perkin; Draft letter to Workers' Compensation Board;	Rieger, C.M.	0.50
TOTAL FEES FOR PROFESSIONAL SERVICES			
5% GST			\$93,725.50
TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)			4,686.27
			\$98,411.78

OTHER CHARGES

Charge for deliveries	\$2.00
Charge for long distance telephone calls	9.89
WestlaweCarswell computer assisted legal research	604.50
Courier Services	3.03
Reproduction costs	105.00
TOTAL OTHER CHARGES	
5% GST	\$724.42
TOTAL OTHER CHARGES (Including GST)	36.22
	\$760.64

DISBURSEMENTS

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Canada

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 **NORTON ROSE**

Our File # 284565
Invoice# 10125361
Date: August 17, 2012

SUBJECT TO GST

Date	Description	
05/02/12	Alberta Corporate Registries Re: Search 17930547 on Tough Enough Drilling Inc.	\$3.00
06/26/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21539256	10.00
06/26/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21539327	20.00
06/27/12	Personal Property Registry Re: Searches Z3841997	3.00
06/27/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21542683	10.00
06/27/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21540323	20.00
06/27/12	Land Titles Office re: Title Search(es) / Copy Document(s) SR# 21540292	20.00
07/11/12	City Centre Registry - Centre Registry 284565 re: 6 titles searches	90.00
TOTAL SUBJECT TO GST		
5% GST		\$176.00
TOTAL DISBURSEMENTS (Including GST)		8.80
		\$184.80

TOTAL CURRENT BILLING ON THIS INVOICE

\$99,357.22

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE

\$99,357.22

Norton Rose Canada LLP

Per: _____

E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.

NORTON ROSE

Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 CANADA

T: +1 403.267.8222
F: +1 403.264.5973
calgary@nortonrose.com
nortonrose.com

On January 1, 2012, Macleod Dixon joined
Norton Rose OR to create Norton Rose Canada.

INVOICE

Invoice Number: 10122214
Date: June 11, 2012
Client: Ernst & Young LLP
Re: X-treme Energy Group Inc.
Matter No.: 284565

Ernst & Young LLP
1000 Ernst & Young Tower
440 - 2nd Ave. S.W.
Calgary AB T2P 5E9
Canada

Attention: Neil Narfason

GST : R111340006
QST : 1007441611

For professional services rendered and disbursements incurred for the
period ending May 31, 2012.

FEES		\$14,144.50
DISBURSEMENTS & CHARGES (Taxable)		50.01
DISBURSEMENTS & CHARGES (Non Taxable)		0.00
	NET	\$14,194.51
GST		\$709.73
	TOTAL FOR THIS INVOICE	\$14,904.24
	Previous Balance Outstanding	\$0.00
	TOTAL OWING FOR THIS INVOICE	\$14,904.24

Payable upon receipt

Banking information for wire transfer
TD Canada Trust, 340-5th Ave SW
Calgary, Alberta, Canada
Swift#: TDOMCATTTOR, Transit#: 80609-004
Account#: 0805-5278547
Include Invoice number on transfer order

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Page# 1

 **NORTON ROSE**

Our File # 284565
 Invoice# 10122214
 Date: June 11, 2012

ATTN: Neil Narfason

RE: X-treme Energy Group Inc.

For Services Rendered Through May 31, 2012

Date	Description	Timekeeper	Hours
04/30/12	E-mail message from J. Kruger; Review of motion materials; Court attendance; Telephone calls from N. Honess (x3); Meeting with J. Kruger; E-mail messages to and from N. Honess (multiple);	Barr, K.E.	2.80
05/01/12	Telephone call from N. Honess (multiple); E-mail message to J. Kruger; E-mail messages to and from L. Snowball; Telephone call from N. Narfason (multiple); Consideration of trust issues; Review of sale of goods issues; Review of client documents; Review of search results;	Barr, K.E.	3.70
05/01/12	Receipt of instructions from K. Barr; Research re: passing title under Sale of Goods Act in receivership contexts; Phone call with client re: passing title and trust issue; Research re: likelihood of successful trust argument by purchaser;	Moffet-Burima, K.G.	5.70
05/02/12	Review of searches; Telephone calls from and to client (multiple); Consider set-off issue; E-mail messages to and from client re: pipeline issue;	Barr, K.E.	1.90
05/02/12	Conducting searches at Corporate Registry and Personal Property Registry on Touch Enough Drilling Inc. and reporting;	Southwell, J.D.	0.60
05/03/12	Telephone call from N. Honess; E-mail messages to and from N. Narfason; Review and revise Employee letter; Telephone call from N. Honess; Draft Saxon settlement letter;	Barr, K.E.	1.80
05/04/12	Preparation of confidentiality agreement; Telephone call from N. Narfason;	Barr, K.E.	0.60
05/07/12	E-mail messages from N. Honess (multiple); Telephone call from N. Honess;	Barr, K.E.	0.30
05/08/12	E-mail messages to and from N. Honess (multiple); Consider PPSA issues; Telephone call from and to N. Honess; Letter to GE;	Barr, K.E.	1.80
05/08/12	Conference with K. Barr re: security and priority issues;	Van de Mosselaer, R.S.	0.20
05/09/12	E-mail messages to and from client (multiple); Drafting letter to WRL Industries; Review of Area 51 Agreement; Opinion re: Area 51; Letter from	Barr, K.E.	2.60

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Page# 2

 **NORTON ROSE**

Our File # 284565
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 Date: June 11, 2012

Date	Description	Timekeeper	Hours
05/11/12	tenant; Telephone call to Airgas; E-mail messages to and from client (multiple); Telephone call from Airgas;	Barr, K.E.	0.60
05/14/12	Telephone call to Airgas; Letter to Airgas; Telephone call from N. Narfason; Consider PPSA issues; Telephone call to N. Honess; E-mail message to client;	Barr, K.E.	2.90
05/15/12	Review of GE security; Consider Possessory Lien issues; E-mail messages to and from client (multiple); Drafting Possessory Lien letter; Drafting Airgas letter; Drafting letter to Russell Metals; Meeting with N. Narfason; Telephone call to Tough Enough;	Barr, K.E.	3.10
05/15/12	Consultation with K. Barr re: set-off issues between X-treme, Tough Enough and GE; Review of background of claims, next steps, etc.; Research pertaining to possessing lien issues, set-off by Receiver, etc.; Prepare memo to file re: same;	Kashuba, K.D.	0.40
05/15/12	Research re: notice requirements under the Possessory Liens Act; Email message to K. Barr re: results of research;	Moffet-Burima, K.G.	0.80
05/16/12	Revise letter to Russell Metals;	Barr, K.E.	0.30
05/22/12	E-mail message from Airgas; E-mail messages to and from client;	Barr, K.E.	0.30
05/23/12	E-mail messages to and from Airgas;	Barr, K.E.	0.10
05/28/12	Review revised Saxon Agreement; E-mail message to client;	Barr, K.E.	0.30

TOTAL FEES FOR PROFESSIONAL SERVICES

\$14,144.50

5% GST

707.23

TOTAL FEES FOR PROFESSIONAL SERVICES (Including GST)

\$14,851.73

OTHER CHARGES

Quicklaw Computer Assisted Legal Research
 WestlawCarswell computer assisted legal research

\$31.01

19.00

TOTAL OTHER CHARGES

\$50.01

5% GST

2.50

TOTAL OTHER CHARGES (Including GST)

\$52.51

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Calgary AB T2P 5E9
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Page# 3

 **NORTON ROSE**

Our File # 284565
Invoice# 10122214
Date: June 11, 2012

TOTAL CURRENT BILLING ON THIS INVOICE

\$14,904.24

PLEASE REMIT TOTAL BALANCE DUE ON THIS INVOICE

\$14,904.24

Norton Rose Canada LLP

Per: _____

E&OE

1. Please refer to the above invoice number when remitting payment on this file. Invoices are due when rendered and are payable in Canadian funds unless otherwise indicated.

2. Interest at 10.8% per annum will be charged on all invoices not paid within one month of the date of the invoice.