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COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	HSBC BANK CANADA
DEFENDANT	X-TREME ENERGY GROUP INC.
DOCUMENT	FIFTH REPORT 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	Norton Rose Canada LLP 400 3rd Avenue SW, Suite 3700, Calgary, Alberta T2P 4H2 Attention: Howard A. Gorman/Kevin E. Barr Telephone: (403) 267.8144/(403).267.8142 Facsimile: (403) 264.5973 Email: howard.gorman@nortonrose.com kevin.barr@nortonrose.com

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INTRODUCTION

1. On April 30, 2012, the Court of Queen's Bench of Alberta issued an order appointing Ernst & Young Inc. as Receiver and Manager ("Ernst & Young" or the "Receiver") of 1627090 Alberta Ltd. (formerly X-Treme Energy Group Inc.) ("X-Treme").
2. Ernst & Young, in its capacity as Receiver of X-Treme, filed its first report to this Honourable Court on July 5, 2012 (the "First Report"), its second report to this Honourable Court on November 1, 2012 (the "Second Report"), its third report to this Honourable Court on January 28, 2013 (the "Third Report") and its fourth report to this Honourable Court on May 9, 2013 (the "Fourth Report").
3. This report (the "Fifth Report") is filed by Ernst & Young in its capacity as Receiver of X-Treme.
4. Terms not expressly defined in this Fifth Report shall have the same meaning as those terms defined in the Fourth Report.

PURPOSE OF THIS REPORT

5. The purpose of this Fifth Report is to:
 - a) summarize the progress of the Proposed Realization Process outlined in the Fourth Report; and
 - b) respectfully recommend that this Court grant an order approving an extension of the bid deadline date in the Proposed Realization Process.

TERMS OF REFERENCE

6. In developing this Fifth Report, the Receiver has relied upon unaudited financial information prepared by X-Treme's management, X-Treme's books and records and discussions with its management. The Receiver has not performed an audit or other verification of such information.

CURRENCY

7. Unless otherwise noted all currency references in this Fifth Report are in Canadian dollars.

BACKGROUND

8. X-Treme provided manufacturing services primarily to the oil and gas industry specifically in the manufacture of rigs and rig components, safety structures and general machining.
9. The background with respect to X-Treme and its business as well as the initial activities of the Receiver are more fulsomely described in the First Report.

RECEIVER'S ACTIVITIES

10. Since the Fourth Report of the Receiver was filed, the Receiver has continued to deal with outstanding issues relating to X-Treme.
11. The Receiver and its counsel has had various discussions and a meeting with counsel for ADT in an effort to resolve the ADT Action. Counsel for ADT has advised that it is currently seeking instructions from its client and anticipates being able to re-engage in further discussions at or near the end of July, 2013.
12. The Receiver has recently agreed to a framework to settle a possessory lien claim with Tough Enough Drilling ("Tough Enough"). Counsel for the Receiver and Tough Enough are in the process of finalizing the settlement and it is anticipated that the matter will be resolved at or near the end of July, 2013.

SALE OF PEMEX ASSETS

13. As set out in the Fourth Report, finished goods and work in progress relating to the Pemex Contract was excluded from the sale to the Purchaser. The assets excluded from the sale to the Purchaser, defined in the Fourth Report as the Canadian Assets, include a completed drilling rig ("Pemex #3") and two incomplete rigs ("Pemex #4" and "Pemex #5")
14. The Fourth Report of the Receiver recommended that this Court approve the Proposed Realization Process to market and sell the Canadian Assets.
15. The Proposed Realization Process was approved by the Court pursuant to an Order filed on May 23, 2013.
16. In accordance with the terms of the Proposed Realization Process the Receiver, undertook the following:
 - a) placed advertisements in the Daily Oil Bulletin and PLS¹;
 - b) prepared and sent a teaser letter to 51 potentially interested parties
 - c) prepared and sent an information memorandum to 13 interested parties who signed an appropriate confidentiality agreement;
 - d) arranged site tours of the Canadian Assets for four interested parties;
 - e) responded to numerous queries in respect of the Canadian Assets and the Proposed Realization Process from interested parties;
 - f) prepared a standard form Asset Purchase Agreement that was available on request to interested parties; and
 - g) at the bid closing date, opened and reviewed bids.

BIDS RECEIVED

As at the bid deadline of June 27, 2013, no acceptable bids were received for the Canadian Assets *en bloc* and, as such, all submitted bids received were rejected.

CONSIDERATIONS TO EXTEND THE PROPOSED REALIZATION PROCESS

17. The Receiver believes that the specialized nature of the Canadian Assets and the marketing period falling broadly into the beginning of the summer vacationing period has limited the bids received for the Canadian Assets and that an extended marketing period will produce additional bids.
18. If the marketing period is extended, the Receiver would remarket the Canadian Assets by re-initiating contact (by phone and email) with all 51 parties initially contacted in the Proposed Realization Process, contacting additional drilling rig parties that may have an interest in the Canadian Assets and re-advertising the opportunity in both Canada and the United States.
19. In order to allow for sufficient time for the marketing period, the Receiver believes that extending the bid deadline date to 5pm (Calgary Time) on September 25, 2013 (the "Revised Bid Deadline Date") is reasonable and appropriate in the circumstances.

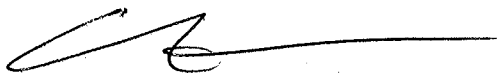
RECOMMENDATION

20. The Receiver recommends that this Court grant an Order extending the Proposed Realization Process and approving the Revised Bid Deadline Date.

All of which is respectfully submitted this 19 day of July, 2013.

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**ERNST & YOUNG INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER
OF 1627090 ALBERTA LTD. (FORMERLY
X-TREME ENERGY GROUP INC.)
AND NOT IN ITS PERSONAL CAPACITY**



Neil Narfason, CA•CIRP, CBV
Senior Vice-President