Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

COURT OF QUEEN'S BENCH TRIAL DIVISION MONCTON, N.B. FILED/REGISTERED FEB 15 2013 COUR DU BANC DE LA REINE DIV. DE PREMIÈRE INSTANCE MONCTON, N.-B. DÉPOSÉ/ENREGISTRÉ

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LANDDRILL INTERNATIONAL INC. (A BRITISH COLUMBIA CORPORATION), LANDDRILL INTERNATIONAL LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL ATLANTIC LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL CONTRACT MINING LTD. (A NEW BRUNSWICK CORPORATION), LANDDRILL INTERNATIONAL MEXICO S.A. DE C.V. (A MEXICAN CORPORATION), LANDDRILL INTERNATIONAL LLC (A MONGOLIAN CORPORATION) and LANDDRILL INTERNATIONAL INC. (A BARBADOS CORPORATION)

(the "**Applicants**")

ORDER FOR APPROVAL OF MONGOLIAN SHARE PURCHASE AGREEMENT

WHEREAS the motion of Ernst & Young Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), seeking, *inter alia*, the approval of a share purchase agreement substantially in the form attached to the Seventh Report of the Monitor, as it may be amended from time to time (hereinafter defined as the "**Share Purchase Agreement**") involving all of the issued and outstanding common shares (the "**Mongolian Shares**") of Landdrill International LLC, a Mongolian limited liability company (the "**Landdrill Mongolia**") and the transaction contemplated thereby and vesting in the Purchaser (as defined in the Share Purchase Agreement) the Seller's right, title and interest in and to the Mongolian Shares, pursuant to the *Companies'*

Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this 15th day of February, 2013 at 145 Assomption Blvd., Moncton, New Brunswick.

ON READING the Monitor's Seventh Report and the Appendices and Confidential Appendices thereto and the Brief on Motion of the Monitor;

AND UPON HEARING:

Ashley John Taylor, Counsel for the Monitor;

Stephen J. Hutchison, Counsel for the Applicants;

Mary Buttery, Counsel for Sprott Resource Lending Partnership;

Jeffrey M. Lee, Counsel for Norrep Credit Opportunities Fund and Crown Capital Partners Inc.; and

Alissa K. Mitchell, Counsel for GE Canada Equipment Financing, GP;

no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Share Purchase Agreement.

APPROVAL OF SHARE PURCHASE AGREEMENT

3. THIS COURT ORDERS that the Share Purchase Agreement, as it may be amended from time to time, and the Transaction contemplated thereunder are hereby approved, provided that no material negative amendments to the economic terms shall be made without further order of this Court. The Monitor is hereby authorized and directed to execute the Share Purchase Agreement for and on behalf of Landdrill International Ltd.

4. The Monitor, for and on behalf of the Applicants, and the applicable Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Mongolian Shares to the Purchaser, including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Mongolian Shares may be located.

5. THIS COURT ORDERS that the Monitor may make such amendments to the Share Purchase Agreement as it considers necessary or desirable, provided that it shall not make any material negative changes to any economic terms including, without limiting the generality of the foregoing, any terms dealing with the Purchase Price or Deposit.

VESTING OF ASSETS

6. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "**A**" (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Mongolian Shares shall vest, without further instrument of transfer or assignment, absolutely in the Purchaser, free and clear of and from any security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, legal hypothecs, executions, levies, charges, options or other rights to acquire any interest in the Mongolian Shares, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including the Court Charges, and all contracts to create any of the foregoing ("**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Mongolian Shares are hereby expunged and discharged as against the Mongolian Shares.

PAYMENT OF PURCHASE PRICE

7. THIS COURT ORDERS that on the Closing Date, the Purchaser shall pay the Purchase Price to the Monitor (less the amount of the Deposit which has previously been paid to the Monitor as Escrow Agent). For the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Mongolian Shares shall stand in the place and stead of the Mongolian Shares, and that from and after the delivery of the Monitor's Certificate, all Encumbrances and all rights of others shall attach to the net proceeds from the sale of the Mongolian Shares with the same priority as they had with

respect to the Mongolian Shares immediately prior to the sale, as if the Mongolian Shares had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court copies of the Monitor's Certificate, forthwith after delivery thereof.

9. THIS COURT ORDERS that the Monitor may rely on written notices from the Seller and the Purchaser regarding fulfillment or, if applicable, waiver of conditions to closing of the Transaction under the Share Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

10. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Seller and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Seller;

the vesting of the Mongolian Shares in the Purchaser pursuant to this Order and the obligations of the Seller under the Share Purchase Agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Seller and shall not be void or voidable by creditors of the Seller, nor shall any of them constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall any of them constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of the *Bulk Sales Act* (Ontario) or any equivalent or applicable legislation under any other province or territory.

DISCONTINUATION OF *CCAA* PROCEEDINGS

12. THIS COURT ORDERS that upon filing of the Monitor's Certificate with the Court, the *CCAA* proceedings with respect to Landdrill International LLC (a Mongolian corporation) shall be terminated and Landdrill International LLC shall cease to be an Applicant in these *CCAA* proceedings.

PAYMENT OF SEVERANCE

13. THIS COURT ORDERS that the Monitor is authorized and directed to withhold the equivalent of US $33,000.00 from the proceeds of the sale of the Mongolian Shares and pay, for and on behalf of the Applicants, that amount (less any required source deductions or payroll withholdings) to Mr. Peter Shortus in respect of and in full satisfaction of any severance obligations owing to Mr. Shortus.

SEALING ORDER

14. THIS COURT ORDERS that Confidential Appendix "**A**" to the Seventh Report be kept sealed, confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of the Court.

APPROVAL OF THE SEVENTH REPORT

15. THIS COURT ORDERS that the Seventh Report and the activities of the Monitor described therein are hereby approved.

AID AND RECOGNITION

16. THIS COURT ORDERS that this Approval and Vesting Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, and governmental, municipal and regulatory authorities against whom it may otherwise be enforceable.

17. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Mongolia or Barbados to give effect to this Order and to assist the Seller and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Rendered this 15 day of February 2013

Jean Paul Ouellette

Judge - Court of Queen's Bench

New Brunswick

Schedule "A"
Form of Monitor's Certificate

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(the "**Applicants**")

MONITOR'S CERTIFICATE

(Re: Mongolian Share Purchase Agreement)

RECITALS

A. Pursuant to an Order of the Honourable Chief Justice Smith of the Court of Queen's Bench of New Brunswick (the "**Court**") dated August 31, 2012, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of, *inter alia*, Landdrill International Ltd. (the "**Seller**") and Landdrill International LLC (the "**Landdrill Mongolia**").

B. Unless otherwise indicated herein, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the agreement of purchase and sale made as of February **[13]**, 2013 (the "**Share Purchase Agreement**") between the Seller and Bat-Erdene Batkhuyag (the "**Purchaser**").

C. Pursuant to an Order of the Court dated February **[15]**, 2012, the Court approved the Share Purchase Agreement and provided for, among other things, the vesting in the Purchaser of the Seller's right, title and interest in and to the Mongolian Shares, which vesting is to be effective with respect to the Mongolian Shares upon the delivery by the Monitor to the Purchaser of a certificate certifying (a) receipt of the Deposit and the balance of the Purchase Price by the Monitor; and (b) receipt of confirmation from the Seller and the Purchaser that the conditions precedent to Closing have been satisfied or waived by the Seller and the Purchaser, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Deposit and the balance of the Purchase Price for the Mongolian Shares payable on the Closing Date pursuant to the Share Purchase Agreement;

2. The Monitor has received written confirmation from the Seller and the Purchaser that the conditions precedent to Closing have been satisfied or waived by the Seller and the Purchaser, as applicable; and

3. This Monitor's Canadian Certificate was delivered by the Monitor to the Purchaser at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as the Court-appointed Monitor of the Applicants and not in its personal capacity

Per: ______________________________

Name:

Title: