Court File No. M/M/114-12

COURT OF QUEENS BENCH
TRIAL DIVISION
MONCTON, N.B.
FILED/REGISTERED
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COUR DU BANC DE LA REINE
DIV DE PREMIÈRE INSTANCE
MONCTON, N.-B.
DÉPOSÉ/ENREGISTRÉ

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

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
(Re: Approval of Sale of Notre Dame Building)

WHEREAS the motion of Ernst & Young Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), seeking, *inter alia*, the approval of an agreement of purchase and sale substantially in the form attached to the Twelfth Report of the Monitor, as it may be amended from time to time (hereinafter defined as the "**Purchase Agreement**") and the transaction contemplated thereby and vesting in the Purchaser (as defined in the Purchase Agreement) the right, title and interest in and to the Property (as defined below) and the Personal Property (as defined below) of the Seller (as defined in the Purchase Agreement), pursuant to the *Companies'*

Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "***CCAA***"), was heard this 29th day of April, 2013 at 145 Assomption Blvd., Moncton, New Brunswick.

ON READING the Monitor's Twelfth Report dated April 24, 2013 (the "**Twelfth Report**") and the Appendices and Confidential Appendix 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;

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 Purchase Agreement.

APPROVAL OF PURCHASE AGREEMENT

3. **THIS COURT ORDERS** that the 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.

4. **THIS COURT ORDERS** that the Monitor, for and on behalf of the Applicants, and the applicable Applicants are hereby authorized and directed to perform their obligations under the Purchase Agreement and 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 Property and the Personal Property to the Purchaser, including without limiting the generality of the foregoing executing a deed of sale of the Seller's right, interest and title to the Property and the Personal Property, and taking 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 the jurisdiction in which the Property and the Personal Property are located.

5. **THIS COURT ORDERS** that the Monitor may make such amendments to the Purchase Agreement as it considers necessary or desirable to close the Transaction, 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. DDS.

VESTING OF ASSETS

6. **THIS COURT ORDERS AND DECLARES** that upon delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "**A**" hereto (the

"**Monitor's Certificate**"), all of the Seller's right, title and interest in and to (a) the Property, and (b) such personal property or movables as are listed at clause 11.5 of the Purchase Agreement (the "**Personal Property**") shall vest without further instrument of transfer or assignment, absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Chief Justice Smith dated August 31, 2012; and (ii) all charges, security interests or claims evidenced by registrations in the Land Register (index to immovables), the Register of Personal and Movable Real Rights ("**RPMRR**"), or any other real or personal property registry systems (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property and the Personal Property are hereby expunged and discharged as against the Property and the Personal Property.

7. **THIS COURT ORDERS** the Land Registrar of the Land Registry Office for the Registration Division of Témiscamingue, upon presentation of a copy of this Order accompanied by the required application for registration and the Monitor's Certificate, and upon payment of the prescribed fees, but without the necessity to file a certificate of non-appeal,

(i) to publish this Order;

(ii) to proceed with an entry on the index of immovables to register this Order transferring to the Purchaser all of the rights, title and interest of the Seller, in and to:

> an immovable situated in the City of Notre-Dame-du-Nord, Province of Québec, known and designated as lot number TWO MILLION EIGHT HUNDRED FIFTY THOUSAND FOUR HUNDRED SEVENTEEN (2 850 417) of the Cadastre of Québec, Registration Division of Témiscamingue with all buildings thereon erected bearing civic address 75 Ch. Ontario, city of Notre-Dame-du-Nord, province of Québec, G9H 2V8 (the "**Property**"); and

(iii) to proceed with the radiation and cancellation of any and all Encumbrances.

8. **THIS COURT ORDERS** the Registrar of the Québec RPMRR, upon presentation of a copy of this Order accompanied by the required form or application for registration and the Monitor's Certificate and upon payment of the prescribed fees, but without the necessity to file a certificate of non-appeal, to reduce the scope of all hypothecs in connection with the Personal Property located in or on the Property, including those enumerated in subparagraphs (i), (ii) and (iii) below, and to cancel, release and discharge, in whole or partially, all hypothecs, legal hypothecs and Encumbrances (together, the "**Personal Property Encumbrances**") to the extent that such Personal Property Encumbrances relate to the Personal Property, including without limitation the full or partial cancellation, release or discharge of the Personal Property Encumbrances as may be registered under the following: DDS

(i) Hypothec without delivery between Norrep Credit Opportunities Fund, LP as holder and Landdrill International Ltd. and LDI International Limitée as grantors, registered at the RPMRR on March 22, 2012, under number 12-0204848-0001;

(ii) Hypothec without delivery between GE Canada Equipment Financing G.P. as holder and Landdrill International Ltd. as grantor, registered at the RPMRR on July 30, 2008 under number 08-0442369-0001 (subject to the Renewal of a published hypothec, registered at the RPMRR on March 31, 2011 under number 11-0214699-0001); and

(iii) Hypothec without delivery between GE Canada Equipment Financing G.P., GE Canada Leasing Services Company *et al.* as holders and Landdrill International Inc. as grantor, registered at the RPMRR on July 29, 2010 under number 10-0513800-0001;

with such full or partial cancellations, releases or discharges relating only to the Personal Property in order to allow the transfer to the Purchaser of the Property and Personal Property free and clear of any and all Personal Property Encumbrances.

9. **THIS COURT ORDERS** the Registrar of the Québec Register of Personal and Movable Real Rights ("**RPMRR**"), upon presentation of a copy of this Order accompanied by the required form or application for registration and upon payment of the prescribed fees and the Monitor's Certificate, but without the necessity to file a certificate of non-appeal, to totally and completely cancel, release and discharge the hypothec without delivery between Canadian Imperial Bank of Commerce as holder and Landdrill International Ltd. as grantor, registered at the RPMRR on September 12, 2008 under number 08-0530913-0001.

PAYMENT OF PURCHASE PRICE

10. **THIS COURT ORDERS** that prior to or at the latest on the date and at the time of signing of the deed of sale ("**Closing**") by the Seller, the Purchaser shall pay the Purchase Price to the Monitor or such other party as the Monitor may designate by written notice to the Purchaser. For the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Property and the Personal Property shall stand in the place and stead of the Property and the Personal Property, and that from and after the delivery of the Monitor's Certificate, all Claims shall attach to the net proceeds from the sale of the Property and the Personal Property with the same priority as they had with respect to the Property and the Personal Property immediately prior to the sale, as if the Property and the Personal Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

12. **THIS COURT ORDERS** that the amounts payable pursuant to the exclusive brokerage contract by and between Nathalie Durand Courtier Inc. (representing Royal LePage Limoge & Assoc.) and Landdrill International Ltd. dated January 2, 2013, as amended, shall be paid by the Monitor from the Purchase Price on the date of signing of the deed of sale or at the latest upon registration of a deed of sale at the Land Register without adverse registration.

13. **THIS COURT ORDERS** that the Purchaser shall remit to the appropriate tax authorities any amounts owing on account of GST and QST in connection with the Transaction.

14. **THIS COURT ORDERS** that the Monitor shall pay from the proceeds of the Transaction any municipal taxes due in respect of the Property for the period ending on Closing.

15. **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 Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

16. **THIS COURT ORDERS** that, notwithstanding:

(i) the pendency of these proceedings;

(ii) 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

(iii) any assignment in bankruptcy made in respect of any of the Seller; NDS.

the vesting of the Property and the Personal Property in the Purchaser pursuant to this Order and the obligations of the Seller under the 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.

17. **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.

SEALING ORDER

18. **THIS COURT ORDERS** that Confidential Appendix "A" to the Twelfth 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.

AID AND RECOGNITION

19. **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.

WDS

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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.

David D Smith.
CJCQB. April 29/13

Schedule "A"
Form of Monitor's Certificate

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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**")

MONITOR'S CERTIFICATE

(Re: Approval of Sale of Notre Dame Building)

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**").

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 March 22, 2013 (the "**Purchase Agreement**") between the Seller and ● (the "**Purchaser**").

C. Pursuant to an Order of the Court dated April 29, 2013, (the "**Approval and Vesting Order**") the Court approved the 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 Property and the Personal Property (as those terms are defined in the Approval and Vesting Order), and which directed the Monitor to deliver to the Purchaser and file with the Court a certificate certifying (a) receipt 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 Purchase Price for the Property and the Personal Property payable on the Closing Date pursuant to the 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 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: