Court File No.____________

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)

Book 4 of 4
Exhibits to the Affidavit of Ronald J. Goguen
sworn to August 27, 2012

This is Exhibit "Q" to the Affidavit of Ronald J. Goguen sworn to on the 27th day of August 2012.

Jeffrey R. Parker
Commissioner of Oaths
Being a Solicitor

GE Capital

VIA E-MAIL TRANSMISSION AND HAND-DELIVERED

August 14, 2012

Landdrill International Ltd.
160 MacNaughton Avenue
Moncton, NB E1H 3L9

Dear Sirs/Mesdames:

Re: Obligations due and owing GE Canada Equipment Financing G.P.
And Re: Notice of Event of Default and Reservation of Rights

We refer to the following documents:

1. Equipment Loan and Security Agreement No. 8724235001 dated March 23, 2012 between Landrill International Ltd. (the "**Borrower**") and GE Canada Equipment Financing G.P. (the "**Lender**"), as amended, restated, supplemented or otherwise modified from time to time (the "**Agreement**");
2. Equipment Loan and Security Agreement No. 8698749001 dated September 28, 2011 between the Borrower and the Lender, as amended, restated, supplemented or otherwise modified from time to time;
3. Conditional Sale Agreement No. 868801101 dated July 8, 2011 between the Borrower and the Lender, as amended, restated, supplemented or otherwise modified from time to time; and
4. Equipment Loan and Security Agreement No. 150011609070 dated March 30, 2011 between the Borrower and the Lender, as amended, restated, supplemented or otherwise modified from time to time,

(collectively, the "**Loan Documents**").

Unless otherwise specified, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Documents.

The Borrower has informed the Lender that certain defaults have occurred and are continuing under the Agreement as of the date hereof including, without limitation, the following Default (such existing Default, the "**Designated Default**"):

i. Landdrill International Inc. ("**LII**") has failed to meet its financial covenants contained in Agreements between LII and Norrep Credit Opportunities Fund LP ("**Norrep**") contrary to Article 13 of Standard Terms and Conditions 15133E as amended by Schedule B to the Agreement.

Default under the Agreement is deemed a default under all other present and future agreements between the Borrower and the Lender including, without limitation, the balance of the Loan Documents.

As a result of the Designated Default, as well as any other defaults that may exist, the Lender is entitled to exercise any and all default-related rights and remedies under the Agreement, under the Loan Documents, and/or under applicable law including, without limitation, all security held by the Lender with respect to the Obligations of the Borrower.

The Lender will continue to monitor the default situation very carefully and will decide in its sole discretion on a "day-by-day" basis whether or not to exercise its rights and remedies. We remind you, however, that nothing in this letter or in any ongoing discussions or negotiations between the Lender, on the one hand, and the Borrower or any guarantor of the Borrower's Obligations to the Lender, on the other hand, nor any delay on the part of the Lender in exercising any of its rights and remedies under the Agreement, the other Loan Documents, any guarantees held by the Lender with respect to the Obligations (the "**Guarantees**") and/or under applicable law, shall directly or indirectly: (i) create any obligation to forbear from taking any enforcement action, or to make any further extensions of credit, (ii) constitute a consent to or waiver of any past, present or future Default or other violation of any provisions of the Agreement, any of the Loan Documents or any of the Guarantees, (iii) amend, modify or operate as a waiver of any provision of the Agreement, any of the Loan Documents, any of the Guarantees or any right, power, privilege or remedy of the Lender or under applicable law or constitute an agreement to forbear or to restructure the Obligations in any respect, or (iv) constitute a course of dealing or other basis for altering any rights or obligations of the Lender under the Agreement, any of the Loan Documents, any of the Guarantees or any Obligations of the Borrower or any guarantor under the Agreement, any of the Loan Documents, any of the Guarantees or any other contract or instrument, as the case may be. Nothing contained in this letter shall confer on the Borrower or any other person any right to notice or cure periods with respect to any Default.

This letter confirms that the Lender has not waived the Designated Default and expressly reserves all of its rights, powers, privileges and remedies under the Agreement, any of the Loan Documents, any of the Guarantees, and/or applicable law, including, without limitation, its right at any time, as applicable, (i) to accelerate the Obligations, (ii) to charge any default rate of interest in respect of the Obligations (as of any date from and after the date on which the Designated Default first occurred) (iii) to commence any legal or other action to collect any or all of the Obligations from the Borrower and / or any other person liable therefor, (iv) to foreclose or otherwise realize on any or all of the Borrower's assets, (v) to take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Agreement, any other Loan Document, any Guarantee, or applicable law, and (vi) to reject any forbearance, financial restructuring or other proposal made by or on behalf of Borrower or any creditor or equity holder. The Lender may exercise its rights, powers, privileges and remedies, including those set forth in (i) through (vi) above at any time in its sole and absolute discretion without further notice. No oral representations or course of dealing on the part of the Lender or any of its officers, employees or agents, and no failure or delay by the Lender with respect to the exercise of any right, power, privilege or remedy under any of the Agreement, any other Loan Document, any of the Guarantees, or applicable law shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy.

Yours truly,

GE CANADA EQUIPMENT FINANCING G.P.

By: ______________________________

Name: David G. Meldrum, CPA, CA
Title: Senior Manager, Workout

I have authority to bind the Partnership

cc: **Via E-mail and Hand-Delivered**
Landdrill International Inc.
160 MacNaughton Avenue
Moncton, NB E1H 3L9

cc: **Via E-mail and Hand-Delivered**
Landdrill Atlantic Ltd.
160 MacNaughton Avenue
Moncton, NB E1H 3L9

cc: **Via E-mail and Hand-Delivered**
Nitasi Landdrill Limited Partnership, acting by its general partner Landrill Atlantic Ltd.,
160 MacNaughton Avenue
Moncton, NB E1H 3L9