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)

SUPPLEMENTAL AFFIDAVIT

1. I, **RONALD J. GOGUEN**, of the City of Moncton, in the Province of New Brunswick, **MAKE OATH AND SAY AS FOLLOWS:**

2. I am the Chief Executive Officer and a member of the Board of Directors of the Applicant, Landdrill International Inc. ("**Landdrill B.C.**"). I am the Chief Executive Officer and sole director of the Applicants, Landdrill International Ltd. ("**Landdrill N.B.**"), Landdrill Atlantic Ltd. ("**Landdrill Atlantic**") and Landdrill Contract Mining Ltd. ("**Landdrill LCM**"). I am also the President and/or the sole director of the following companies:

Corporation	**Position**
Landdrill International Mexico S.A. de C.V. ("**Landdrill Mexico**")	President
LLC Landdrill International ("**Landdrill Russia**")	Sole Director
Landdrill International XXK ("**Landdrill Mongolia**")	Sole Director and President
Landdrill International Inc. ("**Landdrill Barbados**")	Sole Director and President
Landdrill Company Limited	Sole Director and President
Landdrill International Cooperatief U.A.	Sole Director and President

Landdrill International Nicaragua, S.A.	President
Landdrill International SARL	Sole Director and President

As such, I have personal knowledge of the matters to which I hereinafter depose. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

3. The above-referenced corporations will collectively be referred to as the "**Landdrill Group**". Landdrill B.C., Landdrill N.B., Landdrill Atlantic, Landdrill LCM, Landdrill Mexico, Landdrill Mongolia and Landdrill Barbados will collectively be referred to as the "**Applicants**". A chart showing the corporate structure of the Landdrill Group is attached to my earlier Affidavit.

4. This Affidavit is supplemental to my earlier Affidavit sworn in this matter on August 27, 2012 (the "**Goguen Affidavit**").

5. As noted in the Goguen Affidavit, the Landdrill Group (as defined therein) has three principal secured lenders, one of which is Norrep Credit Opportunities Fund, L.P. ("**Norrep**"), an investment fund operated under a strategic partnership between Crown Capital Partners Inc. and Hesperian Capital Management Ltd.

6. During the period August 15 to August 22, 2012, the Landdrill Group pursued negotiations with Norrep with respect to obtaining interim financing to support a period of forbearance (if such a period could be successfully negotiated) or, alternatively, interim "debtor-in-possession" financing to support the Applicants in the event that a filing for creditor protection under the CCAA was necessary. Throughout these negotiations, the Landdrill Group was assured that Norrep was prepared to advance the necessary interim financing required to enable the Landdrill Group to continue operations during the period when it sought prospective purchasers for the purchase and sale of the business of the Landdrill Group (the "**Sale**").

7. Late in the day on August 26, 2012, Norrep advised that, subject to certain conditions (involving agreement on the terms of the proposed Order and completion of acceptable terms for the interim financing), it would support this CCAA application and would provide an agreed amount of interim debtor-in-possession financing. As the terms of the conditional agreement were subject to approval by the directors of the Applicants and were also subject to internal approval by Norrep, it was not be possible at the time to attach the completed agreement with

Norrep to the Goguen Affidavit. In the Goguen Affidavit, I had indicated that I would advise the Court through counsel on or before the hearing of this application as to whether the conditional agreement between the Landdrill Group and Norrep had been completed, at which time we would provide the Court with the agreement relating to the debtor in possession financing and the form of proposed CCAA Order that was acceptable to the Landdrill Group and Norrep.

The Applicants Require Court-Ordered DIP Financing and a DIP Charge to complete its restructuring or an orderly sale of its business and assets

8. The cash resources of the Landdrill Group will not meet its post-filing obligations. To resolve this issue, the Applicants propose and are seeking Court approval of debtor-in-possession financing (the "**DIP Facility**") and a charge over the assets, undertaking and property of the Landdrill Group (the "**Property**") securing same (the "**DIP Charge**"). In addition to addressing the liquidity issues of the Landdrill Group, the DIP Facility will provide an assurance to the suppliers, employees, customers and other stakeholders of the Landdrill Group that it will continue operating as a going concern during the CCAA proceedings. Such a DIP facility is considered by the Applicants to be essential in the circumstances.

9. The Applicants have secured an agreement with Norrep, by its agent, Crown Capital Partners Inc. (the "**DIP Lender**") to extend a DIP Facility as outlined in a DIP Term Sheet dated August 29, 2012 (the "**DIP Term Sheet**"), a copy of which is attached hereto as **Exhibit "A"**. Attached to the DIP Term Sheet and attached hereto as **Exhibit "B"** is a consolidated weekly cash flow projection for the 12 week period ending November 18, 2012 for Landrill B.C., Landdrill N.B., Landdrill Atlantic, Landdrill LCM, Landdrill Barbados, Landdrill Mexico and Landdrill Mongolia (each as defined in the Goguen Affidavit). Included therein is the opening cash balance, receipts and disbursements of Nitasi Landdrill (Quebec) Limited Partnership and Natasi Landdrill Limited Partnership, whose bank accounts are controlled by Landdrill B.C.

10. Attached hereto as **Exhibit "C"** is a stand-alone weekly cash flow projection for the 12 week period ending November 18, 2012 for Landdrill B.C. (the cash flow projections attached hereto as Exhibits "B" and "C" are collectively referred to herein as the "**Cash Flow Projection**").

11. Pursuant to the terms contained in the DIP Term Sheet, the DIP Lender agrees to provide up to a principal amount of $1,500,000.00 CDN (the "**Maximum Amount**") to finance expenditures provided for in the Cash Flow Projection, fees and expenses associated with the DIP Facility and restructuring of the Landdrill Group generally, and such other expenditures as

the DIP Lender shall have consented to in writing. The DIP Term Sheet provides that the aggregate borrowings under the DIP Facility during any week shall not exceed the forecasted borrowing requirements set forth in the Cash Flow Projection (except with prior written consent of the DIP Lender). The Board of Directors of the Applicants has approved the execution of the DIP Term Sheet and the seeking of Court approval.

12. The outstanding principal amount of the advances under the DIP Facility bears interest at an annual rate of 15%, compounded and payable monthly. The Landdrill Group shall also pay (i) all reasonable out-of-pocket expenses of the DIP Lender, including legal, registration and filing fees and (ii) a fee of 5% of the Maximum Amount. The DIP Lender requires a deposit of $30,000.00 upon acceptance of the DIP Term Sheet which deposit is to be firstly applied to the out-of-pocket expenses and secondly to the 5% fee.

13. The DIP Facility contains a series of conditions precedent to the DIP Lender's obligation to advance funds, including the requirement that an Initial Order be granted by this Court approving the DIP Facility in form and content satisfactory to the DIP Lender and that no Event of Default, as defined in the DIP Term Sheet, shall have occurred. Furthermore, as a condition precedent to the DIP Lender making the DIP Facility available, the Landdrill Group must obtain an Order of this Court on or before September 21, 2012 elevating the priority of the DIP Charge, to the extent of the Maximum Amount plus interest, over all security interests, trusts, liens, charges and claims of secured creditors, statutory or otherwise (the "**Encumbrances**"), other than the Administration Charge in the amount of $400,000.00 and the Critical Supplier Charge.

14. The term of the DIP Facility shall end on the earliest of: (i) November 30, 2012, (ii) the date of the closing of the sale of all or substantially all of the assets of the Landdrill Group pursuant to the restructuring thereof, (iii) the date of the termination of the stay period within the restructuring, and (iv) demand by the DIP Lender following an Event of Default as defined in the DIP Term Sheet.

15. The DIP Facility includes a number of positive covenants which include, among others, compliance with the Cash Flow Projection and ensuring certain objectives are achieved in relation to the Sale, including finalizing a list of approved purchasers on or before September 5, 2012, obtaining one or more non-binding written expressions of interest regarding a Sale on or before September 21, 2012, preparing definitive agreements required for the Sale on or before September 28, 2012, entering into a binding agreement for the Sale on or before October 1, 2012 and approval by the Court and closing of the Sale on or before November 1, 2012.

16. The DIP Facility also includes a number of negative covenants prohibiting the Landdrill Group from taking certain actions, including, among others, making payments of sales taxes which were accrued and collected prior to the date of the CCAA Order, entering into certain debt obligations and effecting any material change in the business or compensation practices of the Landdrill Group.

17. The DIP Lender was asked whether it would advance under the DIP Facility if the DIP Charge was not granted with priority over the Encumbrances (other than the Administration Charge and the Critical Supplier Charge) and the DIP Lender advised that it is only prepared to advance in the event this priority is granted by the Court. However, an advance can be requested by the Landdrill Group prior to such priority Order being obtained, if a cash need arises, which the DIP Lender will consider in its sole discretion.

18. The DIP Charge will not secure obligations incurred prior to the CCAA proceeding.

19. The DIP Facility is expected to provide sufficient liquidity to allow the Landdrill Group to complete its restructuring or an orderly Sale. I understand and do believe that the proposed Monitor is supportive of the DIP Facility and the DIP Charge.

20. The DIP Charge is proposed to rank ahead of the Director's Charge but behind the Administration Charge and the Critical Supplier Charge and behind the Encumbrances in favour of any persons who have not been served with notice of this application. As noted above, the Applicants intend to return to Court on the Comeback Motion in order to seek an Order granting a super-priority to the DIP Charge ahead of all Encumbrances other than the Administration Charge and the Critical Supplier Charge.

21. Attached hereto as **Exhibit "D"** is a copy of a form of CCAA Order which the Applicants propose be adopted and which is acceptable to the Landdrill Group, the DIP Lender and the other two principal secured lenders of the Landdrill Group: Sprott Resource Lending Partnership, and GE Canada Equipment Financing G.P.

22. Attached hereto as **Exhibit "E"** is a copy of a letter on behalf of the Landdrill Group dated August 29, 2012 pursuant to subsection 10. (2) of the CCAA.

23. I make this Supplemental Affidavit in support of an application on behalf of the Applicants for, among other things, an Initial Order pursuant to section 11 of the CCAA.

SWORN TO at the City of Moncton and Province of New Brunswick, this 31st day of August 2012.

BEFORE ME:

Michael Tiger

Commissioner of Oaths,
Being a Solicitor

Ronald J. Goguen

Ronald J. Goguen

This is Exhibit "A" to the Affidavit of Ronald J. Goguen sworn to on the 31^{st} day of August 2012.

Michel Tingu

Commissioner of Oaths
Being a Solicitor

CROWNCAPITAL
PARTNERS INC.
A NORREP COMPANY

TERM SHEET

August 31, 2012

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 Mexico S.A. de C.V. (a Mexican corporation)
Landdrill International LLC (a Mongolian corporation)
Landdrill International Inc. (a Barbados corporation)
c/o 160 MacNaughton Ave.
Moncton, NB E1H 3L9

Attention: Mr. Ron Goguen, CEO

Dear Sirs:

1. We are pleased to provide our Term Sheet which outlines the terms and conditions upon which Norrep Credit Opportunities Fund, L.P. (**"Norrep" or the "DIP Lender"**), by its agent, Crown Capital Partners Inc. (**"CCP" or the "DIP Agent"**), is prepared to provide a DIP loan to Landdrill International Inc. (a British Columbia corporation) and its subsidiaries, Landdrill International Ltd. (a New Brunswick corporation), Landdrill Atlantic Ltd. (a New Brunswick corporation), Landdrill Contract Mining Ltd. (a New Brunswick corporation), Landdrill Mexico S.A. de C.V. (a Mexican corporation), Landdrill International LLC (a Mongolian corporation) and Landdrill International Inc. (a Barbados corporation) (such seven corporations hereinafter collectively described as the "**Borrower**").

Background

2. By means of a Credit Agreement dated March 21, 2012 (the "**Credit Agreement**"), Norrep made available to the Borrower a loan in the principal amount of $8,000,000.00 (the "**Loan**").

3. Norrep holds security in respect of the obligations owed to it by the Borrower pursuant to the Credit Agreement, whereby the Borrower granted to Norrep a security interest in all present and after-acquired property of the Borrower.

4. The Borrower has defaulted in its obligations to Norrep under the Loan and the Credit Agreement (which defaults have not been waived by Norrep).

5. GE Canada Equipment Financing GP ("**GE**") and Sprott Resource Lending Partnership ("**Sprott**") are secured creditors of the Borrower.

6. The Borrower has informed Norrep and CCP that:

a) the Borrower has suffered and continues to suffer substantial ongoing losses and working capital deficiencies;

b) the Borrower has entered into an engagement (the "**Clarus Engagement**") with Clarus Securities Inc. ("**Clarus**") to develop, implement and lead a process to market the business of the Borrower (the "**Business**") and all of the assets, property and undertaking of the Borrower (the "**Property**") for sale as a going concern (the "**Sale Process**");

c) the conditions necessary for the ongoing viability of the Borrower include restructuring its debt and certain operational features of its business, and/or the sale of some or all of the assets of the business and to assist in such restructuring the Borrower intends imminently to seek Court protection and restructuring under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") (the "**Restructuring**");

d) the Borrower intends to apply to the Court of Queen's Bench in the Province of New Brunswick (the "**Court**") for an Order (the "**Initial Order**"):

    i. authorizing and approving the DIP Facility (as hereinafter defined), in form and content satisfactory to the DIP Lender and creating a court-ordered priority charge in favour of the DIP Lender on the Property, in order to secure the repayment to the DIP Lender of the DIP Facility (as hereinafter defined) (the "**DIP Lender's Charge**"); and

    ii. appointing Ernst & Young Inc. as monitor (the "**Monitor**") of the Borrower pursuant to the CCAA;

e) subsequent to obtaining the Initial Order, the Borrower intends to apply to the Court (on notice to all of the secured creditors of the Borrower, including GE and Sprott) for a subsequent Order of the Court (the "**Priming Order**"), in form and content satisfactory to the DIP Lender and providing that the DIP Lender's Charge shall rank in priority to all other secured and unsecured claims against the Property (including, without limitation, the secured claims of GE and Sprott) as well as all liens, charges, mortgages, encumbrances, hypothecs and security interests of every kind and nature whatsoever granted by or against the Borrower or the Property, save and except for the Administration Charge (as defined in the Initial Order) in the amount of $400,000 and the Critical Supplier Charge (as defined in the Initial Order); and

f) the Borrower is presently suffering a liquidity crisis that threatens the ongoing sustainability of its business operations, has represented that it requires additional working capital funding on an urgent basis and has requested that Norrep provide the Borrower with debtor-in-possession ("**DIP**" financing) for the period of the Restructuring.

7. The Borrower has prepared a cash flow projection attached as Schedule "A" to this Term Sheet for the period to [NTD: DATE], 2012 to project its cash requirements for the presently anticipated duration of the Restructuring (the "**Initial Cash Flow Projection**"). The Borrower may from time to time provide the DIP Lender with an updated cash flow projection (each, a "**Subsequent Cash Flow Projection**") demonstrating its updated cash flow requirements, which shall be in form and substance satisfactory to the DIP Lender, in its reasonable discretion (the Initial Cash Flow Projection or the most recent Subsequent Cash Flow Projection which has been approved by the DIP Lender or deemed to be approved in

accordance with the terms of this DIP Term Sheet, the "**Cash Flow Projection**"). If the DIP Lender does not object to a Subsequent Cash Flow Projection within 2 business days, the Subsequent Cash Flow Projection is deemed to be approved by the DIP Lender for reporting and borrowing purposes.

8. Subject to paragraph 9. hereof, the DIP Lender is prepared to provide a DIP financing facility on the express terms and conditions outlined herein in the amount of $1,500,000.00, provided that such DIP financing facility be used and disbursed for the purposes set forward herein.

Confirmations and Acknowledgements

9. The Borrower confirms, acknowledges and agrees that:

   a) the facts and matters set out in paragraphs 1. to 8. hereof above are true and correct and, without limitation, the Borrower is indebted to Norrep in respect of the Loan and the Credit Agreement; and

   b) except as expressly amended, modified or waived under this Term Sheet, the Credit Agreement and all security, guarantees, and other documents and agreements provided by the Borrower or guarantors thereunder remain in full force and effect, unimpaired and enforceable in accordance with their respective terms and Norrep has not waived, in whole or in part, any default by the Borrower in respect of any term, condition or obligation thereunder.

Description of The DIP Facility

10. Subject to the terms and conditions hereof, the DIP Lender is prepared to advance to the Borrower a C$1,500,000.00 DIP financing facility, being a senior secured super-priority debtor-in-possession revolving operating credit facility in the maximum principal amount of C$1,500,000.00 (the "**DIP Facility**"). The aggregate borrowings under the DIP Facility during any week shall not exceed the forecasted borrowing requirements set forth in the Cash Flow Projection.

Use of Proceeds

11. The proceeds of the DIP Facility may be used by the Borrower to pay:

    a) expenditures provided for in the Cash Flow Projection;

    b) fees and expenses associated with the DIP Facility and fees and expenses associated with the Restructuring generally; and

    c) such other expenditures as Norrep shall have consented to in writing.

Positive Covenants By The Borrower

12. The Borrower covenants that it shall:

    a) comply with the reporting obligations of the Borrower specified in the Initial Order;

b) for each calendar week for the period beginning on the date of the granting of the Initial Order and ending on the last day of such week (a "**Calendar Week**"), comply with the Cash Flow Projection in such a manner that its business operations do not experience an adverse permanent variance in actual cumulative net cash flow against the forecast cumulative net cash flow set out in the Cash Flow Projection greater than 10% in any given Calendar Week;

c) offer its full co-operation to the Monitor and Clarus in regard to the Sale Process and work diligently (as requested by the Monitor and Clarus) to facilitate and advance the Sale Process;

d) provide to the DIP Lender an income statement and balance sheet as at the end of each month within 30 days of the end of the month (prepared in accordance with generally accepted accounting principles and/or IFRS, as may be applicable in the circumstances); and

e) ensure that the following objectives are achieved within the Sale Process on or before the following dates, namely:

   i. the template Confidentiality Agreement (the "**CA**") shall be finalized (and delivered to the Monitor and the DIP Lender) on or before August 31, 2012;

   ii. the population of the electronic on-line data room shall be finalized (and written confirmation of completion of this task shall be provided to the Monitor and the DIP Lender) on or before August 31, 2012;

   iii. the list of approved purchasers (the "**Approved Purchasers**") shall be finalized (and delivered to the Monitor and the DIP Lender) on or before September 5, 2012;

   iv. the CA shall be finalized and distributed to the Approved Purchasers (and written confirmation of completion of this task shall be provided to the Monitor and the DIP Lender) on or before September 5, 2012;

   v. one or more non-binding written expressions of interest regarding a proposed purchase of the Business and/or the Property shall have been obtained by the Borrower and shall have been provided to the Monitor and the DIP Lender on or before September 21, 2012;

   vi. the template precedent definitive agreements required for the sale of the Business and/or the Property shall have been prepared (and delivered to the Monitor and the DIP Lender) on or before October 1, 2012;

   vii. a binding Agreement of Purchase and Sale of the Business and/or the Property (the "**APA**") shall have been prepared and executed by the Monitor (in the name of and on behalf of the Borrower) (as Vendor) and the Proposed Purchaser (and an executed copy thereof shall have been provided to the Monitor and the DIP Lender) on or before October 15, 2012;

   viii. the APA shall have become unconditionally effective (save and except for a condition requiring approval of the APA by the Court) (and written confirmation of the APA having become unconditionally effective shall have been provided to the Monitor and the DIP Lender) on or before October 15, 2012; and

ix. approval of the APA by the Court and the closing of the sale contemplated by the APA shall have occurred (and written confirmation of the closing of such sale shall have been provided to the Monitor and the DIP Lender) on or before November 1, 2012.

Negative Covenants By The Borrower

13. The Borrower covenants that it shall not:

a) use the proceeds of the DIP Facility to pay for any expenditures inconsistent with the Cash Flow Projection (except in circumstances where it has first obtained the written consent of the DIP Lender to do so);

b) utilize the proceeds of the DIP Facility to make any expenditure contrary, to or inconsistent with, paragraph 11 hereof;

c) make any payment of sales taxes owing by the Borrower to Her Majesty the Queen in Right of Canada or Her Majesty the Queen in Right of any Province or Territory of Canada in connection with the sale of goods and services by the Borrower which were accrued and collected prior to the date of the Initial Order (other than payments made in accordance with the Initial Order);

d) incur or enter into any debts, liabilities or obligations (including, without limitation, guarantees and contingent obligations) other than as permitted by the Orders of the Court supervising the Restructuring or as may be permitted in writing by the DIP Lender;

e) grant, authorize or permit any of the Property to be encumbered with new or additional mortgages, liens, pledges, charges or encumbrances (save and except as may be permitted or authorized by the Court supervising the Restructuring);

f) [Intentionally Deleted]

g) effect any material change in the Business (without first obtaining the written consent of the DIP Lender to do so);

h) carry out any of the following types of transactions with any person, company or other entity that is not at arm's length to the Borrower (without first obtaining the written consent of the DIP Lender to do so):

i. entering into or amending any contract, loan or other advance;

ii. guarantees;

iii. investments; and

iv. acquisitions or mergers;

i) conducting any sale or other disposition of any plans, patents, trademarks, processes, trade secrets, licenses, distribution rights or other industrial or intellectual property of the Borrower other than in the ordinary course of business (without first obtaining the written consent of the DIP Lender to do so);

j) effecting any material change to the compensation practices of the Borrower (without first obtaining the written consent of the DIP Lender to do so); and

k) changing the Borrower's auditors (without first obtaining the written consent of DIP Lender to do so).

Funding of The DIP Facility

14. Each advance to the Borrower from the DIP Facility (a "**DIP Advance**") shall be made by the DIP Lender to the Borrower on the business day following receipt by CCP of an irrevocable written request for such DIP Advance in the form of a drawdown certificate in substantially the form set out in Schedule "**B**" hereto (a "**Drawdown Certificate**"), which request shall be received by CCP not later than 11:00 a.m (Atlantic time) on such business day, provided that all of the conditions precedent set out in this Term Sheet have been satisfied, as determined by the DIP Agent in its reasonable discretion.

15. DIP Advances shall be available in multiple drawings and shall be deposited into a bank account to be designated by the Borrower.

Emergency Draw

16. Notwithstanding the foregoing, to the extent that an emergency cash need arises in the Borrower's business that is not contemplated in the Cash Flow Projection, the Borrower may request a DIP Advance from the DIP Lender by providing written particulars relating to such emergency cash need to the DIP Lender, which DIP Advance shall only be permitted with the consent of the DIP Lender in its s ole and absolute discretion. If such requested emergency DIP Advance is so consented to by the DIP Lender, such DIP Advance shall be made from the DIP Facility and deposited into the Borrower's Account.

DIP Facility Termination Date

17. The entire amount outstanding under the DIP Facility, including all accrued and unpaid interest, shall be repaid by the Borrower immediately on the date (the "**DIP Facility Termination Date**") that is the earliest of: (a) November 30, 2012, (b) the date of the closing of the sale of all or substantially all of the Business or the Property within the Restructuring, (c) the date of the termination of the stay period under the Initial Order or Related Orders within the Restructuring, and (d) demand by the DIP Lender made following an Event of Default, provided that such DIP Facility Termination Date may be extended at the request of the Borrower with the consent of the DIP Lender, at its sole discretion, for such period and on such terms as the Borrower and the DIP Lender may agree and as the Court supervising the Restructuring may approve.

Payment of Interest

18. Interest on amounts outstanding under the DIP Facility shall accrue and be payable monthly in arrears at the rate of 15% per annum on outstanding amounts, compounded and payable monthly.

Repayment of Principal

19. Unless otherwise specifically agreed in this Term Sheet, the principal outstanding under the DIP Facility shall be repaid by the Borrower on the DIP Facility Termination Date.

Prepayment

20. The Borrower may prepay any amounts outstanding under the DIP Facility at any time prior to the DIP Facility Termination Date without penalty, provided that the Borrower has provided notice to the DIP Lender of such prepayment on or prior to 11:00 a.m. (Atlantic Time) on the date of such prepayment.

Events of Default

21. The following circumstances shall constitute events of default by the Borrower in regard to its obligations under the DIP Facility (each an "**Event of Default**"), namely:

    a) if the Priming Order has not been granted by the Court within twenty-one (21) days following the date of the granting of the Initial Order;

    b) if the Initial Order or the Priming Order shall have been stayed, varied, amended, modified or restated (without the consent of the DIP Lender);

    c) if leave to appeal from the Initial Order or the Priming Order shall have been granted to or in favour of any party in such a manner as to negatively affect the DIP Lender's Charge (or the priority thereof);

    d) if the list of the Approved Purchasers has not been finalized (and delivered to the Monitor and the DIP Lender) on or before September 5, 2012;

    e) if the CA has not been finalized and distributed to the Approved Purchasers (and written confirmation of completion of this task has not been provided to the Monitor and the DIP Lender) on or before September 5, 2012;

    f) if one or more non-binding written expressions of interest regarding a proposed purchase of the Business and/or the Property has not been obtained by the Borrower and has not been provided to the Monitor and the DIP Lender on or before September 21, 2012;

    g) if the template precedent definitive agreements required for the sale of the Business and/or the Property have not been prepared (and delivered to the Monitor and the DIP Lender) on or before October 1, 2012;

    h) if a binding APA has not been prepared and executed by the Monitor (in the name of and on behalf of the Borrower) (as Vendor) and the Proposed Purchaser (and an executed copy thereof has not been provided to the Monitor and the DIP Lender) on or before October 1, 2012;

i) if the APA has not become unconditionally effective (save and except for a condition requiring approval of the APA by the Court) (and written confirmation of the APA having become unconditionally effective has not been provided to the Monitor and the DIP Lender) on or before October 15, 2012;

j) if approval of the APA by the Court and the closing of the sale contemplated by the APA shall not have occurred (and written confirmation of such closing shall not have been provided to the Monitor and the Lender) on or before November 1, 2012;

k) if the DIP Lender determines that the Borrower has failed to comply in all material respects with all applicable laws, regulations and policies in relation to the business of the Borrower other than as may have been expressly allowed by the Court within the Restructuring;

l) if the DIP Lender (in its sole discretion) shall have determined that a material adverse change in the financial condition, operation or prospects of the Borrower has occurred after the issuance of the Initial Order;

m) if the Borrower shall be in breach of one or more of the Positive Covenants set out in paragraph 12 hereof; and

n) if the Borrower shall be in breach of one or more of the Negative Covenants set out in paragraph 13 hereof.

Remedies

22. The Remedies available to the DIP Lender upon the occurrence of an Event of Default shall be as set out in the Initial Order.

Documentation and Security

23. All present and future liabilities and obligations of the Borrower to the DIP Lender under the DIP Facility and otherwise arising hereunder shall be secured and evidenced, as the case may be, by the following documents completed in form and substance satisfactory to the DIP Lender and its counsel (collectively, the "**DIP Security**"):

a) the Initial Order;

b) the Priming Order;

c) a General Security Agreement from the Borrower (if required by the DIP Lender);

d) a mortgage/charge of land over all of the real property in respect of which the Borrower and has an interest (if required by the DIP Lender);

e) all supporting authorizations, certificates, acknowledgements and legal opinions as the DIP Lender may reasonably require; and

f) such further documentation as the DIP Lender and its counsel may reasonably require.

Conditions

24. The obligation of the DIP Lender to make available the DIP Facility is subject to and conditional upon each of the following conditions (the "**Conditions Precedent**") which are for the exclusive benefit of the DIP Lender and, unless waived in writing by the DIP Lender, shall be fulfilled, satisfied and performed prior to the each advance under the DIP Facility:

    a) the written acceptance by the Borrower of this Term Sheet has been obtained by the DIP Lender (prior to the initial draw);

    b) [Intentionally Deleted]

    c) the Borrower shall have obtained an Initial Order approving the DIP Facility in form and content satisfactory to the DIP Lender in its sole and absolute discretion on or before August 31, 2012;

    d) the DIP Lender shall be satisfied that there exists no material litigation against the Borrower that is not stayed by the Initial Order;

    e) the Initial Order shall be in full force and effect and shall not have been reversed, stayed, modified, amended or varied (without the express written consent of the DIP Lender), and no application or motion shall have been made to the Court for any stay, modification or amendment of the Initial Order;

    f) subject to paragraph 24A hereof, the Borrower shall have obtained the Priming Order in form and content satisfactory to the DIP Lender in its sole and absolute discretion on or before September 21, 2012;

    g) subject to paragraph 24A hereof, the Priming Order shall be in full force and effect and shall not have been reversed, stayed, modified, amended or varied (without the express written consent of the DIP Lender), and no application or motion shall have been made to the Court for any stay, modification or amendment of the Priming Order;

    h) the Borrower shall be in compliance with all of the terms and conditions set forth in this Term Sheet;

    i) no Event of Default shall have occurred; and

    j) there shall have been no breach of any covenant or other obligation of the Borrower under or in connection with this Term Sheet.

24A. In the event that a cash need arises in the Borrower's business prior to the Borrower having obtained the Priming Order, the Borrower may request a DIP Advance from the DIP Lender prior to the Borrower having obtained the Priming Order (a "**Pre-Priming Order DIP Advance**") by providing written particulars relating to such cash need to the DIP Lender, which Pre-Priming Order DIP Advance shall only be permitted with the consent of the DIP Lender in its sole and absolute discretion (and which consent the DIP Lender is under no obligation to provide). If such requested Pre-Priming Order DIP Advance is consented to by the DIP Lender, the repayment of such Pre-Priming Order DIP Advance shall be secured by the Credit Agreement and shall be made from the DIP Facility and deposited into the Borrower's Account.

Expenses

25. Regardless of whether or not the transaction contemplated by this Term Sheet is completed, the Borrower shall pay all reasonable out-of-pocket expenses incurred by the DIP Lender in respect of the proposed transaction including (without limitation) legal, registration and filing fees.

Fees

26. A financing fee of five percent (5%) of the $1,500,000 maximum principal amount of the DIP Facility is due and payable to the DIP Lender by the Borrower (and shall irrevocably be deemed to have been earned by the DIP Lender) forthwith upon the granting of the Initial Order.

Deposit

27. The DIP Lender requires a non-refundable deposit of $30,000 (the "**Deposit**"). The Deposit is to be wired to the DIP Lender's bank account forthwith upon the delivery by the Borrower of its written acceptance of this Term Sheet. Upon Closing, the Deposit shall be first applied to the Expenses described in paragraph 25 hereof and second to the Fees described in paragraph 26 hereof. In the event that the DIP Lender does not proceed with the transaction due to circumstances which are in no way a result of the Borrower's actions or the represented credit profile of the proposed DIP Facility, the DIP Lender will return the Deposit to the Borrower (less out-of-pocket expenses).

Closing

28. Subject to the terms and conditions hereof, the parties shall work to close the transaction as soon as reasonably possible, with a target close date of August 31, 2012.

Exclusivity

29. Upon acceptance of this Term Sheet, the Borrower agrees to work exclusively with the DIP Lender with respect to this financing until after the close of the proposed financing.

Confidentiality

30. The Borrower agrees that the contents of this Term Sheet are strictly confidential and that there will be no disclosure of this Term Sheet or the fact that the Borrower and the DIP Lender are having discussions to any third party without the prior written consent of the DIP Lender.

Lapsing Date.

31. The proposal set forth in this Term Sheet shall expire in the event that it is not signed and returned to the DIP Lender (together with written confirmation that the Deposit has been wired to the DIP Lender's bank account) by 5:00 p.m. EST on August 31, 2012.

If the foregoing revised Term Sheet is acceptable to you, please indicate your approval and acceptance of the terms and conditions by signing and returning to us a copy of this document.

We look forward to working with you.

Yours truly,

NORREP CREDIT OPPORTUNITIES FUND, LP, by its agent,
CROWN CAPITAL PARTNERS INC.

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL INTERNATIONAL INC. (a British Columbia corporation)

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL INTERNATIONAL LTD. (a New Brunswick corporation)

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL ATLANTIC LTD. (a New Brunswick corporation)

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL CONTRACT MINING LTD. (a New Brunswick corporation)

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL MEXICO S.A. de C.V. (a Mexico corporation)

Per: ____________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL INTERNATIONAL LLC (a Mongolian corporation)

Per: ______________________________

Agreed to and accepted this ______ day of August, 2012.

LANDDRILL INTERNATIONAL INC. (a Barbados corporation)

Per: ______________________________

Cash Flow Projection sealed pursuant to

The Order of the Court

This is Exhibit "B" to the Affidavit of Ronald J. Goguen sworn to on the 31st day of August 2012.

Michel Tjiw

Commissioner of Oaths
Being a Solicitor

Cash Flow Projection sealed pursuant to

The Order of the Court

This is Exhibit "C" to the Affidavit of Ronald J. Goguen sworn to on the 31st day of August 2012.

Michael Tynan

Commissioner of Oaths
Being a Solicitor

Cash Flow Projection sealed pursuant to

The Order of the Court

This is Exhibit "D" to the Affidavit of Ronald J. Goguen sworn to on the 31st day of August 2012.

Michel Tijs

Commissioner of Oaths
Being a Solicitor

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)

INITIAL ORDER

THIS APPLICATION, made by Landdrill International Inc., a British Columbia corporation, ("**Landdrill BC**"), Landdrill International Ltd., a New Brunswick corporation, ("**Landdrill NB**", and together with Landdrill BC, "**Landdrill Canada**"), Landdrill Atlantic Ltd., a New Brunswick corporation, Landdrill Contract Mining Ltd., a New Brunswick corporation, Landdrill Mexico S.A. de C.V., a Mexican corporation, ("**Landdrill Mexico**"), Landdrill International LLC, a Mongolian corporation, and Landdrill International Inc., a Barbados corporation, (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") was heard this 31st day of August, 2012 at 145 Assomption Blvd., Moncton, New Brunswick.

ON READING the Affidavit of Ronald J. Goguen sworn to on the 27th day of August 2012 and the exhibits thereto, the Affidavit of Ronald J. Goguen sworn to on the 31st day of August 2012 and the exhibits thereto (the "**Rogers Affidavit**"), and the documents prescribed by subsection 10(2) of the CCAA, and on hearing the submissions of counsel for the Applicants, counsel for the proposed Monitor, Ernst & Young Inc., counsel for Norrep Credit Opportunities Fund, LP ("**Norrep**"), counsel for GE Canada Equipment Financing G.P. ("**GE Canada**") and counsel for

Sprott Resource Lending Partnership ("**Sprott**" and together with GE Canada and Norrep, the "**Senior Lenders**") and on reading the consent of Ernst & Young Inc. to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof and with the need to file a Record on Application.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. THIS COURT ORDERS that the Applicants, and each of them, shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), including the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Landdrill Canada (the "**Landdrill Canada Property**") and the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Landdrill Mexico (the "**Landdrill Mexico Property**"). Subject to further Order of this Court, the Applicants and each of them shall continue to carry on business in a manner consistent with the preservation of their respective businesses (collectively, the "**Business**") and the Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. THIS COURT ORDERS that, in accordance with the DIP Agreement (as defined below) and the Cash Flow Projections (as defined in the DIP Agreement), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses and amounts owed to any Assistants payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

5. THIS COURT ORDERS that, in accordance with the DIP Agreement and the Cash Flow Projections, and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

6. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) subject to paragraph 7 hereof, all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

7. THIS COURT ORDERS that payment of Sales Taxes owing by the Applicants to Her Majesty the Queen in Right of Canada or a Province or Territory of Canada (the "**Crown**") shall be dealt with in the following manner:

(a) Sales Taxes which are accrued or collected after the date of this Order shall be paid by the Applicants in the ordinary course of business from and after the date of this Order;

(b) (subject to paragraph 7(d), payment of Sales Taxes which were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order ("**Pre-Filing Sales Taxes**") shall be deferred, and collection or enforcement of same by the Crown is stayed until further Order of the Court, but the Applicants shall remain liable for the payment of such Pre-Filing Sales Taxes;

(c) in regard to Pre-Filing Sales Taxes, the Crown shall continue to have the same priority position at law as it had immediately prior to the granting of this Order;

(d) in the event of the sale of all or substantially all of the Property or the Business, Pre-Filing Sales Taxes shall be paid in accordance with applicable law; and

(e) in the event that the Applicants become bankrupt, Pre-Filing Sales Taxes shall be dealt with in accordance with the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").

8. THIS COURT ORDERS that, until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance

charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA, and such covenants as may be contained in the DIP documents (as hereinafter defined) have the right to:

(a) terminate the employment of such of their employees or temporarily lay off such of its employees as they deem appropriate; and

(b) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants, or any of them, to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any

applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. THIS COURT ORDERS that, if a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. THIS COURT ORDERS that, until and including September 28, 2012, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently underway against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. Notwithstanding the foregoing, the Senior Lenders are permitted, but not obligated, to take such steps and retain such security personnel as may be reasonably necessary, in their sole and exclusive discretion, to protect and preserve the tangible Property of the Applicants, provided that all such steps undertaken by the Senior Lenders or any of them shall not interfere with, disrupt and/or impede the ability of the Applicants and/or the Monitor to carry out the terms of this Order and the Senior Lenders are permitted to add the costs incurred in exercise of their rights hereunder to the indebtedness secured by the Senior Lenders' respective security.

NO INTERFERENCE WITH RIGHTS

15. THIS COURT ORDERS that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that, during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for

all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider, the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, but subject to paragraphs 18 to 22 below, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

CRITICAL SUPPLIERS

18. THIS COURT ORDERS AND DECLARES that each of the entities listed in Schedule "A" hereto is a critical supplier of the Applicants as contemplated by section 11.4 of the CCAA (each, a "**Critical Supplier**"), provided that such designation shall not constitute a finding or determination that such entities are critical suppliers to any affiliate of the Applicants.

19. THIS COURT ORDERS that each Critical Supplier shall continue to supply the Applicants with goods and/or services on terms and conditions that are consistent with existing arrangements and past practices.

20. THIS COURT ORDERS that the Applicants shall make prompt payment for goods and/or services supplied to them by a Critical Supplier. For greater clarity, an Applicant who receives goods and/or services from a Critical Supplier on and after the date of this Order shall make payment to such Critical Supplier for such goods and/or services on the next date on which such Applicant ordinarily issues cheques (provided that such date is at least two days, and no more than seven days, after the date on which such Applicant receives from such Critical Supplier an invoice for the purchase price of the goods and/or services supplied).

21. No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of goods and/or services to the Applicants after the date of this Order.

22. THIS COURT ORDERS that each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "**Critical Supplier Charge**") on the Property in an amount equal to the value of the goods and services supplied by such Critical Supplier and received by the Applicants after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services. The Critical Supplier Charge shall have the priority set out in paragraphs 44 and 46 hereof.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

25. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 44 and 46 hereof.

26. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

27. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

28. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

a) monitor the Applicants' receipts and disbursements;

b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Senior Lenders and their counsel of financial and other information which may be used in these proceedings on reasonable request;

d) advise the Applicants in their preparation of the cash flow statements of the Applicants and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the Senior Lenders and their counsel on reasonable request;

e) (after having discussed such matters with the Applicants, where circumstances permit it to do so), have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to instruct Clarus Securities Inc. with respect to the development and implementation of an orderly process for the sale of the Business and/or the Property to be completed within 90 days (the "**Sale Process**") in accordance with the timelines set out in Schedule "B" hereto, and to take such steps and execute such documentation in the name of and on behalf of the Applicants as may be necessary or incidental to the Sale Process;

f) have and exercise the authority (in the name of and on behalf of the Applicants), with the consent of the Senior Lenders, to replace Clarus Securities Inc. and disclaim the engagement letter with Clarus Securities Inc.;

g) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to negotiate with potential purchasers of the Business and/or the Property pursuant to the Sale Process;

h) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants), with the consent of the Senior Lenders, to dispose of redundant or non-material assets not exceeding $100,000.00 in any one transaction or $1,000,000 in the aggregate;

i) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to accept one or more offers to purchase the Business and/or the Property pursuant to the Sale Process (subject to approval of the Court);

j) have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants, but in consultation with the Senior Lenders), to determine whether and to what extent an extension of the Stay Period will be sought from the Court (and, if so, the length of any such extension request);

k) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

l) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

m) perform such other duties as are required by this Order or by this Court from time to time.

29. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

30. THIS COURT ORDERS that the Monitor is not required to take any steps or action in respect of the powers granted to the Monitor pursuant to this Order unless it is satisfied that the Applicants have sufficient funding to pay the Monitor's estimated fees and expenses in taking such steps and actions.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded to the Monitor as an officer of this Court, neither the Monitor nor any officer, director, employee, affiliate or agent of Ernst & Young Inc. shall be deemed to be a director or trustee or any of the Applicants.

32. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or

relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, the Ontario *Occupational Health and Safety Act*, the New Brunswick *Clean Water Act*, the New Brunswick *Clean Environment Act*, the New Brunswick *Clean Air Act*, the New Brunswick *Unsightly Premises Act*, the Quebec *Environmental Quality Act* and the Quebec *Act Respecting Occupational Health and Safety*, the Newfoundland *Environmental Protection Act* or similar other federal or provincial legislation and any regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. THIS COURT ORDERS that, subject to paragraph 50 hereof, the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

34. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. THIS COURT ORDERS that the Monitor, the Monitor's counsel and the Applicants' counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are

hereby authorized and directed to pay the accounts of the Monitor, the Monitor's counsel and the Applicants' counsel on a weekly basis.

36. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Court of Queen's Bench of New Brunswick.

37. THIS COURT ORDERS that the Monitor, the Monitor's counsel and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $400,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 44 and 46 hereof.

DIP FINANCING

38. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under the DIP Term Sheet with Norrep (and insofar as reference is made to Norrep making advances under the DIP Term Sheet, is herein referred to as the "**DIP Lender**") dated August 30, 2012 (the "**DIP Agreement**"), as attached to the Rogers Affidavit, in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the credit facility described in the DIP Agreement shall not exceed the principal amount of $1,500,000.00 unless permitted by further Order of this Court.

39. THIS COURT ORDERS that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Agreement, filed.

40. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (as described in the DIP Agreement) (collectively, the "**DIP Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees,

liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

41. THIS COURT ORDERS that, subject to the rights of the Senior Lenders set forth in paragraph 46 hereof, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property. The DIP Lender's Charge shall secure the payment to the DIP Lender of those amounts actually advanced by the DIP Lender to the Applicants pursuant to the DIP Agreement on or after the date of this Order, but in all events and circumstances, such amounts shall not exceed the aggregate sum of $1,500,000.00 plus applicable interest or such other amount as may be authorized by this Court. The DIP Lender's Charge shall have the priority set out in paragraphs 44 and 46 hereof.

42. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the DIP Documents;

(b) upon the occurrence of an event of default under the DIP Documents or the DIP Lender's Charge, the DIP Lender may cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the DIP Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, and upon four (4) days written notice to the Applicants, the Monitor and the Senior Lenders, and with leave of the Court, may exercise any and all of its other rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement, the DIP Documents and the DIP Lender's Charge, including without limitation, applying to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

43. THIS COURT ORDERS AND DECLARES that, notwithstanding paragraph 14 but subject to paragraph 42, the DIP Lender (in such capacity and not in its capacity as Senior Lender) shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the DIP Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

44. THIS COURT ORDERS that the priorities of the Administration Charge, the Critical Supplier Charge, the DIP Lender's Charge and the Directors' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $400,000);

Second – Critical Supplier Charge;

Third – DIP Lender's Charge (to the maximum amount of $1,500,000 plus applicable interest); and

Fourth - Directors' Charge (to the maximum amount of $1,000,000).

45. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Critical Supplier Charge, the DIP Lender's Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

46. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank behind all security interests, trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**") in favour of the Senior Lenders and any Person that has not been served with the notice of the application for this Order. The Applicants and the beneficiaries of the Charges shall be entitled to seek an Order providing that the Charges shall rank in priority to the

Encumbrances on notice to those parties likely to be affected by such priority (it being the intention of the Applicants to seek, at the Comeback Motion (as defined below), priority for the Charges ahead of all Encumbrances). The security granted by the DIP Documents charging the Property shall have the same priority as the DIP Lender's Charge. Notwithstanding the foregoing or any provision of this Order, the priority of the charges held by the Senior Lenders in respect of the Property whether pursuant to their respective security agreements and related documents or otherwise at law are hereby expressly reserved and the issuance of this Order is without prejudice to the right of the Senior Lenders, or any of them, to seek an order on the Comeback Motion (as defined below) allocating the Charges or any portion thereof among and between the Senior Lenders and/or among and between the Landdrill Canada Property and the Landdrill Mexico Property, or any portions thereof.

47. THIS COURT ORDERS that, except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender, the Senior Lenders, and the beneficiaries of the Charges, or further Order of this Court.

48. THIS COURT ORDERS that the Charges and the DIP Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the DIP Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement or the DIP Documents, the creation of the Charges, or the execution, delivery or performance of the DIP Agreement or the DIP Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the DIP Documents and the granting of the Charges by the Applicants do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

49. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SEALING OF CASH-FLOW STATEMENTS

50. THIS COURT ORDERS that any cash-flow statement or any part of a cash-flow statement filed with this Court in these proceedings shall not be released to the public and shall be kept confidential and in a sealed envelope to be maintained in a file in the office of the Clerk of the Court which does not form part of the public record. However, the cash-flow statements will be disclosed to Norrep, GE Canada and Sprott and their respective counsel on condition that they will not distribute such documentation or the information contained therein, to any other person. Further, all other creditors of the Applicants shall be entitled to disclosure of the cash-flow statements provided that they have signed a confidentially agreement in a form satisfactory to the Monitor.

SERVICE AND NOTICE

51. THIS COURT ORDERS that the Monitor shall (a) without delay, publish in the National Edition of the Globe and Mail a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the

manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1,000.00, and (iii) prepare a list showing the names and addresses of those creditors (other than individuals) and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

52. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

53. THIS COURT ORDERS that the Applicants, the Monitor and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ey.com/ca/landdrill.

COMEBACK MOTION

54. THIS COURT ORDERS that the Applicants are authorized to serve their motion materials with respect to the comeback motion (the "**Comeback Motion**") by forwarding a copy of this Order and any additional materials to be filed with respect to the Comeback Motion by electronic transmission, where available, or by courier to the parties likely to be affected by the relief to be sought, including without limitation, the Senior Lenders, at such parties' respective addresses as last shown on the records of the Applicants as soon as practicable.

GENERAL

55. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

56. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

57. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Mexico, Mongolia or Barbados, to give effect to this Order and to assist the Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

58. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

59. THIS COURT ORDERS that without limiting paragraph 58 hereof the Monitor is hereby authorized, as the foreign representative of the Applicants, to apply for recognition of these proceedings as "Foreign Main Proceedings" in Mexico.

60. THIS COURT ORDERS that any interested party (including the Applicants, the Monitor and the Senior Lenders) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

61. THIS COURT ORDERS that, notwithstanding paragraph 60 hereof, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP Documents or the DIP Lender's Charge unless notice of motion for such order is served on the Applicants, the Monitor, the Senior Lenders and the DIP Lender on at least four (4) days'

notice, returnable no later than September 7, 2012, or unless each of the Applicants, the Monitor, the Senior Lenders and the DIP Lender consent to such order.

62. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Time on the date of this Order.

Dated at Moncton, New Brunswick this ____ day of August, 2012

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J.C.Q.B.N.B

SCHEDULE "A"

Landdrill International Inc.

List of Critical Suppliers

Vendor	Canadian Office	Type of Supplier
Sandvik Mining	100 Magill Street Lively, Ontario P3Y 1K7	Supplies equipment and tools, service and technical solutions for the mining industry
Usinage Marcotte Inc.	180 des Distributeurs Val D'Or, Quebec J9P 6Y1	Provides machining, welding and manufacturing services for the forestry, mining and agriculture industries
M. Beauregard Equipment Inc.	8910 Boul. Industriel Chambly, Quebec J3L 4X3	Provides construction equipment products and support services
Hydraulic Val d'Or	1050 Rue Leo Fournier Val D'Or, Quebec J9P 6X7	Manufactures, modification and repair of hydraulic systems
Detour Machining	Box 1597 Highway 652 East Cochrane, Ontario P0L 1C0	Custom machining and fabrication

SCHEDULE "B"
TIMELINES FOR SALE PROCESS

1. The template Confidentiality Agreement (the "**CA**") shall be finalized (and delivered to the Monitor and the Senior Lenders) on or before August 31, 2012.

2. The population of the electronic on-line data room shall be finalized (and written confirmation of completion of this task shall be provided to the Monitor and the Senior Lenders) on or before August 31, 2012.

3. The list of approved purchasers (the "**Approved Purchasers**") shall be finalized (and delivered to the Monitor and the Senior Lenders) on or before September 5, 2012.

4. The CA shall be finalized and distributed to the Approved Purchasers (and written confirmation of completion of this task shall be provided to the Monitor and the Senior Lenders) on or before September 5, 2012.

5. One or more non-binding written expressions of interest regarding a proposed purchase of the Business and/or the Property shall have been obtained by the Borrower and shall have been provided to the Monitor and the Senior Lenders on or before September 21, 2012.

6. The template precedent definitive agreements required for the sale of the Business and/or the Property shall have been prepared (and delivered to the Monitor and the Senior Lenders) on or before October 1, 2012.

7. A binding Agreement of Purchase and Sale of the Business and/or the Property (the "**APA**") shall have been prepared and executed by the Monitor (in the name of and on behalf of the Borrower) (as Vendor) and the Proposed Purchaser (and an executed copy thereof shall have been provided to the Monitor and the Senior Lenders) on or before October 15, 2012.

8. The APA shall have become unconditionally effective (save and except for a condition requiring approval of the APA by the Court) (and written confirmation of the APA having become unconditionally effective shall have been provided to the Monitor and the Senior Lenders) on or before October 15, 2012.

9. Approval of the APA by the Court and the closing of the sale contemplated by the APA shall have occurred (and written confirmation of the closing of such sale shall have been provided to the Monitor and the Senior Lenders) on or before November 1, 2012.

This is Exhibit "E" to the Affidavit of Ronald J. Goguen sworn to on the 31st day of August 2012.

Michel Tip

Commissioner of Oaths
Being a Solicitor

August 29, 2012

Ernst and Young Inc.
The Fortis Building
139 Walter Street
St. John's, NL A1C 1B2
Attention: Paul D. Hickey

Dear Paul:

Re: Proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") Responsibilities/Obligations and Disclosure with Respect to Cash Flow Projections

In connection with the application by of Landdrill International Inc., Landdrill International Ltd., Landdrill Atlantic Ltd., Landdrill Contract Mining Ltd., Landdrill International Mexico S.A. de C.V., Landdrill International Inc. and Landdrill International LLC (collectively, "**Landdrill**") for the commencement of proceedings under the CCAA in respect of Landdrill, the management of Landdrill ("**Management**") has prepared the attached Cash-Flow Statement and the assumptions on which the Cash-Flow Statement is based.

Landdrill confirms that:

1. the Cash-Flow Statement and the underlying assumptions are the responsibility of Landdrill;

2. all material information relevant to the Cash-Flow Statement and to the underlying assumptions has been made available to Ernst and Young Inc. in its capacity as Monitor; and

3. Management has taken all actions that it considers necessary to ensure:

   a. That the individual assumptions underlying the Cash-Flow Statement are appropriate in the circumstances; and

   b. That the individual assumptions underlying the Cash-Flow Statement, taken as a whole, are appropriate in the circumstances.

Yours Truly,

Ronald J. Goguen
President & Chief Executive Officer