Court File No. M/M/114/12

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)**

## AFFIDAVIT

I, CHRISTOPHER JOHNSON, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President and Chief Executive Officer of Crown Capital Partners Inc. ("**Crown**"). Crown is the manager of, and a strategic partner in, Norrep Credit Opportunities Fund, LP ("**Norrep**"), an investment fund which has advanced a loan in the amount of Eight Million ($8,000,000.00) Dollars to Landdrill International Inc. (a British Columbia corporation ("**Landdrill BC**"). As such, I have personal knowledge of the facts and matters to which I hereinafter depose, except where such matters are hereinafter stated by me to be sworn based upon information and belief. Where so stated, I have identified the source of such information and I do verily believe such facts and matters to be true.

2. I swear this Affidavit to supplement the Affidavit sworn to by me on October 22, 2012 (the "**October 22, 2012 Affidavit**"), the Affidavit sworn to by me on October 31, 2012 (the "**October 31, 2012 Affidavit**") and the Affidavit sworn by me on February 21, 2013 (the "**February 21, 2013 Affidavit**").

3. Words and phrases used by me in this Affidavit which are capitalized but which are not expressly defined herein are intended by me to have the corresponding meanings ascribed to such words and phrases in the Initial Order of the Honourable Chief Justice Smith granted in these proceedings on August 31, 2012 (the "**Initial Order**").

**Restructuring Costs Incurred As A Result Of These CCAA Proceedings**

4. Since the commencement of these proceedings under the CCAA by the Applicants in August of 2012, the magnitude of the restructuring costs which it has been necessary for the Applicants to incur in connection with these CCAA proceedings (the "**Restructuring Costs**") has been very large and has exceeded the expectations of Norrep. Based upon my conversations with other secured creditors of the Applicants, I have determined, and I believe it to true, that the magnitude of the Restructuring Costs has exceeded the expectations of many of the other secured creditors of the Applicants.

5. As more particularly described below in paragraphs 6, 7 and 8 hereof, the Restructuring Costs incurred to date by the Applicants have totalled (in the aggregate) at least $2,404,517.70.

6. Attached and marked as Exhibit "A" to this Affidavit is a true copy of e-mail correspondence dated March 21, 2013 from Mr. Paul Hickey of the Monitor to Alissa Mitchell, legal counsel to GE Canada Equipment Financing G.P. and related companies ("**GE**"), together with attachments, which e-mail correspondence was copied to legal counsel for Norrep.

7. I have determined from my review of Exhibit "A" to this Affidavit, and I believe it to be true, that the professional fees and disbursements which the Monitor has charged to the Applicants up to and including March 21, 2013 in connection with these CCAA proceedings have totaled (in the aggregate) $946,005.72.

8. Attached and marked as Exhibit "B" to this Affidavit is a true copy of e-mail correspondence dated March 6, 2013 from Paul Hickey of the Monitor to representatives of Norrep (including me), GE and Sprott Resource Lending

Partnership ("**Sprott**"), together with an attached document entitled "Summary of Professional Firms Invoices To March 1, 2013".

9. I have determined from my review of Exhibit "B" to this Affidavit, and I believe it to be true, that the professional fees and disbursements which the law firm of Stikeman Elliott LLP (legal counsel to the Monitor) has charged to the Applicants up to and including March 1, 2013 in connection with these CCAA proceedings have totaled (in the aggregate) $839,112.94.

10. Attached and marked as Exhibit "C" to this Affidavit is e-mail correspondence dated March 22, 2013 from Mr. Stephen Hutchison of the law firm of Stewart McKelvey, legal counsel to the Applicants (together with attachments) which was addressed to the Applicants and which was copied to the Monitor and to legal counsel for Norrep, GE, Sprott and the Monitor.

11. I have determined from my review of Exhibit "C" to this Affidavit, and I believe it to be true, that the professional fees and disbursements which the law firm of Stewart McKelvey (legal counsel to the Applicants) has charged to the Applicants up to and including March 21, 2013 in connection with these CCAA proceedings have totaled (in the aggregate) $619,399.04.

12. I have determined from my review of certain of the contents of the files of Norrep pertaining to these proceedings (including Reports of the Monitor and other court documents filed in these proceedings) that the Applicants have had available to them during these CCAA proceedings various types of collateral from which the Restructuring Costs could have been paid, including:

(a) drilling equipment of the Applicants located in Canada (the "**Canadian Equipment**"), being collateral in which GE had priority;

(b) certain real property of the Applicants located in Canada (the "**Canadian Real Property**"), being collateral in which Norrep had priority;

(c) certain motor vehicles of the Applicants located in Canada (the "**Canadian Vehicles**"), being collateral in which General Motors Acceptance Corporation of Canada ("**GMAC**") had priority; and

(d) accounts receivable of the Applicants located in Canada (the "**Canadian Accounts Receivable**"), being collateral in which Norrep had priority.

13. I have determined from my review of the Reports of the Monitor filed in these CCAA proceedings, and I believe it to be true, that the Restructuring Costs have been paid in their entirety from the proceeds of the Canadian Accounts Receivable, being proceeds in which Norrep had priority (to the exclusion of all other collateral). In the result, payment of the Restructuring Costs (in their entirety) has effectively been funded solely by Norrep (and by no other stakeholders of Landdrill), through liquidation of collateral in which Norrep held priority.

14. Over approximately the past month, Norrep has attempted to reach agreement with GE regarding a fair and equitable methodology for allocation of the Restructuring Costs among the stakeholders of the Applicants. However, to date, Norrep has been unable to reach such an agreement with GE.

15. I make this Affidavit in support of an application by Crown and Norrep for an Order directing the Monitor to prepare a Report to the Court containing the Monitor's recommendations to the Court as to a fair and equitable method of allocating the Restructuring Costs among the stakeholders of the Applicants, as more particularly described in the Notice of Motion dated April 1, 2013 and filed on behalf of Norrep in support of this motion.

| | | |
|---|---|---|
| Sworn to at the City of Calgary,<br>in the Province of Alberta, this<br>4th day of April, 2013 before<br>me | )<br>)<br>)<br>)<br>)<br>) | <br><br><br><br>Christopher Johnson |
| A NOTARY PUBLIC in and for the<br>Province of Alberta<br>Being a Solicitor | | |

**Dean A. Hutchison**
*Barrister & Solicitor*



1830187v1

ERNST & YOUNG

Ernst & Young Inc.
St. John's, Newfoundland

**Invoice**

**Invoice Number:** CA0189761066
**Date:** March 21, 2013

Mr. Ron (Wade) Goguen
Landdrill International Inc
160 MacNaughton Drive
Moncton, NB E1H 3L9
Canada

**Remit To:**

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

**Client Reference: 16610536**

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as amended -
and -

In the Matter 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) (collectively "Landdrill")

| | CAD |
|---|---|
| To billing on account for professional services rendered from 9 March 2013 to 15 March 2013 in relation to the above referenced CCAA proceedings in accordance with and subject to the Initial Order including but not limited to paragraphs 35 and 36 thereof. | 15,703.50 |
| Expenses include a charge for administrative expenses @ 6% of fees (word processing, photocopying, courier, fax, telephone, postage, etc.) | 942.21 |
| Subtotal: | 16,645.71 |
| HST 13% NB: | 2,163.94 |
| TOTAL DUE: | $ 18,809.65 |

*A member of Ernst & Young Global*

**Terms:** Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
**GST/HST:** R123425522 **QST:** 1006354498

THIS IS EXHIBIT " A " referred to in
the Affidavit of Chris Johnson
SWORN before me at Calgary
this 4th day of
April ,20 13

A NOTARY PUBLIC in and for the
Province of Alberta

**Dean A. Hutchison**
*Barrister & Solicitor*

**Landdrill International Inc.**
**Time Summary**
**For the period 9 March 2013 to 15 March 2013**

| Name | Title | Hours | | Rate | Total |
|---|---|---|---|---|---|
| **Partners** | | | | | |
| Paul Hickey | Senior Vice President | 22.5 | $ | 425 | 9,562.50 |
| George Kinsman | Senior Vice President | 3.6 | $ | 360 | 1,296.00 |
| **Senior Managers** | | | | | |
| Chris Mediratta | Vice President | 7.2 | $ | 350 | 2,520.00 |
| **Managers** | | | | | |
| Steve McLaughlin | Manager | 16.8 | $ | 250 | 4,200.00 |
| Ingo Eckoldt | Manager | 0.5 | $ | 250 | 125.00 |
| | Total | 50.6 | | | 17,703.50 |
| Less: Discount | | | | | (2,000.00) |
| Net fee | | | | | 15,703.50 |

## Landdrill International Inc.
## Time details for period ended 15 March 2013

| Date | Person | Description | Hours |
|---|---|---|---|
| 9-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 0.5 |
| 11-Mar-13 | Hickey,Paul | Emails, tel and conference calls with Monitor's staff and counsel and research and analysis related to matters to be included or excluded in the Ninth Report of the Monitor; drafting and revising report; finalizing and issuing Ninth Report | 7.0 |
| 11-Mar-13 | Eckoldt,Ingo | Call with R.Roper re: update on auctioneers listing and contacted parties for LLC Landdrill's assets. | 0.3 |
| 11-Mar-13 | McLaughlin,Steve | Review 9th report and order. Additions/modifications to 9th report. | 3.6 |
| 11-Mar-13 | McLaughlin,Steve | Review disbursements for cash flow monitoring. | 2.6 |
| 11-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 0.9 |
| 12-Mar-13 | Kinsman,George | Assemble information requests re: D&O concerns for counsel to company. e-mails and calls with EY team re: same. | 1.3 |
| 12-Mar-13 | Hickey,Paul | Prepare response to emails regarding Monitor's role; Companies' objections to D&O process; emails regarding Companies' request to opine regarding potential prejudice to Sprott in Mexico; responding to information requests from Senior Lenders re various matters | 4.5 |
| 12-Mar-13 | Mediratta,Chris | Emails and discussion re post filing monitoring. Call and emails with P. Shortus re Mongolian closing. Follow up email to C. Howell | 2.2 |
| 12-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 1.6 |
| 12-Mar-13 | McLaughlin,Steve | Review disbursements for cash flow monitoring. | 1.1 |
| 13-Mar-13 | Kinsman,George | Review and prepare response for Company counsel re: operating analysis as generated by Company and Monitor. Reconcile the two differing schedules. | 2.3 |
| 13-Mar-13 | Hickey,Paul | Consider and consult with Monitor's and counsel's staff re Companies' request to opine on potential prejudice to Sprott in Mexico; emails re adjournment of motion; researching D&O coverage. | 4.0 |
| 13-Mar-13 | Hickey,Paul | Activities re country analysis for Mexico and reconciling Monitor's cash flow statement of receipts and disbursements to Companies; communications with Senior Lenders. | 4.0 |
| 13-Mar-13 | Mediratta,Chris | Emails and calls re Landdrill Mongolia, including call with GTS and Stikeman. Call with P. Hickey re email for Mexican security. Review draft emails | 2.3 |
| 13-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 0.6 |
| 13-Mar-13 | McLaughlin,Steve | Modifications to operating results analysis. Various internal calls and emails re: same. | 3.5 |
| 14-Mar-13 | Hickey,Paul | Numerous tel calls and emails regarding various matters including share sale in Mongolia, D&O insurance, adjournment of D&O hearing, etc.; planning emails to counsel | 2.0 |
| 14-Mar-13 | Eckoldt,Ingo | Email correspondence with D.Starostachev re: update on interested parties listing | 0.2 |
| 14-Mar-13 | Mediratta,Chris | Calls and emails re Mongolian building. Discussion re revised offer | 1.4 |
| 14-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 1.3 |
| 14-Mar-13 | McLaughlin,Steve | Review disbursements for cash flow monitoring. | 0.6 |
| 15-Mar-13 | Hickey,Paul | Tel calls and emails with Mediratta re Mongolian share sale issues | 1.0 |
| 15-Mar-13 | Mediratta,Chris | Discussions with P. Hickey re building security and email to R. Goguen. Discussion of real estate deal. Confirmation of no D&O claims | 1.3 |
| 15-Mar-13 | McLaughlin,Steve | Review disbursements for cash flow monitoring. | 0.3 |
| 15-Mar-13 | McLaughlin,Steve | Various emails. Internal discussions. Coordinate ad for D&O claims process. | 0.2 |
| | | | **50.6** |

**Pre-CCAA Invoices**
All Pre-CCAA Invoices have been paid in full

**Analysis of CCAA Invoices**

**CCAA billings**

| Notes | Date | Invoice # | Total (Including HST) | Paid | O/S |
|---|---|---|---|---|---|
| | 10-Sep-12 | CA0189722698 | $ 68,208.66 | $ 68,208.66 | $ - |
| | 17-Sep-12 | CA0189723771 | $ 33,479.01 | $ 33,479.01 | $ - |
| | 24-Sep-12 | CA0189724965 | $ 52,574.93 | $ 52,574.93 | $ - |
| | 02-Oct-12 | CA0189727039 | $ 63,025.12 | $ 63,025.12 | $ - |
| | 09-Oct-12 | CA0189728085 | $ 45,368.52 | $ 45,368.52 | $ - |
| | 15-Oct-12 | CA0189729172 | $ 50,327.80 | $ 50,327.80 | $ - |
| | 22-Oct-12 | CA0189730583 | $ 52,397.67 | $ 52,397.67 | $ - |
| | 29-Oct-12 | CA0189731999 | $ 45,007.87 | $ 45,007.87 | $ - |
| | 05-Nov-12 | CA0189734092 | $ 59,446.81 | $ 59,446.81 | $ - |
| | 13-Nov-12 | CA0189735913 | $ 64,618.32 | $ 64,618.32 | $ - |
| | 19-Nov-12 | CA0189736679 | $ 69,656.76 | $ 69,656.76 | $ - |
| | 26-Nov-12 | CA0189738097 | $ 38,822.16 | $ 38,822.16 | $ - |
| | 03-Dec-12 | CA0189740351 | $ 13,618.99 | $ 13,618.99 | $ - |
| | 10-Dec-12 | CA0189741377 | $ 24,982.18 | $ 24,982.18 | $ - |
| | 17-Dec-12 | CA0189743103 | $ 22,791.14 | $ 22,791.14 | $ - |
| | 27-Dec-12 | CA0189745361 | $ 30,055.23 | $ 30,055.23 | $ - |
| | 07-Jan-13 | CA0189745815 | $ 10,259.73 | $ 10,259.73 | $ - |
| | 15-Jan-13 | CA0189747427 | $ 22,326.99 | $ 22,326.99 | $ - |
| | 21-Jan-13 | CA0189748309 | $ 17,347.14 | $ 17,347.14 | $ - |
| | 28-Jan-13 | CA0189749219 | $ 14,539.89 | $ 14,539.89 | $ - |
| | 04-Feb-13 | CA0189751257 | $ 13,181.79 | $ 13,181.79 | $ - |
| | 11-Feb-13 | CA0189752804 | $ 30,987.09 | $ 30,987.09 | $ - |
| | 18-Feb-13 | CA0189753713 | $ 23,653.56 | $ 23,653.56 | $ - |
| | 27-Feb-13 | CA0189755891 | $ 14,867.69 | | $ 14,867.69 |
| | 06-Mar-13 | CA0189757795 | $ 23,642.03 | | $ 23,642.03 |
| | 11-Mar-13 | CA0189758756 | $ 22,008.98 | | $ 22,008.98 |
| | 21-Mar-13 | CA0189761066 | $ 18,809.65 | | $ 18,809.65 |
| | Total | | $ 946,005.72 | $ 866,677.37 | $ 79,328.35 |

**Analysis of Retainer Available to EYI for CCAA Exposure**

| Date | Invoice # | Amount |
|---|---|---|
| 28-Jun-12 | CA0189709932 | $ 50,000.00 |
| 23-Aug-12 | CA0189720198 | $ 50,000.00 |
| Total | | $ 100,000.00 |

**LANDDRILL GROUP OF COMPANIES**
**List of CCAA Professional Firms Invoices (including HST)**
**As at March 6, 2013**

| | MONTHLY | | | |
|---|---|---|---|---|
| **Week Ended** | **Ernst & Young Inc. (Note 1)** | **Stikeman Elliott** | **Stewart McKelvey Stirling Scales** | **Total** |
| August 22, 2012 | | | $55,219.69 | $55,219.69 |
| August 30, 2012 | | $ 42,518.23 | $80,416.24 | $122,934.47 |
| August Sub-total | $ - | $ 42,518.23 | $ 135,635.93 | $ 178,154.16 |
| September 7, 2012 | $ 68,208.66 | $ 18,908.29 | $32,524.58 | $119,641.53 |
| September 14, 2012 | $ 33,479.01 | $ 17,077.81 | $18,201.57 | $68,758.39 |
| September 21, 2012 | $ 52,574.93 | $ 12,568.71 | $29,656.32 | $94,799.96 |
| September 28, 2012 | $ 63,025.12 | $ 22,119.75 | $45,326.95 | $130,471.82 |
| September Sub-total | $ 217,287.73 | $ 70,674.56 | $ 125,709.42 | $ 413,671.71 |
| October 5, 2012 | $ 45,368.52 | $ 18,795.74 | $24,864.21 | $89,028.47 |
| October 12, 2012 | $ 50,327.80 | $ 23,111.25 | $6,365.78 | $79,804.83 |
| October 19, 2012 | $ 52,397.67 | $ 34,768.69 | $15,408.68 | $102,575.04 |
| October 26, 2012 | $ 45,007.87 | $ 31,227.50 | $46,867.90 | $123,103.27 |
| November 2, 2012 | $ 59,446.81 | $ 86,085.62 | $64,286.55 | $209,818.98 |
| October Sub-total | $ 252,548.67 | $ 193,988.80 | $ 157,793.12 | $ 604,330.59 |
| November 9, 2012 | $ 64,618.32 | $ 89,347.64 | $33,091.49 | $187,057.45 |
| November 16, 2012 | $ 69,656.76 | $ 79,461.08 | $28,297.79 | $177,415.63 |
| November 23, 2012 | $ 38,822.16 | $ 35,419.37 | $5,608.63 | $79,850.16 |
| November 30, 2012 | $ 13,618.99 | $ 30,254.04 | $3,302.14 | $47,175.17 |
| November Sub-total | $ 186,716.23 | $ 234,482.13 | $ 70,300.05 | $ 491,498.41 |
| December 7, 2012 | $ 24,982.18 | $ 22,476.08 | $1,632.17 | $49,090.43 |
| December 14, 2012 | $ 22,791.14 | $ 25,680.83 | $5,442.08 | $53,914.05 |
| December 21, 2012 | $ 30,055.23 | | $1,853.45 | $31,908.68 |
| December 28, 2012 | | $ 28,851.08 | $5,548.49 | $34,399.57 |
| December Sub-total | $ 77,828.55 | $ 77,007.99 | $ 14,476.19 | $ 169,312.73 |
| January 4, 2013 | $ 10,259.73 | $ 19,358.19 | | $29,617.92 |
| January 11, 2013 | $ 22,326.99 | | | $22,326.99 |
| January 18, 2013 | $ 17,347.14 | $ 31,449.53 | $15,807.11 | $64,603.78 |
| January 25, 2013 | $ 14,539.89 | $ 22,660.39 | $3,377.72 | $40,578.00 |
| February 1, 2013 | $ 13,181.79 | $ 25,051.79 | $3,409.65 | $41,643.23 |
| January Sub-Total | $ 77,655.54 | $ 98,519.90 | $ 22,594.48 | $ 198,769.92 |
| February 8, 2013 | $ 30,987.09 | $ 26,647.79 | $6,752.43 | $64,387.31 |
| February 15, 2013 | $ 23,653.56 | $ 37,249.13 | $14,024.02 | $74,926.71 |
| February 22, 2013 | $ 14,867.69 | $ 23,826.26 | | $38,693.95 |
| March 1, 2013 | $ 23,642.03 | $ 34,198.15 | $22,756.42 | $80,596.60 |
| February Sub-total | $ 93,150.37 | $ 121,921.33 | $ 43,532.87 | $ 258,604.57 |
| Total | $ 905,187.09 | $ 839,112.94 | $ 570,042.06 | $ 2,314,342.09 |

Note 1: Ernst & Young Inc.'s fees related to the prefiling period were invoiced and paid prior to the filing date pursuant to its financial advisory engagement letter dated June 26, 2012.

THIS IS EXHIBIT " B " referred to in
the Affidavit of Chris Johnson
SWORN before me at Calgary
this 4th day of
April ,20 13

A NOTARY PUBLIC in and for the
Province of Alberta

Dean A. Hutchison
*Barrister & Solicitor*

**LANDDRILL GROUP OF COMPANIES**
**List of CCAA Professional Firms Invoices (including HST)**
**As at March 6, 2013**

| | WEEKLY | | | |
|---|---|---|---|---|
| **Week Ended** | **Ernst & Young Inc. (Note 1)** | **Stikeman Elliott** | **Stewart McKelvey Stirling Scales** | **Total** |
| August 22, 2012 | | | $55,219.69 | $55,219.69 |
| August 30, 2012 | | $ 42,518.23 | $80,416.24 | $122,934.47 |
| September 7, 2012 | $ 68,208.66 | $ 18,908.29 | $32,524.58 | $119,641.53 |
| September 14, 2012 | $ 33,479.01 | $ 17,077.81 | $18,201.57 | $68,758.39 |
| September 21, 2012 | $ 52,574.93 | $ 12,568.71 | $29,656.32 | $94,799.96 |
| September 28, 2012 | $ 63,025.12 | $ 22,119.75 | $45,326.95 | $130,471.82 |
| October 5, 2012 | $ 45,368.52 | $ 18,795.74 | $24,864.21 | $89,028.47 |
| October 12, 2012 | $ 50,327.80 | $ 23,111.25 | $6,365.78 | $79,804.83 |
| October 19, 2012 | $ 52,397.67 | $ 34,768.69 | $15,408.68 | $102,575.04 |
| October 26, 2012 | $ 45,007.87 | $ 31,227.50 | $46,867.90 | $123,103.27 |
| November 2, 2012 | $ 59,446.81 | $ 86,085.62 | $64,286.55 | $209,818.98 |
| November 9, 2012 | $ 64,618.32 | $ 89,347.64 | $33,091.49 | $187,057.45 |
| November 16, 2012 | $ 69,656.76 | $ 79,461.08 | $28,297.79 | $177,415.63 |
| November 23, 2012 | $ 38,822.16 | $ 35,419.37 | $5,608.63 | $79,850.16 |
| November 30, 2012 | $ 13,618.99 | $ 30,254.04 | $3,302.14 | $47,175.17 |
| December 7, 2012 | $ 24,982.18 | $ 22,476.08 | $1,632.17 | $49,090.43 |
| December 14, 2012 | $ 22,791.14 | $ 25,680.83 | $5,442.08 | $53,914.05 |
| December 21, 2012 | $ 30,055.23 | | $1,853.45 | $31,908.68 |
| December 28, 2012 | | $ 28,851.08 | $5,548.49 | $34,399.57 |
| January 4, 2013 | $ 10,259.73 | $ 19,358.19 | | $29,617.92 |
| January 11, 2013 | $ 22,326.99 | | | $22,326.99 |
| January 18, 2013 | $ 17,347.14 | $ 31,449.53 | $15,807.11 | $64,603.78 |
| January 25, 2013 | $ 14,539.89 | $ 22,660.39 | $3,377.72 | $40,578.00 |
| February 1, 2013 | $ 13,181.79 | $ 25,051.79 | $3,409.65 | $41,643.23 |
| February 8, 2013 | $ 30,987.09 | $ 26,647.79 | $6,752.43 | $64,387.31 |
| February 15, 2013 | $ 23,653.56 | $ 37,249.13 | $14,024.02 | $74,926.71 |
| February 22, 2013 | $ 14,867.69 | $ 23,826.26 | | $38,693.95 |
| March 1, 2013 | $ 23,642.03 | $ 34,198.15 | $22,756.42 | $80,596.60 |
| Total | $ 905,187.09 | $ 839,112.94 | $ 570,042.06 | $ 2,314,342.09 |

Note 1: Ernst & Young Inc.'s fees related to the prefiling period were invoiced and paid prior to the filing date pursuant to its financial advisory engagement letter dated June 26, 2012.

STEWART MCKELVEY
LAWYERS • AVOCATS

PO Box 7289, Station "A", Saint John, NB Canada E2L 4S6
Telephone 506.632.1970 Facsimile 506.652.1989

Landdrill International Inc.
Ron Goguen, Sr
160 MacNaughton Avenue
Moncton NB E1H 3L9

March 22, 2013
Invoice: 90297649
SM002383 - 00013
Billing Timekeeper: Stephen Hutchison
GST Registration No. R121769053

Re: Proceedings under CCAA

FEES

TO PROFESSIONAL SERVICES RENDERED in connection with the proceedings under CCAA.

| | |
|---|---|
| Total Fees | $ 16,800.50 |
| Other Charges | |
| Photocopies | 15.75 |
| Telephone Long Distance | 12.75 |
| Mileage | 148.67 |
| Total Other Charges | $177.17 |
| Total Fees and Other Charges | $16,977.67 |

SUMMARY

| | |
|---|---|
| Total Fees, Other Charges and Disbursements | 16,977.67 |
| 13% HST on Taxable Fees, Other Charges & Disbursements | 2,207.11 |
| Total Account Due: | $19,184.78 |

THIS IS EXHIBIT " C " referred to in the Affidavit of Chris Johnson
SWORN before me at Calgary
this 4th day of
April ,20 13

A NOTARY PUBLIC in and for the Province of Alberta

Dean A. Hutchison
*Barrister & Solicitor*

STEWART McKELVEY
LAWYERS • AVOCATS

NEW BRUNSWICK OFFICE Saint John · Moncton · Fredericton
Remit to: PO Box 7289, Station "A", Saint John, NB Canada E2L 4S6
Telephone 506.632.1970 Facsimile 506.652.1989
GST Registration No. R121769053

Landdrill International Inc.
Ron Goguen, Sr
160 MacNaughton Avenue
Moncton NB E1H 3L9 CA

Our File: SM002383-00013
Invoice: 90297649
Date: March 22, 2013

RE: Proceedings under CCAA

Please return this page with your remittance so we may ensure your account is properly credited.

| | |
|---|---|
| For Professional Services Rendered and Other Charges: | $16,977.67 |
| Disbursements Incurred: | 0.00 |
| 13% HST on Taxable Fees, Other Charges & Disbursements | 2,207.11 |
| Total Account Due: | $19,184.78 |

**Account rendered in Canadian Dollars**
**Please make payments payable to Stewart McKelvey**

**Payment Accepted by Electronic Funds Transfer:**
Wire Payment Instructions:
Royal Bank of Canada
5161 George Street
Halifax, NS B3J 1M7
Stewart McKelvey – Operating Account
Swift Code: ROYCCAT2
ABA Routing: 021000021
IBAN Number: 000031040336
Account Number: 1040336
Transit Number: 00003

**For more info please contact Heather Sylvester at 506.632.1970 or Accountsreceivable@stewartmckelvey.com**

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## OUTSTANDING INVOICE SUMMARY

| Date | Invoice Number | Total Billed | Balance |
|---|---|---|---|
| March 22, 2013 | 90297649 | 19,184.78 | 19,184.78 |
| | | **Outstanding Balance** | **19,184.78** |

**Account rendered in Canadian Dollars**

**Payment Accepted by Electronic Funds Transfer:**
Wire Payment Instructions:
Royal Bank of Canada
5161 George Street
Halifax, NS B3J 1M7
Stewart McKelvey – Operating Account
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**Landdrill International Inc.**
**2012-13 Commercial Advice**

| Client | Matter | Bill # | Date | Tran Date | Total Amt | Total Billed | Total A/R | Fees Billed | Hard Billed | Soft Billed | Tax Billed |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SM002383 | 13 | 90255691 | 8/22/2012 | 8/22/2012 | $55,219.69 | $55,219.69 | $55,219.69 | $48,582.00 | $0.00 | $284.98 | $6,352.71 |
| SM002383 | 13 | 90255691 | 8/22/2012 | 8/30/2012 | $55,219.69 | $0.00 | ($55,219.69) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90256897 | 8/30/2012 | 8/30/2012 | $80,416.24 | $80,416.24 | $80,416.24 | $70,631.00 | $0.00 | $533.81 | $9,251.43 |
| SM002383 | 13 | 90256897 | 8/30/2012 | 9/6/2012 | $80,416.24 | $0.00 | ($80,416.24) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90257762 | 9/6/2012 | 9/6/2012 | $32,524.58 | $32,524.58 | $32,524.58 | $26,262.00 | $0.00 | $2,520.81 | $3,741.77 |
| SM002383 | 13 | 90257762 | 9/6/2012 | 9/19/2012 | $32,524.58 | $0.00 | ($32,524.58) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90259066 | 9/13/2012 | 9/13/2012 | $18,201.57 | $18,201.57 | $18,201.57 | $15,919.50 | $131.68 | $56.40 | $2,093.99 |
| SM002383 | 13 | 90259066 | 9/13/2012 | 9/19/2012 | $18,201.57 | $0.00 | ($18,201.57) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90259914 | 9/20/2012 | 9/20/2012 | $29,656.32 | $29,656.32 | $29,656.32 | $25,468.50 | $414.28 | $361.75 | $3,411.79 |
| SM002383 | 13 | 90259914 | 9/20/2012 | 9/28/2012 | $29,656.32 | $0.00 | ($29,656.32) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90261015 | 9/27/2012 | 9/27/2012 | $45,326.95 | $45,326.95 | $45,326.95 | $38,462.00 | $131.68 | $1,518.66 | $5,214.61 |
| SM002383 | 13 | 90261015 | 9/27/2012 | 10/10/2012 | $45,326.95 | $0.00 | ($45,326.95) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90263299 | 10/5/2012 | 10/5/2012 | $24,864.21 | $24,864.21 | $24,864.21 | $21,350.50 | $634.38 | $27.47 | $2,851.86 |
| SM002383 | 13 | 90263299 | 10/5/2012 | 10/16/2012 | $24,864.21 | $0.00 | ($24,864.21) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90264431 | 10/12/2012 | 10/12/2012 | $6,365.78 | $6,365.78 | $6,365.78 | $5,620.00 | $0.00 | $13.43 | $732.35 |
| SM002383 | 13 | 90264431 | 10/12/2012 | 10/16/2012 | $6,365.78 | $0.00 | ($6,365.78) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90265400 | 10/19/2012 | 10/19/2012 | $15,408.68 | $15,408.68 | $15,408.68 | $13,636.00 | $0.00 | $0.00 | $1,772.68 |
| SM002383 | 13 | 90265400 | 10/19/2012 | 10/29/2012 | $15,408.68 | $0.00 | ($15,408.68) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90266497 | 10/26/2012 | 10/26/2012 | $46,867.90 | $46,867.90 | $46,867.90 | $40,610.00 | $0.00 | $866.02 | $5,391.88 |
| SM002383 | 13 | 90266497 | 10/26/2012 | 11/6/2012 | $46,867.90 | $0.00 | ($46,867.90) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90268308 | 11/2/2012 | 11/2/2012 | $64,286.55 | $64,286.55 | $64,286.55 | $55,864.50 | $0.00 | $1,026.25 | $7,395.80 |
| SM002383 | 13 | 90268308 | 11/2/2012 | 11/9/2012 | $64,286.55 | $0.00 | ($64,286.55) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90270062 | 11/9/2012 | 11/9/2012 | $33,091.49 | $33,091.49 | $33,091.49 | $28,007.00 | $329.49 | $948.02 | $3,806.98 |
| SM002383 | 13 | 90270062 | 11/9/2012 | 11/26/2012 | $33,091.49 | $0.00 | ($33,091.49) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90271070 | 11/16/2012 | 11/16/2012 | $28,297.79 | $28,297.79 | $28,297.79 | $24,031.00 | $466.94 | $544.35 | $3,255.50 |
| SM002383 | 13 | 90271070 | 11/16/2012 | 11/26/2012 | $28,297.79 | $0.00 | ($28,297.79) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90271508 | 11/23/2012 | 11/23/2012 | $5,608.63 | $5,608.63 | $5,608.63 | $4,815.00 | $0.00 | $148.39 | $645.24 |
| SM002383 | 13 | 90271508 | 11/23/2012 | 11/26/2012 | $5,608.63 | $0.00 | ($5,608.63) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90273448 | 11/30/2012 | 11/30/2012 | $3,302.14 | $3,302.14 | $3,302.14 | $2,832.00 | $0.00 | $90.25 | $379.89 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SM002383 | 13 | 90273448 | 11/30/2012 | 12/5/2012 | $3,302.14 | $0.00 | ($3,302.14) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90275186 | 12/7/2012 | 12/7/2012 | $1,632.17 | $1,632.17 | $1,632.17 | $1,444.00 | $0.00 | $0.40 | $187.77 |
| SM002383 | 13 | 90275186 | 12/7/2012 | 1/3/2013 | $1,632.17 | $0.00 | ($1,632.17) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90277063 | 12/14/2012 | 12/14/2012 | $5,442.08 | $5,442.08 | $5,442.08 | $4,816.00 | $0.00 | $0.00 | $626.08 |
| SM002383 | 13 | 90277063 | 12/14/2012 | 1/3/2013 | $5,442.08 | $0.00 | ($5,442.08) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90278831 | 12/20/2012 | 12/20/2012 | $1,853.45 | $1,853.45 | $1,853.45 | $1,075.00 | $0.00 | $565.22 | $213.23 |
| SM002383 | 13 | 90278831 | 12/20/2012 | 1/3/2013 | $1,853.45 | $0.00 | ($1,853.45) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90284236 | 12/31/2012 | 12/31/2012 | $5,548.49 | $5,548.49 | $5,548.49 | $4,657.00 | $199.50 | $53.66 | $638.33 |
| SM002383 | 13 | 90284236 | 12/31/2012 | 1/16/2013 | $5,548.49 | $0.00 | ($5,548.49) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90286819 | 1/18/2013 | 1/18/2013 | $15,807.11 | $15,807.11 | $15,807.11 | $13,614.50 | $226.88 | $147.21 | $1,818.52 |
| SM002383 | 13 | 90286819 | 1/18/2013 | 2/7/2013 | $15,807.11 | $0.00 | ($15,807.11) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90287560 | 1/25/2013 | 1/25/2013 | $3,377.72 | $3,377.72 | $3,377.72 | $2,892.00 | $0.00 | $97.13 | $388.59 |
| SM002383 | 13 | 90287560 | 1/25/2013 | 2/7/2013 | $3,377.72 | $0.00 | ($3,377.72) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90290552 | 1/31/2013 | 1/31/2013 | $3,409.65 | $3,409.65 | $3,409.65 | $3,000.00 | $0.00 | $17.39 | $392.26 |
| SM002383 | 13 | 90290552 | 1/31/2013 | 2/7/2013 | $3,409.65 | $0.00 | ($3,409.65) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90291265 | 2/8/2013 | 2/8/2013 | $6,752.43 | $6,752.43 | $6,752.43 | $5,944.00 | $0.00 | $31.60 | $776.83 |
| SM002383 | 13 | 90291265 | 2/8/2013 | 2/28/2013 | $6,752.43 | $0.00 | ($6,752.43) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90292459 | 2/15/2013 | 2/15/2013 | $14,024.02 | $14,024.02 | $14,024.02 | $12,328.00 | $0.00 | $82.64 | $1,613.38 |
| SM002383 | 13 | 90292459 | 2/15/2013 | 2/28/2013 | $14,024.02 | $0.00 | ($14,024.02) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90294749 | 2/28/2013 | 2/28/2013 | $22,756.42 | $22,756.42 | $22,756.42 | $19,840.00 | $131.68 | $166.74 | $2,618.00 |
| SM002383 | 13 | 90294749 | 2/28/2013 | 3/14/2013 | $22,756.42 | $0.00 | ($22,756.42) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90296457 | 3/11/2013 | 3/11/2013 | $11,175.94 | $11,175.94 | $11,175.94 | $9,881.00 | $0.00 | $9.21 | $1,285.73 |
| SM002383 | 13 | 90296457 | 3/11/2013 | 3/14/2013 | $11,175.94 | $0.00 | ($11,175.94) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90297060 | 3/15/2013 | 3/15/2013 | $18,996.26 | $18,996.26 | $18,996.26 | $16,585.00 | $0.00 | $225.85 | $2,185.41 |
| SM002383 | 13 | 90297060 | 3/15/2013 | 3/20/2013 | $18,996.26 | $0.00 | ($18,996.26) | $0.00 | $0.00 | $0.00 | $0.00 |
| SM002383 | 13 | 90297649 | 3/22/2013 | 3/22/2013 | $19,184.78 | $19,184.78 | $19,184.78 | $16,800.50 | $148.67 | $28.50 | $2,207.11 |
| | | **Total as at March 22, 2013** | | | | **$619,399.04** | **$19,184.78** | **$534,968.00** | **$2,815.18** | **$10,366.14** | **$71,249.72** |