Court File No. M/M/114/12

COURT OF QUEEN'S BENCH TRIAL DIVISION MONCTON, N.B. FILED/REGISTERED MAY 17 2013 COUR DU BANC DE LA REINE DIV. DE PREMIÈRE INSTANCE MONCTON, N.-B. DÉPOSÉ/ENREGISTRÉ

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

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

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

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 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 of Companies**".

4. The Landdrill Group of Companies and Landdrill International XXK, a Mongolian Company ("Landdrill Mongolia") filed an application under the *Companies Creditor's Arrangements Act*, R.S.C. 1985, c.C-36 as amended (the "CCAA") on August 31, 2012. A copy of the Initial Order of this Court is attached hereto as **Exhibit "A"**.

5. Landdrill's Canadian drilling operations ceased on the completion of the sale of its Canadian Assets to Major Drilling International ("Major").

6. Landdrill's Mongolian drilling operations ceased with the onset of winter in November of 2012. Landdrill's Mongolian assets have now been sold to a subsidiary of Major and the shares of Landdrill Mongolia have also been sold. Landdrill Mongolia has ceased to be involved in these CCAA proceedings pursuant to paragraph 12 of the Order of this Court dated February 15, 2013, a copy of which is attached hereto as **Exhibit "B"**.

7. As of December 2012, the only member of the Landdrill Group of Companies with ongoing drilling operations is Landdrill Mexico.

8. The Applicants have paid all amounts owing to Critical Suppliers as of the current date.

9. Subsequent to the issuance of the Initial Order on August 31, 2012, the Applicants have made regular payments to each of their designated Critical Suppliers to maintain their accounts on a current basis.

10. Landdrill Mexico does not require the continuation of the Critical Supplier Charge as it intends to maintain payment to its Critical Suppliers on a current basis.

11. Lifting the Critical Supplier Charge, which is no longer required, will facilitate the orderly distribution of the proceeds of the sale of the assets of the Landdrill Group of Companies to the Secured Creditors entitled to such proceeds.

12. Accordingly, the Landdrill Group of Companies seek an Order of this Court lifting the Critical Suppliers Charge effective immediately.

13. By Notice of Motion dated October 19, 2012 and Amended Notice of Motion dated October 23, 2012, Norrep sought an order to, *inter alia*, enhance the powers of the Monitor to make and implement decisions related to the continued employment, dismissal, termination, lay-off and/or rationalization of personnel employed by Landdrill B.C., including all executive and senior management personnel employed by Landdrill B.C. (the "Norrep Motion"). A copy of the Amended Norrep Motion is attached hereto as **Exhibit "C"**.

14. I was advised by Mr. Tripp and Mr. Rogers that they had engaged of the firm Lawson Creamer to represent them in relation to the Norrep Motion.

15. Upon being advised that Mr. Tripp and Mr. Rogers had engaged Lawson Creamer, I advised Mr. Tripp and Mr. Rogers that Landdrill B.C. would pay all reasonable legal fees incurred by Mr. Tripp and Mr. Rogers in the defence of the Norrep Motion.

16. Mr. Tripp, who was acting as in-house legal counsel for the Landdrill B.C. at the time, advised me that he would prepare a resolution of the Directors of Landdrill B.C. to give effect to the agreement referenced in paragraph 21 hereof. In discussing the intended Resolution with me, I understood that Mr. Tripp would prepare a resolution that would authorize the payment of legal fees for members of the executive and senior management (including Mr. Tripp and Mr. Rogers) in the defence of the Norrep Motion. Mr. Tripp prepared a resolution and arranged for the execution of same by the directors of Landdrill B.C. on October 31, 2012, two days prior to the hearing of the Norrep Motion on November 2, 2012. A copy of the resolution is attached hereto as **Exhibit "D"** (the "Resolution"). In preparing the Resolution, Mr. Tripp went beyond

the scope of the resolution intended by me (on behalf of Landdrill B.C.) and included the additional words "and enforcing the rights of their employment agreement or any other employment related document". I did not take notice of the additional words and the broadened scope of the resolution when I signed the resolution.

17. On or about October 31, 2012, I was advised by Mr. Tripp that the estimated amount for legal costs of Lawson Creamer to participate in the defence of the Norrep Motion was "less than $5,000.00". As a result and in reliance on this information, I advised Mr. Tripp and Mr. Rogers that I would authorize the wire transfer of $5,000.00 to Lawson Creamer, being amount estimated to be required for Lawson Creamer legal services in relation to the defence of the Norrep Motion. Notwithstanding this, I subsequently discovered that on November 2, 2012, Mr. Rogers instructed Landdrill B.C. staff to wire the sum of $20,000.00 to Lawson Creamer. The sum of $20,000.00 was transferred from Landdrill B.C. to Lawson Creamer on or about November 2, 2012 (the "Retainer Funds"). I did not become aware of the transfer of $20,000.00 (as apposed to the $5,000.00 that I had authorized) until the transfer had been completed.

18. Landdrill B.C., did not intend to pay the legal costs of Mr. Tripp and Mr. Rogers for any purpose other than responding to the Norrep Motion and in particular, did not intend to pay legal costs relating to enforcing the rights of their employment agreement or any other employment related document. As President and CEO of Landdrill B.C., I did not believe at the time, nor do I believe now, that either Mr. Tripp or Mr. Rogers have any remaining entitlement under their employment agreement or any other employment related documents, in view of these CCAA proceedings. In particular, I believe that Landdrill B.C. is relieved of its obligations with respect to employee severance payments as a result of the CCAA proceedings. No Canadian employee terminated after the date of the Initial Order (August 31, 2012) has received any severance payment.

19. Landdrill B.C. has now passed a new resolution to rescind that portion of the Resolution related to paying for legal costs of Mr. Tripp and Mr. Rogers related to enforcing the rights of their employment agreement or any other employment related document. A copy of the New Resolution is attached hereto as **Exhibit "E"**.

20. Each of Mr. Tripp and Mr. Rogers were employed by Landdrill B.C. Pursuant to a program known as the 2012 Retention Program, each of Mr. Tripp and Mr. Rogers were entitled to a total retention bonus of $30,000.00, $15,000.00 of which was to be paid on or before July 15, 2012 and $15,000.00 of which was to be paid on or before August 1, 2012 (the "Retention

Bonus"). The Retention Bonus was to be net of tax and statutory deductions. Copies of the 2012 Retention Program letters, dated July 11, 2012 are attached hereto as **Exhibit "F"**.

21. At the time of the 2012 Retention Program letters were prepared, (July 11, 2012) Landdrill was in a state of financial crisis and was in negotiations with its secured creditors regarding forbearance agreements and the future of the operations of the Landdrill Group of Companies. These negotiations are outlined in greater detail in my affidavit sworn in these proceedings on August 27, 2012.

22. Given the financial condition of the Landdrill Group in July and August of 2012, the Retention Bonus payments were not paid to Messrs. Tripp and Roger's on the date set out in the 2012 Retention Program letters. On or about August 20, 2012, when it appeared that a CCAA filing was imminent, I was instructed by David Beatty, Chairman of the board of directors of Landdrill B.C. to make the retention bonus payments to Messrs. Tipp and Rogers. No other employee of Landdrill B.C. working in Canada has received a retention bonus payment. Jake Burling and Peter Shortus each received retention bonus payments under a Key Employee Retention Program that was approved by the Senior Lenders and authorized by the Court pursuant to an Order dated January 17, 2013, a copy of which is attached hereto as **Exhibit "G"**

23. On August 22, 2012, Landdrill B.C. staff calculated the gross amount of the bonus payment for Roger Rogers at $44,000.00, using income taxes at 30% ($13,200), CPP of $730.36 and EI of $250.90 for a net payment of $29,818.74 which was paid on August 22, 2012. The taxes were calculated using the Revenue Canada website information for lump sum payments. The taxes were remitted on September 4, 2012.

24. With respect to the bonus payments for Michael Tripp, given that Mr. Tripp had only recently joined Landdrill B.C. and had previously been unemployed in the 2012 tax year, Mr. Tripp and I agreed that his bonus would be calculated based on a 20% tax rate, with no other remittances, which resulted in a gross amount of $37,500.00 with income taxes of $7,500.00. The net amount of $30,000.00 was paid to Mr. Tripp on August 22, 2012. The taxes were remitted on September 4, 2012.

25. It is the position of the Applicants that no additional amounts are payable to either Mr. Tripp or Mr. Rogers under their respective employee agreement or any other employment related document given the existence of these CCAA proceedings.

26. On August 30, 2012, Lawson Creamer registered PPSA Financing Statements on behalf of each of Tripp and Rogers (the "PPSA Filings"). A copy of the PPSA Filings is attached hereto as **Exhibit "H"**.

27. On the return of the CCAA application on August 31, 2012, the Applicants advised the Court and counsel of the PPSA Filings and of the Applicants' position that it considered the purported secured position claimed by Tripp and Rogers to be invalid.

28. Based on the various reports received from the Monitor relating to the amounts realized by the sale of assets of the Landdrill Group and other recoveries, it is apparent that there will be insufficient funds to satisfy the claims of the Senior Secured Lenders, whose claims rank in priority to the purported secured claims of Mr. Tripp and Mr. Rogers.

29. The Applicants, including Landdrill B.C., have requested that Lawson Creamer provide a detailed statement of account related solely to their representation of Mr. Tripp and Mr. Rogers in relation to the Norrep Motion and return the balance of the Retainer Funds after withholding a sufficient amount to pay the account.

30. By email and correspondence dated May 8, 2013 our counsel, Stephen J. Hutchison, was informed that Lawson Creamer was advancing several employment related issues on behalf of Michael Tripp. A copy of the email of Lawson Creamer, with all attachments, is attached hereto as **Exhibit "I"**.

31. Our counsel, Stephen J. Hutchison was away from the office at the time of the May 8 email of Lawson Creamer was received, returning on May 13, 2013. By email dated May 14, 2013, a copy of which is attached hereto as **Exhibit "J"**, Mr. Hutchison delivered the response of Landdrill B.C. to the issues raised in the Lawson Creamer email of May 8. In the same email, Mr. Hutchison also reiterated the demand of Landdrill B.C. for the immediate return of the retainer funds held by Lawson Creamer.

32. In the event that Lawson Creamer brings a motion in relation to the issued raised in their email of May 8, with respect to Mr. Tripp, I state that the May 14 email of Mr. Hutchison accurately describes the relevant facts and the position of Landdrill B.C. on such issues.

SWORN TO at the City of Moncton and Province of New Brunswick, this 17 day of May, 2013.	)))	
BEFORE ME:	))	
Commissioner of Oaths, Being a Solicitor	)))	Ronald J. Goguen
KARINE LEBLANC COMMISSIONER OF OATHS BEING A SOLICITOR	)))	

This is Exhibit "A" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

Court File No. MC/114/12

COURT OF QUEEN'S BENCH
TRIAL DIVISION
MONCTON, N.B.
FILED/REGISTERED

AUG 31 2012

COUR DU BANC DE LA REINE
DIV. DE PREMIERE INSTANSE
MONCTON, N.-B.
DÉPOSÉ/ENREGISTRE

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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 31st day of August, 2012

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 Équipment 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 "B" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

Court File No. M/M/114-12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

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

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

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

(the "**Applicants**")

ORDER FOR APPROVAL OF MONGOLIAN SHARE PURCHASE AGREEMENT

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

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

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

AND UPON HEARING:

Ashley John Taylor, Counsel for the Monitor;

Stephen J. Hutchison, Counsel for the Applicants;

Mary Buttery, Counsel for Sprott Resource Lending Partnership;

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

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

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

SERVICE

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

DEFINED TERMS

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

APPROVAL OF SHARE PURCHASE AGREEMENT

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

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

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

VESTING OF ASSETS

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

PAYMENT OF PURCHASE PRICE

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

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

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

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

10. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

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

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

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

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

DISCONTINUATION OF *CCAA* PROCEEDINGS

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

PAYMENT OF SEVERANCE

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

SEALING ORDER

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

APPROVAL OF THE SEVENTH REPORT

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

AID AND RECOGNITION

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

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

Rendered this 15 day of February 2013

Jean Paul Ouellette
Judge - Court of Queen's Bench
New Brunswick

Schedule "A"
Form of Monitor's Certificate

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)

(the "**Applicants**")

MONITOR'S CERTIFICATE

(Re: Mongolian Share Purchase Agreement)

RECITALS

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

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

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

THE MONITOR CERTIFIES the following:

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

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

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

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

Per: ______________________________

Name:

Title:

This is Exhibit "C" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

Court File No. M/M/114/12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

COUR DU BANC DE LA REINE DU NOUVEAU-BRUNSWICK

DIVISION DE PREMIERE

INSTANCE CIRCONSCRIPTION

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)

AMENDED NOTICE OF MOTION
(FORM 37A)

AVIS DE MOTION
(FORMULE 37A)

TO: All Parties on the Service List attached as Schedule "A".

DESTINATAIRE:

Le Demandeur ____________ demandera a la Cour ____________ le ______ 20____, ____________ h ______, d'ordonner

Norrep Credit Opportunities Fund, LP ("Norrep") will make a motion to the Court on the **30th** day of October, 2012 at **10:00 a.m.** or as soon after that time as a motion can be heard, at the Moncton Court House, 145 Assomption Blvd., Moncton, New Brunswick for an Order **<u>substantially in the form of the Draft Order attached and marked as Schedule "B" to this Notice of Motion</u>**:

1. abridging and validating the timing and method of service and filing of the Notice of Motion, if necessary, so that this Motion is properly returnable;

2. amending this Court's Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") dated August 31, 2012 (the "Initial Order") as amended by an Order For Adjournment of Comeback Hearing and Other Relief dated September 17, 2012 (the "September 17 Order") and an Order (Re Comeback/Extension Motion) dated September 27, 2012 (the "September 27 Order"):

   (a) to enhance the powers of the Monitor to make and implement decisions related to the continued employment, dismissal, termination, lay-off and/or rationalization of personnel employed by the Applicants (including all executive and senior management personnel employed by the Applicants);

   (b) to authorize and direct the Monitor to 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 make and implement decisions related to rationalizing and reducing operating costs of the Applicants, including (without limitation) decisions to wind up, discontinue, reduce, cease and downsize the business operations of the Applicants (in whole or in part);

3. approving the second report and the activities described therein of Ernst & Young Inc. in its capacity as Court-appointed Monitor of the Applicants; and

4. Such further and other relief as may be just and appropriate.

The grounds to be argued upon the hearing of the motion are as follows:

1. Contrary to and in breach of paragraphs 27 and 28 of the Initial Order, the Applicants have failed or refused to co-operate fully with the Monitor and have failed or refused to provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions, particulars of which failures or refusals are as follows:

   (a) The Monitor has conducted the Sale Process in accordance with the Initial Order and has identified a potential purchaser of the assets of the Applicants, which purchaser, in the opinion of the Monitor, has submitted the optimal bid (the "Proposed Purchaser");

   (b) Ronald J. Goguen, Chief Executive Officer of Landdrill International Inc., has informed the Monitor that he objects to the Monitor concluding a transaction with the Proposed Purchaser;

   (c) Mr. Goguen has informed the Monitor that he intends to cause the Applicants to contest and oppose the decision by the Monitor to conclude a transaction with the Proposed Purchaser;

   (d) Mr. Goguen has instructed counsel for the Applicants to deny, limit or restrict access by the Monitor to communications with Mexican counsel for the Applicants, thereby actively impairing, disrupting or interfering with the ability of the Monitor to exercise its power under paragraph 28(g) of the Initial Order to have and exercise sole and exclusive authority (in the name of and on behalf of the Applicants) to negotiate with the Potential Purchaser to conclude a transaction for the sale of the Mexican assets of the Applicants.

2. Contrary to and in breach of paragraph 35

of the Initial Order, Mr. Goguen is causing the Applicants to withhold, delay and disrupt payment of the professional fees of the Monitor and its legal counsel on a weekly basis as authorized and directed by the Court in the Initial Order.

3. The acts and omissions of Mr. Goguen more particularly described above have caused or contributed to the present situation in which the Applicants:

(a) have failed to meet the Sale Process timelines set out in Schedule "B" to the Initial Order and have thereby breached the August 31, 2012 DIP Term Sheet;

(b) are operating without access to operating credit and/or debtor-in-possession financing; and

(c) are very quickly reaching the point where they will have run out of cash entirely and will be unable to fund continued business operations.

Upon the hearing of the within motion, Norrep intends to rely upon the following statutory provisions and rules, namely:

(a) the provisions of the CCAA;

(b) Rules 1.03, 2.01, 2.02, 3.01, 38 and 39 of the ***Rules of Court;***

(c) Paragraph 60 of the Initial Order;

(d) the inherent jurisdiction of this Honourable Court; and

(e) such further and other provisions as counsel may advise and this Honourable Court may permit.

Upon the hearing of the motion, the following affidavit or other documentary evidence will be presented or relied upon:

1. the Affidavit of Christopher Johnson sworn to on the 22nd day of October, 2012;

2. the Second Report of the Monitor to be filed

with the Court (the "Second Report");

3. the Initial Order of this Honourable Court in these proceedings;

4. all materials filed with this Honourable Court in these proceedings;

5. the Orders of this Honourable Court issued on September 17, 2012 and September 27, 2012 in these proceedings; and

6. such further and other affidavits or documentary and other evidence as counsel may advise and this Honourable Court may permit.

You are advised that:

(a) you are entitled to issue documents and present evidence at the hearing in English or French or both;

(b) the Applicant intends to proceed in the English language; and

(c) if you intend to proceed in the other official language, an interpreter may be required and you must so advise the Clerk at least 5 days before the hearing.

Sachez que:

vous avez le droit d'emettre des documents et de presenter votre preuve a l'audience en francais, en anglais ou dans les deux langues;

le demandeur a l'intention d'utiliser la

si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un interprete pourront etre requis et vous devrez en aviser le greffier au moins 5 jours avant l'audience.

DATED at Saint John, New Brunswick, this 23rd day of October, 2012

MacPHERSON LESLIE & TYERMAN,
Solicitors for Norrep Credit Opportunities
Fund, LP and Crown Capital Partners Inc.

R Gary Faloon Q.C.

for Jeffrey M. Lee

MacPherson Leslie & Tyerman LLP
Barristers & Solicitors
1500, 410 – 22nd Street East
Saskatoon, SK S7K 5T6
Attention: Jeffrey M. Lee
Telephone: (306) 975-7100
Facsimile: (306) 975-7145
Email: jmlee@mlt.com

Gilbert, McGloan, Gillis
Barristers & Solicitors
22 King Street
Saint John, NB E2L 1G3
Attention: R. Gary Faloon, Q.C.
Telephone: (506) 634-3600
Facsimile: (506) 634-3612
Email: rgfaloon@gmglaw.com
Agents For MacPherson Leslie & Tyerman

Schedule "A"

ERNST & YOUNG INC. Ernst & Young Tower, 222 Bay Street Toronto, Ontario M5K 1J7 Monitor	**Paul D. Hickey** Tel: 709.570.5404 Fax: 709.722.1758 Email: paul.d.hickey@ca.ey.com ***COUNSEL:*** **STIKEMAN ELLIOTT LLP** 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 Ashley John Taylor Tel: 416.869.5236 Fax: 416.947.0866 Email: ataylor@stikeman.com
NORREP CREDIT OPPORTUNITIES FUND, LP **CROWN CAPITAL PARTNERS INC.** 1704, 95 Wellington Street West Toronto, ON M5J 2N7 175, 601-10 Avenue SW Calgary, AB T2R OB2 Attention: Chris Johnson Tel: 416.640.6715 Fax: 416.640.6722 Email: chris.johnson@crowncapital.ca	***COUNSEL:*** **MacPHERSON LESLIE & TYERMAN LLP** 1500, 410, 22nd Street East Saskatoon, SASK S7K 5T6 **Jeffrey M. Lee** Tel: 306.975.7136 Fax: 306.975.7145 Email: jmlee@mlt.com **GILBERT, MCGLOAN, GILLIS** Barristers & Solicitors 22 King Street Saint John, NB E2L 1G3 Attention: R. Gary Faloon, Q.C. Telephone: (506) 634-3600 Facsimile: (506) 634-3612 Email: rgfaloon@gmglaw.com Agents For MacPherson Leslie & Tyerman
SPROTT RESOURCE LENDING CORP. **SPROTT LENDING CONSULTING GP INC.** **SPROTT LENDING CONSULTING LP** **SPROTT RESOURCE LENDING PARTNERSHIP** 550 Burrard St., Suite 1028 Vancouver, BC V6C 2B5 200 Bay Street, Suite 2750 Toronto, ON M5J 2J2	***COUNSEL:*** **DAVIS LLP** 2800 Park Place 666 Burrard Street Vancouver, BC V6C 2Z7 **Mary I.A. Buttery** Tel: 604.643.6478 Fax: 604.605.3768 Email: mbuttery@davis.ca

Attention: Andrew Steuter Tel: 416.945.3305 Fax: 416.943.6497 Email: asteuter@sprottlending.com	
GE CANADA EQUIPMENT FINANCING G.P. **GE CANADA ASSET FINANCING HOLDING COMPANY** **GE CANADA EQUIPMENT FINANCING & LEASING SERVICES** **GENERAL ELECTRIC CANADA EQUIPMENT FINANCE G.P.** **GENERAL ELECTRIC CANADA EQUIPMENT** **GE CANADA LEASING SERVICES COMPANY** **GE CAPITAL CANADA EQUIPMENT FINANCING & LEASING COMPANY** **GE TECHNOLOGY FINANCE** **GE VFS CANADA LIMITED PARTNERSHIP** 1 Place Ville-Marie, Suite 1401 Montreal, PQ H3B 2B2 1100 — 1250 Rene-Levesque W. Montreal, QC H3B 4W8 239 Brownlow Avenue, Suite 204 Dartmouth, NS B3B 2B2 (collectively, the "GE Group of Companies")	***COUNSEL:*** **MILLER THOMSON** One London Place 255 Queens Avenue, Suite 2100 London, ON N6A 5R8 **Alissa K. Mitchell** Tel: 519.931.3500 Fax: 519.858.8511 Email: Amitchell@millerthomson.com
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)	**COUNSEL:** **STEWART McKELVEY** 44 Chipman Hill, Suite 1000 P.O. Box 7289 Station "A" Saint John, NB E2L 2A9 **Stephen J. Hutchison** Tel: 506.632.1970 Fax: 506.652-1989 Email: shutchison@stewartmckelvey.com Hugh Cameron Tel: 506.443.0120 Fax: 506.444.8974 Email: hcameron@stewartmckelvey.com
ROGERS, ROGER 53 Berkshire Crescent Quispamsis, NB E2E 6B2	***COUNSEL:*** **LAWSON CREAMER LAWYERS** 133 Prince William Street, Suite 801 P.O. Box 6787, Station A

TRIPP, MICHAEL 41 Irene Crescent Dieppe, NB ElA 7V4	Saint John, New Brunswick E2L 4S2 **Kelly VanBuskirk** Tel: 506.633.3535 Fax: 506.633.0465 Email: kvanbuskirk@lawsoncreamer.com
INFLIGHT DRILLING, S DE. R.L. DE C.V. and HD DRILLING, S DE R.L. DE C.V.	***COUNSEL:*** **COX & PALMER** 644 Main Street, Suite 500 Moncton, NB ElC 1E2 **Christian E. Michaud** Tel: 506.856.9800 Fax: 506,856.8150 Email: cmichaud@coxandpalmer.com
GOLD CANYON RESOURCES INC. 810-809 Granville St. Vancouver, BC V6Z 110	***COUNSEL:*** **COX & PALMER** 644 Main Street, Suite 500 Moncton, NB BIC 1E2 **George L. Cooper** Tel: 506.863.0793 Fax: 506.856.8150 Email: gcooper@coxandpalmer.com **Josh McElman** Tel: 506.633.2708 Fax: 506.632.8809 Email: jmcelman@coxandpalmer.com
CRITICAL SUPPLIERS	
SANDVIK MINING 100 Magill Street Lively, Ontario P3Y 110	**Terry Smith** Tel: 705.692.5881 Fax: 705.692.5313 / 613.932.1734
USINAGE MARCOTTE INC. 180 des Distributeurs Val D'Or, Quebec J9P 6Y1	**Hugues Marcotte** Tel: 819.824.3977 Fax: 819.824.1077
M. BEAUREGARD EQUIPMENT INC. 8910 Boul, Industriel Chambly, Quebec J3L 4X3	**Mario Beauregard** Tel: 450.447.9009 Fax: 450.447.5284
HYDRAULIC VAL d' OR 1050 Rue Leo Fournier Val D'Or, Quebec J9P 6X7	Tel: 819,825.8501 Fax: 819.825.2085

DETOUR MACHINING Box 1597, Highway 652 East Cochrane, Ontario POL 1C0	Tel: 705.272.4890 Fax: 705.272.4895
PPSA REGISTRANTS	
9166-2114 QUEBEC INC. **RAYMOND CHABOT acting on behalf and in the name of 9166-2114 QUEBEC INC.** 600 Rue De La Gauchetiere Ouest, Suite 2000 Montreal, PQ H3B 4L8 16 Herve Street Victoriaville, PQ G6T 2A2	**Jean-Francois Cusson - Raymond Chabot** Tel: 514.858.3123 Fax: 450.682.6663
A.F. MacPHEE HOLDINGS LIMITED 580 Portland St. Dartmouth, NS B2W 2M3	**Allen F. MacPhee** Tel: 902-434-3757
ALLY CREDIT CANADA LIMITED / ALLY CREDIT CANADA LIMITEE **GENERAL MOTORS ACCEPTANCE CORP.** 900 — 333 Cote Vertu Boulevard Montreal, PQ H4R 2N1 P.O. Box 5000, Station D Etobicoke, ON M9A 5E3	**Marc St-Onge** Tel: 1-800-808-0258, ext. 8564824 Email: marc.st-onge@ally.com
CANADIAN IMPERIAL BANK OF COMMERCE 761 Main Street Moncton, NB El C 1E5	Tel: 506.859.3717 Fax: 506.859.6026
DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 100 — 1235 North Service Road W. Oakville, ON L6M 2W2	**Vita McKenna** Tel: 905.465.3160 Fax: 905.465.3173 Email: vmckenna@leasedirect.com
MITCHELL'S DRILLING EQUIPMENT LTD. 3105 Topham Rd. West Kelowna, BC V1Z 2J5	Tel: 250.769.0487 Fax: 250.769.0497
NATIONAL LEASING GROUP INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9	Tel: 888.599.1966 Fax: 800.882.0560 Email: manitoba@nationalleasing.com
WILSON CHEVROLET LIMITED 100 Wilson Ave. New Liskeard, ON P0U 1P0	Tel: 705.647.4373 Fax: 705.647.3062

PENSION PLAN	
ASSUMPTION LIFE 770 Main Street Moncton New Brunswick E1C 8L1	**Justin Belliveau** Tel: 506.869.9751 Fax: 506.853.5433 Email: justin.belliveau@assumption.ca
OFFICE OF THE SUPERINTENDENT OF PENSIONS — NEW BRUNSWICK Frederick Square P. 0. Box 6000 Fredericton, NB E3B 5H1	**Angela Mazerolle-Stephens** Tel: 506.453.2055 Fax: 506.457.7266 Email: angela.mazerollestephens@gnb.ca
REAL PROPERTY/LEASING	
656970 N.B. Inc. / KLC Holdings 1199 Peter Avenue Bathurst, NB E2A 3A1	**Kevin Comeau** Tel: 506.548.9795
GLENN MACDONALD PO Box 306 Gogama, Ontario POM 1W0	**Glenn MacDonald** Tel: 705.365.8904
TNG HOLDINGS LTD. 709 Richards Cres Labrador City, NL A2V 1P4	**Tom Delaney** Tel: 709.282.6200
ROBINWELLS HOLDINGS INC. c/o Chris Robinson 10 Hansen Place Three Island Pond Paradise NL A1L 2C3 PO Box 39032 St. John's, NL A1E 5Y7	**Lisa Wells** Tel: 709.781.2119
NORTHERN PROPERTIES (NPR LIMITED PARTNERSHIP) PO BOX 13426 Station A St. John's NL A1B 4B7	**Karen Ghaney** Tel: 709.757.2787
SUBASH RAMKARAN 864 Tamarak Drive Labrador City NL A2V 2V6	**Subash Ramkaran** Tel: 709.282.5559
ROBERT SMITH 813 Hudson Drive	**Robert Smith** Tel: 709.944.3781

Labrador City, NL A2V 1M4	
DEPARTMENTS OF THE ENVIRONMENT	
Department of the Environment **NB** Marysville Place P.O. Box 6000 Fredericton, NB E3B 5H1 Tel: 506.453.2690 Fax: 506.457.4994	
Ministry of the Environment BC PO Box 9339 Station Prov Govt Victoria, BC V8W 9M1 Tel: 250.387.1161 Fax : 250.387.5669	
Department of the Environment and Conservation NL 4th Floor, West Block Confederation Building P.O. Box 8700 St, John's, NL A1B 4J6 Tel: 709.729.4211 Fax : 709.729.5518	
Ministere du Developpement durable, de l'Environnement et des Pares QC Edifice Marie-Guyart, 29th Floor 675, boulevard Rene-Levesque Est Quebec (Quebec), G1R 5V7 Tel: 418.521.3830 Fax 418.646.5974	
PARTIES INVOLVED WITH THE APPLICANTS' INSURANCE PROGRAM	
First Insurance Funding of Canada A Wintrust Company 20 Toronto St., Suite 700 Toronto, ON, M5C 2B8 Stephen Karpiuk Tel: 416-687-1092 Stephen.karpiuk@firstinsurancefunding.ca Brian Day Tel: 416-687-1008 Brian.day@firstinsurancefunding.ca	**COUNSEL** McLean & Kerr LLP Barristers and Solicitors 2800, 130 Adelaide Street West Toronto, ON M5H 3P5 **Gus Camelino** Tel: (416) 369-6621 Fax: (416) 366-8571 Email: gcamelino@mcleankerr.com

Goguen Champlain Insurance/Assurance Goguen Champlain 1040 rue Champlain Street, Suite 200 Dieppe, NB EIA 8L8	Sonia Lirette, CAIB Tel: 506.869.8239 Fax: 506-857-1809 slirette@goguenchamplain.com Luc Caissie Tel: 506-857-0064
Chubb Insurance Company	hmoore@chubb.com abucci@chubb.com
Chartis Insurance Company	edwarda.rivas@chartisinsurance.com
Elliott Special Risk	ybouchard@elliottsr.com
Strategic Underwriting Manager	Serge.melanson@suminsurance.ca

SCHEDULE "B"

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)

ORDER
(Re: Amendment of Initial Order to Enhance Powers of the Monitor)

WHEREAS the motion by Norrep Credit Opportunities Fund, LP ("**Norrep**") was heard this 30th day of October, 2012 at 145 Assomption Blvd., Moncton, New Brunswick.

ON READING the Amended Notice of Motion of Norrep, the Second Report of the Monitor dated October 22, 2012 (the "**Second Report of the Monitor**") and the Affidavit of Christopher Johnson sworn to on October 22, 2012;

AND UPON HEARING:

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

Stephen J. Hutchison, Counsel for the Applicants;

Ashley John Taylor, Counsel for the Monitor, Ernst & Young Inc.;

Mary Buttery, Counsel for Sprott Resource Lending Partnership;

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

Kelly VanBuskirk for Mike Tripp and Roger Rogers

AND WHEREAS this Court made an Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") dated August 31, 2012 (the "**Initial Order**"), as amended by an Order For Adjournment of Comeback Hearing And Other Relief dated September 17, 2012 (the "**September 17 Order**") and an Order (Re. Comeback/Extension Motion) dated September 27, 2012 (the "**September 27 Order**");

AND WHEREAS paragraph 60 of the Initial Order provided that any interested party (including the Applicants, the Monitor and the Senior Lenders) may apply to this Court to vary or amend the Initial Order on seven days' notice or upon such other notice, if any, as this Court may order;

AND WHEREAS this Court is satisfied that circumstances exist that make this Order appropriate;

SERVICE

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

INTERPRETATION

2. THIS COURT ORDERS AND DECLARES that words and phrases used in this Order which begin with capital letters but which are that are not otherwise defined in this Order shall have the respective meanings ascribed thereto in the Initial Order, the September 17 Order and the September 27 Order.

INITIAL ORDER, SEPTEMBER 17 ORDER AND SEPTEMBER 27 ORDER

3. THIS COURT ORDERS that the Initial Order, the September 17 Order and the September 27 Order remain in full force and effect, unamended, other than as set out herein or as may be necessary to give effect to the terms of this Order.

ENHANCEMENT OF POWERS OF THE MONITOR

4. THIS COURT ORDERS that the Initial Order shall be amended as follows:

(a) By amending paragraph 3 of the Initial Order to add the following underlined text so that paragraph 3 shall read:

"3. THIS COURT ORDERS that, subject to subparagraphs 28(m) and 28(n) hereof, 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 and to subparagraphs 28(m) and 28(n) hereof, 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. Subject to subparagraphs 28(m) and 28(n) hereof, 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."

(b) By deleting subparagraph 10(a) of the Initial Order and substituting in its place and stead a new subparagraph reading: "[Intentionally Deleted]".

(c) By amending subparagraph 28(e) of the Initial Order to delete the following struck through text so that subparagraph 28(e) shall read:

"(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;"

(d) By amending subparagraph 28(h) of the Initial Order to add the following underlined text so that subparagraph 29(h) shall read:

"(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 <u>without further Court approval;</u>"

(e) By amending subparagraph 28(i) of the Initial Order to add the following underlined text and to delete the following struck through text so that subparagraph 28(i) shall read:

"(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<u>, and to dispose of any other assets exceeding $100,000 in any one transaction or $1,000,000 in the aggregate, with Court approval and the Monitor is authorized and directed to bring one or more motions to this Court seeking approval of such transaction(s)</u> ~~(subject to approval of the Court)~~;"

(f) By amending subparagraph 28(j) of the Initial Order to add the following underlined text so that subparagraph 28(j) shall read:

"(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) and the Monitor is authorized and directed to bring a motion to this Court seeking such extension;"

(g) By deleting subparagraph 28(m) of the Initial Order and adding the following three new subparagraphs as subparagraphs 28(m), 28(n), 28(o) and 28(p):

"(m) immediately terminate the employment of Mr. Ronald Goguen by any one or more of the Applicants, and thereafter to 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 make and implement decisions related to the continued employment, dismissal, termination, lay-off and/or rationalization of personnel employed by the Applicants (including all executive and senior management personnel employed by any one or more of the Applicants);

(n) 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 make and implement decisions related to the rationalization and reduction of operating costs at any of the Applicants, including (without limitation) any decision to wind up, discontinue, reduce, cease and downsize the business operations of the Applicants (in whole or in part);

(o) 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 commission appraisals of assets of the Applicants in support of potential sales; and

(p) perform such other duties as are required by this Order or by this Court from time to time; provided that each of the foregoing actions, including those contemplated by subparagraphs 28(e) to 28(p), shall be construed to be those of the CCAA Entities and not of the Monitor or any of its officers, directors, employees, representatives or agents."

APPROVAL OF THE MONITOR'S REPORTS

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

EFFECT

6. 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 October 2012

....
J.C.Q.B.N.B

This is Exhibit "D" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

____

Commissioner of Oaths
Being a Solicitor

RESOLUTIONS OF THE DIRECTORS

OF

LANDDRILL INTERNATIONAL INC.

The undersigned, being all of the directors of Landdrill International Inc., a corporation formed under the laws of British Columbia (the "Corporation"), and being entitled to vote on the resolutions hereinafter set forth as if the same had been submitted at a meeting of the directors of the Corporation duly called and held for the purpose of acting on such resolutions, do hereby resolve, in lieu of a meeting of the directors of the Corporation, as follows:

WHEREAS the Board of Directors of the Corporation is of the view that it is necessary and in the best interests of the Corporation to pay all reasonable legal fees incurred by its officers in respect of maintaining their employment with the Corporation and enforcing the rights of their employment agreement or any other employment related document;

BE IT RESOLVED:

THAT the Corporation approves the payment by the Corporation of any and all reasonably incurred legal fees of Ronald J. Goguen, Roger Rogers and Michael Tripp (collectively, the "Officers") incurred as a result of any proceeding, action or motion whereby the Officers' continued employment with the Corporation and the right thereto is being challenged or varied, or to enforce any rights of the Officer under their employment agreement or any other employment related document.

FURTHER THAT in connection with the forgoing, any one officer or director of the Corporation be and is hereby authorized and directed for and on behalf of and in the name of the Corporation to execute and deliver all such documents and instruments in writing and to do all such acts or things as may be advised by legal counsel to the Corporation or the Subsidiaries as being necessary or desirable to give effect to the foregoing.

THAT this resolution may be executed in one or more counterparts and shall be valid irrespective of whether all directors have executed the same counterpart as long as each director has executed at least one (1) counterpart, and transmission of this resolution by facsimile for signature shall constitute sufficient compliance for the purposes of execution of the same.

[Signature Pages to follow]

Each and every one of the foregoing resolutions is hereby consented to by the signatures of all of the directors of Landdrill International Inc. this 31st day of October, 2012.

William MacDonald

Jacques F. Monette

Ronald J. Goguen

This is Exhibit "E" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

RESOLUTIONS OF THE DIRECTORS

OF

LANDDRILL INTERNATIONAL INC.

The undersigned, being all of the directors of Landdrill International Inc., a corporation formed under the laws of British Columbia (the "Corporation"), and being entitled to vote on the resolutions hereinafter set forth as if the same had been submitted at a meeting of the directors of the Corporation duly called and held for the purpose of acting on such resolutions, do hereby resolve, in lieu of a meeting of the directors of the Corporation, as follows.

WHEREAS by resolution dated October 31, 2012 the Board of Directors of the Corporation approved a resolution authorizing the payment of all reasonable legal fees incurred by its officers in respect of maintaining their employment with the Corporation and enforcing the rights of their employment agreement or any other employment related document.

NOW, THEREFORE BE IT RESOLVED:

THAT the Corporation cancels any prior authorization for the payment of legal fees on behalf of the employees Ronald J Goguen, Roger Rogers and Michael Tripp, in connection with maintaining their employment with the Corporation and the enforcement of any rights that any of them may have under their employment agreements;

THAT any further authorization on behalf of the Corporation in that regard is terminated;

THAT any officer or director of the Corporation is authorized to demand return of any funds advanced in connection with the forgoing.

THAT in connection with the forgoing, any one officer or director of the Corporation be and is hereby authorized for and on behalf of and in the name of the Corporation to execute and deliver all such documents and instruments in writing and to do all such acts or things as in his judgment may be necessary or desirable to give effect to the foregoing with such changes or amendments as such officer or director may consider necessary, desirable or useful, together with such other instruments, documents, directions undertakings and writings as may be required and to do all such other acts and things as may be considered necessary, desirable or useful in the discretion of such officer or director for the purpose of giving effect to the foregoing, and the execution by such officer or director of such documents shall be conclusive evidence that the documents so executed are authorized by this resolution.

THAT this resolution may be executed in one or more counterparts and shall be valid irrespective of whether all directors have executed the same counterpart as long as each director has executed at least one (1) counterpart, and transmission of this resolution by facsimile for signature shall constitute sufficient compliance for the purposes of execution of the same.

[Signature Pages to follow]

Each and every one of the foregoing resolutions is hereby consented to by the signatures of all of the directors of Lenddrill International Inc this 26 day of April, 2013

William MacDonald

Jacques E. Monette

Ron J Goguen

743364 v1

This is Exhibit "F" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

____

Commissioner of Oaths
Being a Solicitor

LANDDRILL
INTERNATIONAL

July 11, 2012

Mr. Roger Rogers
53 Berkshire Crescent
Quispamsis, NB E2E 6B2

Dear Roger,

Re: 2012 Retention Program

As you know, Landdrill International Inc. ("**LDI**") has entered into a strategic process to consider alternatives to refinance or reorganize the company. We understand this presents a lot of uncertainty for you and your future with the company. We also understand the competitiveness within the Canadian marketplace for employees with strong skill sets.

To encourage you to stay with LDI and remove some of the uncertainty surrounding your personal circumstances in this situation, as well as to help you focus on effectively accomplishing LDI's goals and objectives during the strategic process, LDI is offering incentives for your continued service to LDI, including a retention bonus and a guaranteed term of employment. This letter outlines the specifics of that retention bonus and the guaranteed term of employment.

During the strategic process you will continue to receive your regular salary and benefits in accordance with your existing employment contract. As well, provided that you do not resign from LDI on or before July 1, 2013 (the "**Target Date**") and agree to the terms of payment as outlined below, LDI shall pay to you a bonus of $30,000 (the "**Retention Bonus**").

The Retention Bonus will be paid as follows:

1. A payment of $15,000 shall be paid to you on or before July 15, 2012; and

2. A payment of $15,000 shall be paid to you on or before August 1, 2012.

Payment of the entire Retention Bonus is subject to you remaining actively employed by LDI through to Target Date. You have not remained "**actively employed**" for purposes of this letter if: (i) you have been unable to work for any reason other than physical disability for period(s) totalling more than 3 months between now and the Target Date, or (ii) you have resigned prior to the Target Date. The payments shall be net of tax and statutory deductions.

In addition, LDI or any successor corporation unequivocally guarantees your continued employment in accordance with the terms of your existing employment agreement for a period of one year from the date hereof (the "**Guaranteed Term**") provided that you remain actively employed (as defined above) with LDI during the Guaranteed Term. In the event that any action, which shall include a court order or voluntary filing, is taken to effect the wind-up, liquidation, termination of corporate status, cessation of business or other such event prior to the last day of the Guaranteed Term, LDI's obligations to you shall be accelerated and immediately due and payable. For clarity, you shall be immediately entitled to any and all entitlements under your existing employment agreement as though you were an employee of LDI as of the Target Date.

In the event you resign from LDI prior to the Target Date or disclose the existence (each, a "**Default Event**") of the 2012 Retention Program in a manner prohibited hereunder, you will not be entitled to any portion of the Retention Bonus which has not already been paid to you, and you will be required to repay a *pro rata* portion of the Retention Bonus determined by calculating the period of time from the Default Event to the Target Date. You agree that any repayment owing by you under this letter shall be made within 10 days of receipt of a written demand for payment and that LDI may deduct any required repayment from any wages that LDI may owe to you, including but not limited to any outstanding salary and any termination or severance payments. In the event that there is still a balance owing thereafter, you agree to repay the balance.

Immediately prior to the appointment of a liquidator, receiver or other party appointed to sell or otherwise dispose of LDI, its subsidiaries, or any assets of any of the foregoing entities, LDI's obligations to you hereunder and under your existing employment agreement shall be secured against the assets of LDI and its subsidiaries.

This 2012 Retention Plan should be viewed as an indication of LDI's confidence in and appreciation of your abilities, and as an additional form of compensation to meet a special business need. It is not a permanent or recurring element of your compensation, nor will it impact any other element of compensation for which you may otherwise be eligible. This special Retention Bonus will not be utilized to compute your annual or quarterly incentive payments, merit increases, profit sharing contributions, nor any other benefit or payment for which you may otherwise be eligible.

This Retention Bonus is to be kept strictly confidential. Disclosure of this bonus to other LDI employees or to anyone other than your immediate family or financial advisors could result in appropriate remedial action, including forfeiture of the Retention Bonus.

All other terms and conditions of your employment remain in place and are not affected by this Retention Bonus letter. LDI will reimburse you for any legal fees incurred to enforce any matter herein.

Sincerely,

Ronald J. Goguen
President & Chief Executive Officer

I hereby accept the terms and conditions of the 2012 Retention Program, including the provisions regarding repayment, this 11th day of July, 2012.

Roger Rogers **Witness Name:**

LANDDRILL
INTERNATIONAL

July 11, 2012

Mr. Michael Tripp
41 Irene Crescent
Dieppe, NB E1A 7V4

Dear Mike,

Re: 2012 Retention Program

As you know, Landdrill International Inc. ("**LDI**") has entered into a strategic process to consider alternatives to refinance or reorganize the company. We understand this presents a lot of uncertainty for you and your future with the company. We also understand the competitiveness within the Canadian marketplace for employees with strong skill sets.

To encourage you to stay with LDI and remove some of the uncertainty surrounding your personal circumstances in this situation, as well as to help you focus on effectively accomplishing LDI's goals and objectives during the strategic process, LDI is offering incentives for your continued service to LDI, including a retention bonus and a guaranteed term of employment. This letter outlines the specifics of that retention bonus and the guaranteed term of employment.

During the strategic process you will continue to receive your regular salary and benefits in accordance with your existing employment contract. As well, provided that you do not resign from LDI on or before July 1, 2013 (the "**Target Date**") and agree to the terms of payment as outlined below, LDI shall pay to you a bonus of $30,000 (the "**Retention Bonus**").

The Retention Bonus will be paid as follows:

1. A payment of $15,000 shall be paid to you on or before July 15, 2012; and

2. A payment of $15,000 shall be paid to you on or before August 1, 2012.

Payment of the entire Retention Bonus is subject to you remaining actively employed by LDI through to Target Date. You have not remained "**actively employed**" for purposes of this letter if: (i) you have been unable to work for any reason other than physical disability for period(s) totalling more than 3 months between now and the Target Date, or (ii) you have resigned prior to the Target Date. The payments shall be net of tax and statutory deductions.

In addition, LDI or any successor corporation unequivocally guarantees your continued employment in accordance with the terms of your existing employment agreement for a period of one year from the date hereof (the "**Guaranteed Term**") provided that you remain actively employed (as defined above) with LDI during the Guaranteed Term. In the event that any action, which shall include a court order or voluntary filing, is taken to effect the wind-up, liquidation, termination of corporate status, cessation of business or other such event prior to the last day of the Guaranteed Term, LDI's obligations to you shall be accelerated and immediately due and payable. For clarity, you shall be immediately entitled to any and all entitlements under your existing employment agreement as though you were an employee of LDI as of the Target Date.

In the event you resign from LDI prior to the Target Date or disclose the existence (each, a "**Default Event**") of the 2012 Retention Program in a manner prohibited hereunder, you will not be entitled to any portion of the Retention Bonus which has not already been paid to you, and you will be required to repay a *pro rata* portion of the Retention Bonus determined by calculating the period of time from the Default Event to the Target Date. You agree that any repayment owing by you under this letter shall be made within 10 days of receipt of a written demand for payment and that LDI may deduct any required repayment from any wages that LDI may owe to you, including but not limited to any outstanding salary and any termination or severance payments. In the event that there is still a balance owing thereafter, you agree to repay the balance.

Immediately prior to the appointment of a liquidator, receiver or other party appointed to sell or otherwise dispose of LDI, its subsidiaries, or any assets of any of the foregoing entities, LDI's obligations to you hereunder and under your existing employment agreement shall be secured against the assets of LDI and its subsidiaries.

This 2012 Retention Plan should be viewed as an indication of LDI's confidence in and appreciation of your abilities, and as an additional form of compensation to meet a special business need. It is not a permanent or recurring element of your compensation, nor will it impact any other element of compensation for which you may otherwise be eligible. This special Retention Bonus will not be utilized to compute your annual or quarterly incentive payments, merit increases, profit sharing contributions, nor any other benefit or payment for which you may otherwise be eligible.

This Retention Bonus is to be kept strictly confidential. Disclosure of this bonus to other LDI employees or to anyone other than your immediate family or financial advisors could result in appropriate remedial action, including forfeiture of the Retention Bonus.

All other terms and conditions of your employment remain in place and are not affected by this Retention Bonus letter. LDI will reimburse you for any legal fees incurred to enforce any matter herein.

Sincerely,

Ronald J. Goguen
President & Chief Executive Officer

I hereby accept the terms and conditions of the 2012 Retention Program, including the provisions regarding repayment, this 11th day of July, 2012.

______________________________ ______________________________

Michael Tripp **Witness Name:**

This is Exhibit "G" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

New Nouveau Brunswick

JUSTICE

FACSIMILE COVER PAGE / PAGE COUVERTURE DE TÉLÉCOPIE

15h25	2013.01.17

To / À:	Stephen J. Hutchinson; Ashley John Taylor; Mary Buttery; Alissa K. Mitchell; Dana Nowak
Firm / Bureau:	
City / Ville:	
Telephone No. / N° de téléphone:	
Fax No. / N° de télécopieur:	(506) 652-1989 / (416) 947-0866 / (604) 687-1612 / (519) 858-8511 / (780) 969-3549
No. of pages including cover / N° de pages incluant couverture:	4
Original sent or retained? / L'originale envoyée ou retenue?:	Retained
File/Dossier:	**MM 114-12 – Landdrill**
From / De :	Sindy Bourgoin Client Services/Services aux tribunaux
Telephone No. / N° de téléphone :	856-3847
Fax No. / N° de télécopieur :	856-2951

Please find enclosed an Order as signed by ***Chief Justice Smith*** on January 17, 2013.

Sindy Bourgoin

Court File No. M/M/114/12

COURT OF QUEEN'S BENCH TRIAL DIVISION MONCTON, N.B. FILED/REGISTERED JAN 17 2013 COUR DU BANC DE LA REINE DIV. DE PREMIÈRE INSTANCE MONCTON, N.-B. DÉPOSÉ/ENREGISTRÉ

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

TRIAL DIVISION

JUDICIAL DISTRICT OF MONCTON

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

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

ORDER
(Re: KERP Agreements)

WHEREAS the Applicants' Motion seeking, *inter alia*, an Order approving certain key employee retention plan agreements was heard this 17th day of January 2013 at 145 Assomption Blvd., Moncton, New Brunswick;

ON READING the confidential versions of the Affidavits of Ronald J. Goguen sworn to on the 10th day of January 2013 and the 17th day of January 2013 (the "**Goguen Affidavits**");

AND UPON HEARING:

Stephen J. Hutchison, Counsel for the Applicants;

Ashley John Taylor, Counsel for the Monitor, Ernst & Young Inc.;

Mary Buttery, Counsel for Sprott Resource Lending Partnership;

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

Dana Nowak, Counsel for Norrep Credit Opportunities Fund and Crown Capital Partners Inc.;

AND UPON being informed by Stephen J. Hutchison that the letter agreements attached as Exhibits "C" and "D" to the confidential version of the Affidavit of Ronald J. Goguen, sworn January 17, 2013 are the final versions of the proposed key employee retention plan agreements (the "2013 KERP Agreements");

SERVICE

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

KERP AGREEMENTS

2. THIS COURT ORDERS that the terms of the 2013 KERP Agreements are hereby approved.

3. THIS COURT ORDERS that the execution of the 2013 KERP Agreements by the Applicants is hereby approved and that the Applicants are authorized and directed to perform their obligations under the 2013 KERP Agreements and, in particular, to make the payments contemplated thereunder in accordance with the terms and conditions thereof.

4. THIS COURT ORDERS that the Applicants are authorized to execute and deliver such additional ancillary documents as may be necessary to give effect to the 2013 KERP Agreements.

SEALING THE KERP AGREEMENTS

5. THIS COURT ORDERS that, subject to further Order of this Court, the confidential versions of the Goguen Affidavits with the exhibits attached thereto shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the

title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

EFFECT

6. 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 17 day of January 2013

....
J.C.Q.B.N.B

This is Exhibit "H" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

____

Commissioner of Oaths
Being a Solicitor

Registration Number (New): 21933619
Registration Date/Time (Atlantic): 2012-08-30 16:11
Expiry Date: 2017-08-30
File Number: 6576-001

Registrant Name and Address

Registrant User ID: H176630
Lawson & Creamer
Norton, Mel K.
Solicitor
Harbour Building
ÉTAGE/FLOOR 8th Floor BUREAU/SUITE 801
133 Prince William ST
Saint John NB E2L 4S2
Canada

All registration date/time values are stated in Atlantic Time.

Registration Details for Registration Number: 21933619

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	21933619	2012-08-30 16:11	2017-08-30	6576-001

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Landdrill International Inc.
160 MacNaughton Avenue
Moncton NB E1H 3L9
Canada

Secured Parties

Type: Individual
Rogers, Roger
53 Berkshire Crescent
Quispamsis NB E2E 6B2
Canada

General Collateral

A security interest is taken in all of the debtor's present and after-acquired personal property.

**** End of Report ****

Registration Number (New): 21933585
Registration Date/Time (Atlantic): 2012-08-30 16:06
Expiry Date: 2017-08-30
File Number: 6577-001

Registrant Name and Address

Registrant User ID: H176630
Lawson & Creamer
Norton, Mel K.
Solicitor
Harbour Building
ÉTAGE/FLOOR 8th Floor BUREAU/SUITE 801
133 Prince William ST
Saint John NB E2L 4S2
Canada

All registration date/time values are stated in Atlantic Time.

Registration Details for Registration Number: 21933585

Province or Territory: New Brunswick
Registration Type: PPSA Financing Statement

Registration History

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	21933585	2012-08-30 16:06	2017-08-30	6577-001

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

Debtors

Type: Enterprise
Landdrill International Inc.
160 MacNaughton Avenue
Moncton NB E1H 3L9
Canada

Secured Parties

Type: Individual
Tripp, Michael
41 Irene Crescent
Dieppe NB E1A 7V4
Canada

General Collateral

A security interest is taken in all of the debtor's present and after-acquired personal property.

**** End of Report ****

This is Exhibit "I" to the Affidavit of Ronald J. Goguen sworn to on the 17 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

Donna-Lee Kirkpatrick

From: Darlene Partridge [dpartridge@lawsoncreamer.com] on behalf of Matthew Letson [mletson@lawsoncreamer.com]
Sent: Wednesday, May 08, 2013 11:34 AM
To: Stephen Hutchison
Subject: Court File Number M/M/114/12, Landdrill International Inc., Michael Tripp - Our File 6577-001
Attachments: Paystub.pdf; T-4.pdf; 6577-001 Record of Employment.pdf; 6577-001 Stewart McKelvey 2013-05-08.pdf

Please find attached a copy of my correspondence of May 8, 2013, with enclosures.

Matthew R. Letson | Associate

Direct: 506 633 3533 Fax: 506 633 0465 Web: lawsoncreamer.com
Address: 133 Prince William Street Suite 801, Saint John New Brunswick E2L 2B5

LAWSON CREAMER
LAWYERS

LANDDRILL INTERNATIONAL

Landdrill International Inc .

Voucher # 211

Pay Period From: 11/16/2012
Pay Period To: 11/30/2012

Payment Date: 11/30/2012

Tripp, Michael ID: 0045
49 Harvard Court
Riverview, NB E1B 4S6 Canada

	Current	Year To Date
Total Earned:	1,730.76	136,780.76
Net Pay:	$297.36	93,687.12

Description	Hours	Rate	Current Amt	To Date Amt
Earnings				
Bonus			0.00	37,500.00
Daily Rate			0.00	28,800.00
Regular Salary	24.00		1,730.76	70,480.76
Deductions				
Advance Reclaim			1,083.82	1,175.25
Group Insurance			65.63	1,095.87
Lotto Fund			0.00	78.00
Taxes				
CPP			0.00	2,306.70
EI R1			0.00	839.97
INCTAX			167.48	26,964.34
NBITAX			116.47	10,633.51
Other				
Group Insurance Benefit			13.45	493.81

Service Canada

THE GUIDE - HOW TO COMPLETE THE RECORD OF EMPLOYMENT, PROVIDES DETAILED INSTRUCTIONS.

Protected when completed - B

RECORD OF EMPLOYMENT (ROE)

1 SERIAL NO.
W25797812

2 SERIAL NO. OF ROE AMENDED OR REPLACED

3 EMPLOYER'S PAYROLL REFERENCE NO.
0045

4 EMPLOYER'S NAME AND ADDRESS
Landdrill International Inc
160 MacNaughton Avenue

Moncton,NB
Canada

5 CRA BUSINESS NUMBER (BN)
135946853RP0001

6 PAY PERIOD TYPE
S - Semi-Monthly

7 POSTAL CODE
E1H3L9

8 SOCIAL INSURANCE NO.
124-824-962

9 EMPLOYEE'S NAME AND ADDRESS
Michael Tripp
49 Harvard Court
Riverview NB
E1B4S6

10 FIRST DAY WORKED D M Y
17 | 02 | 2012

11 LAST DAY FOR WHICH PAID D M Y
20 | 11 | 2012

12 FINAL PAY PERIOD ENDING DATE D M Y
30 | 11 | 2012

13 OCCUPATION
Corporate Counsel

14 EXPECTED DATE OF RECALL D M Y
☐ UNKNOWN ☒ NOT RETURNING

15A TOTAL INSURABLE HOURS ACCORDING TO CHART ON PAGE 2
1568

15B TOTAL INSURABLE EARNINGS ACCORDING TO CHART ON PAGE 2
$ 112,780.76

15C THE FIRST ENTRY MUST RECORD THE INSURABLE EARNINGS FOR THE FINAL (MOST RECENT) INSURED PAY PERIOD. ENTER DETAILS BY PAY PERIOD AS PER THE CHART ON PAGE 2.

P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS	P.P.	INSURABLE EARNINGS
1	1,730.76	2	6,250.00	3	6,250.00
4	6,250.00	5	6,250.00	6	6,250.00
7	43,750.00	8	6,250.00	9	6,250.00
10	6,250.00	11	6,250.00	12	6,250.00
13	4,800.00	14	4,412.84	15	4,412.84
16	4,012.84	17	4,412.84	18	4,624.35
19	2,200.00	20		21	
22		23		24	
25		26		27	
28		29		30	
31		32		33	
34		35		36	
37		38		39	
40		41		42	
43		44		45	
46		47		48	
49		50		51	
52		53			

16 REASON FOR ISSUING THIS ROE
Shortage of Work / End of contract or season
A

FOR FURTHER INFORMATION, CONTACT
Cormier Camilla
TELEPHONE NO. (506) 388-8100

17 ONLY COMPLETE IF PAYMENT OR BENEFITS (OTHER THAN REGULAR PAY) PAID IN OR IN ANTICIPATION OF THE FINAL PAY PERIOD OR PAYABLE AT A LATER DATE.

A - VACATION PAY
$
START DATE (D/M/Y): END DATE (D/M/Y):

B - STATUTORY HOLIDAY PAY FOR

D M Y		D M Y	
	$		$
	$		$
	$		$
	$		$
	$		$

C - OTHER MONIES (SPECIFY)
$
START DATE (D/M/Y): END DATE (D/M/Y):
$
START DATE (D/M/Y): END DATE (D/M/Y):
$
START DATE (D/M/Y): END DATE (D/M/Y):

19 PAID SICK/MATERNITY/PARENTAL/COMPASSIONATE CARE LEAVE OR GROUP WAGE LOSS INDEMNITY PAYMENT

	START DATE D M Y	END DATE D M Y	AMOUNT	PER DAY	PER WEEK
PSL			$	☐	☐
WLI			$	☐	☐
MAT/PAR/CC			$	☐	☐

18 COMMENTS

20 COMMUNICATION PREFERRED IN
☒ English ☐ French

21 TELEPHONE NO.
(506) 388-8100 233

22 I AM AWARE THAT IT IS AN OFFENSE TO MAKE FALSE ENTRIES AND HEREBY CERTIFY THAT ALL STATEMENTS ON THIS FORM ARE TRUE.

Name of Issuer
Jennifer
Colpitts

D M Y
20 | 12 | 2012

INS 5220 (05-12) E
Version 9.0.0

Service Canada delivers Human Resources and Skills Development Canada programs and services for the Government of Canada.

Canada

Page 2 contains important information.

Ce formulaire est également disponible en français

Employer's name – Nom de l'employeur

Landdrill International Inc.

Canada Revenue Agency / Agence du revenu du Canada

T4

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Year / Année: 2012

14	Employment income – line 101 / Revenus d'emploi – ligne 101	212,274 57
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	37,597 85
54	Payroll account number / Numéro de compte de retenues	
10	Province of employment / Province d'emploi	NB
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	2,306 70
24	EI insurable earnings / Gains assurables d'AE	45,900 00
12	Social insurance number / Numéro d'assurance sociale	124 824 962
28	Exempt – Exemption: CPP/QPP (RPC/RRQ), EI (AE), PPIP (RPAP)	
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	50,100 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	839 97
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées) | First name – Prénom | Initials – Initiales

TRIPP Michael

49 Harvard Court

Riverview, NB

E1B 4S6

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant
40	493 81

T4 (12)

RC-12-423

Employer's name – Nom de l'employeur

Landdrill International Inc.

Canada Revenue Agency / Agence du revenu du Canada

T4

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Year / Année: 2012

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TRIPP Michael

49 Harvard Court

Riverview, NB

E1B 4S6

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant
40	493 81

T4 (12)

LAWSON CREAMER
LAWYERS

133 PRINCE WILLIAM STREET, SUITE 801 | P.O. BOX 6787, STATION A
| SAINT JOHN | NEW BRUNSWICK | CANADA | E2L 4S2

PHONE: (506) 633.3737 | FAX: (506)633.0465

By Email (shutchison@stewartmckelvey.com)

May 8, 2013

Stewart McKelvey
Barristers and Solicitors
1000-44 Chipman Hill
Saint John, NB

Attention : Stephen J. Hutchison

Dear Mr. Hutchison:

RE: 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 LLC (A Mongolian Corporation) and Landdrill International Inc. (A Barbados Corporation)
Cause Number: M/M/114/12
Our File Number: 6577-001

Further to our telephone discussion of April 25, 2013, we are writing on behalf of our client, Michael Tripp, in an attempt to resolve several residual outstanding matters related to his employment during the year 2012.

First, our client advises that his T-4 employment income (Line 101) was over-stated by $75,493.81 in comparison to his final paystub. Enclosed please find a copy of our client's T-4 with the overstated income amount as well as his final paystub for reference.

Second, our client's Record of Employment (copy attached) does not appear to reconcile with his final paystub.

Third, with respect to the retention bonus of $30,000.00 paid to our client, Landdrill International Inc. (hereinafter "LII") remitted only $7,500.00 to CRA for income tax payable with respect to the retention bonus. Pursuant to the Retention Agreement, the bonus was to be paid "net of tax and statutory deductions"). However, the payment of $7,500.00, which appears to assume a tax rate of 20% will result in our client being responsible for a tax liability on the $30,000.00 which, pursuant to the Retention Agreement, is not his responsibility.

Based on his final paystub, it appears that our client's income from LII will exceed $132,407.00. Based on the income tax rates for New Brunswick for 2012, our client is in the top tax bracket which carries a tax rate of 43.3%. As such, the payment of $30,000.00 net of taxes would attract a remittance of $22,910.05. Therefore, LII is obliged to remit an additional $15,410.05 to CRA pursuant to the Retention Agreement.

Given that the total amount submitted to CRA must be included as total earned income from LII for 2012 on Mr. Tripp's T-4, we would ask that the additional payment of $22,910.05 be added to the gross income of $136,780.76 as noted on Mr. Tripp's final paystub and the T-4 reissued along with the restated ROE and final paystub.

Fourthly, our client was over-billed $150.00 with respect to a laptop computer. The Monitor had approved the sale of the laptop to Mr. Tripp at $50.00 given its age and based on a valuation provided by Richard Frigault, LII's technical support employee. Mr. Tripp was billed $200.00 for this computer. We would ask that an adjustment of $150.00 be paid to Mr. Tripp.

With respect to the above, we understand that the over-statement of $75,493.81 on the current T-4 will be adjusted as will the ROE. We would ask you to confirm this in writing. In addition, would you kindly confirm that LII will make the necessary payment of $22,910.05 to CRA in respect of its remittance obligation arising from the $30,000.00 retention bonus, net of taxes, and that this remittance will be appropriately reflected on our client's T-4, ROE and final paystub. Finally, would you kindly provide the undersigned with a cheque in the amount of $150.00 payable to "Michael Tripp" to compensate for the over-billed laptop.

In the event that the parties are not able to reach an agreement with respect to these matters, we can advise that we intend to bring a Motion seeking an order requiring the above adjustments.

Yours very truly,

LAWSON CREAMER

Matthew R. Letson
Direct: (506) 633-3533
mletson@lawsoncreamer.com

MRL:djp
Encl.: T-4 and Record of Employment and Paystub

This is Exhibit "J" to the Affidavit of Ronald J. Goguen sworn to on the 27 day of May, 2013.

Commissioner of Oaths
Being a Solicitor

Donna-Lee Kirkpatrick

From:	Stephen Hutchison
Sent:	Tuesday, May 14, 2013 4:10 PM
To:	'Matthew Letson'
Cc:	'Ron Goguen Sr.'; 'Camilla Cormier'
Subject:	RE: Court File Number M/M/114/12, Landdrill International Inc., Michael Tripp - Our File 6577-001
Attachments:	inc 2012 t4 CRA rp001 - Michael Tripp - Amended.pdf

Matt,

In response to your correspondence, please be advised that the position of my clients on the issues raised by you is as follows:

1. Amended T4: The amended T4 was sent to Mr. Tripp on April 22, 2013. A copy is attached.
2. ROE: The ROE will not reconcile to the paystub given that, on the ROE, the earnings reported are only for ½ year.
3. Tax on Retention Bonus: The tax withholding of 20% was discussed and agreed between Mr. Tripp and Ron Goguen. No further amounts are payable. Further, if any additional amount was payable, it would constitute a claim that ranks behind the existing secured claims of, inter alia, Sprott, Crown and GE. As there will be insufficient funds/assets to satisfy these prior secured claims and hence, no additional payment can be made.
4. Laptop: The sale of the laptop to Mr. Tripp was handled by Landdrill, not the monitor. Mr. Tripp was given the option of purchasing the laptop for $200 or returning it. He chose to keep it. No refund is due to Mr. Tripp as the Laptop was not over-billed.

In addition to the foregoing, we reiterate the demand of Landdrill International Inc ("Landdrill") for the return of all retainer funds held by Lawson Creamer, forthwith. Landdrill will pay reasonable legal fees and disbursements related solely to the defence of the motion brought by Norrep seeking removal of management pursuant to the Notice of Motion dated October 19, 2012 and Amended Notice of Motion dated October 23, 2012 (the "Norrep Motion"). Landdrill does not authorize the use of any of the retainer funds for any purpose other than the defence of the Norrep Motion. As you are aware, the Chief Justice delivered his decision on the Norrep Motion on November 6, 2012. As such, there is no reason for Lawson Creamer to be holding any funds received from Landdrill.

If the retainer funds are not returned forthwith, we will be proceeding to finalize the motion of Landdrill International Inc which is scheduled to be heard on May 22.

Sincerely,

Steve Hutchison

STEWART McKELVEY
LAWYERS • AVOCATS

Stephen J. Hutchison*
Partner
stewartmckelvey.com/SaintJohn
D: 506.632.2784
C: 506.639.5905
shutchison@stewartmckelvey.com
*Law Corporation

From: Darlene Partridge [mailto:dpartridge@lawsoncreamer.com] **On Behalf Of** Matthew Letson
Sent: Wednesday, May 08, 2013 11:34 AM
To: Stephen Hutchison
Subject: Court File Number M/M/114/12, Landdrill International Inc., Michael Tripp - Our File 6577-001

Please find attached a copy of my correspondence of May 8, 2013, with enclosures.

Matthew R. Letson | Associate

Direct: 506 633 3533 Fax: 506 633 0465 Web: lawsoncreamer.com
Address: 133 Prince William Street Suite 801, Saint John New Brunswick E2L 2B5

LAWSON CREAMER
LAWYERS

Canada Revenue Agency / Agence du revenu du Canada

T4

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Year / Année: 2012

Employer's name – Nom de l'employeur: Landdrill International Inc.

Box	Description	Amount
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TRIPP Michael

49 Harvard Court

Riverview, NB

E1B 4S6

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant
40	493.81

T4 (12)

RC-12-423

Canada Revenue Agency / Agence du revenu du Canada

T4

STATEMENT OF REMUNERATION PAID
ÉTAT DE LA RÉMUNÉRATION PAYÉE

Year / Année: 2012

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Last name (in capital letters) – Nom de famille (en lettres moulées) | First name – Prénom | Initials – Initiales

T4 Summary

Number of T4 Slips = 1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant
40	493.81

T4 (12)

RC-12-423