

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)**

**NOTICE OF MOTION
(FORM 37A)**

TO: Lawson Creamer
133 Prince William Street
Suite 801
Saint John, NB E2L 2B5

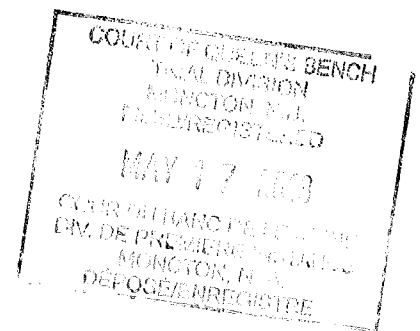
TO: All Parties on the Service List
attached as Schedule "A".

Landdrill International Inc., a British
Columbia corporation, ("Landdrill BC"),

COUR DU BANC DE LA REINE DU
NOUVEAU-BRUNSWICK

DIVISION DE PREMIERE INSTANCE

CIRCONSCRIPTION JUDICIAIRE DE



**AVIS DE MOTION
(FORMULE 37A)**

DESTINATAIRE:

Le Demandeur _____
demandera à la Cour à

Landdrill International Ltd., a New Brunswick corporation, ("**Landdrill NB**"), 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**") and Landdrill International Inc., a Barbados corporation, (collectively, the "**Applicants**") will apply to the Court on the 22nd day of May 2013 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:

_____ le _____ 20____, à
_____ h _____, d'ordonner

(a) abridging the time for service of the Notice of Motion, if necessary, and declaring that the motion is properly returnable on the 22nd of May 2013 and dispensing with the necessity of filing a Record of Motion;

(b) terminating the Critical Supplier Charge effective May 22, 2013;

(c) directing the law firm of Lawson Creamer to forthwith: (i) render a statement of account to Landdrill International Inc. relating solely to services rendered for Michael Tripp and Roger Rogers in relation to the Motion brought by Norrep Credit Opportunities Fund pursuant to a Notice of Motion dated October 19, 2012 and an Amended Notice of Motion dated October 23, 2012 (ii) remit the balance of the \$20,000.00 currently held by Lawson Creamer to Landdrill International Inc. after deducting the funds necessary to pay the account referenced in (i);

(d) granting such further and other relief as the Applicants may request and this Honourable Court deems just and appropriate.

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

Background

1. Landdrill's Canadian drilling operations ceased on the completion of the sale of its Canadian Assets to Major Drilling International ("Major");
2. 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 the Order of this Court dated February 15, 2013 at paragraph 12;
3. As of December 2012, the only member of the Landdrill Group with ongoing drilling operations is Landdrill Mexico;
4. The Applicants have paid all amounts owing to Critical Suppliers as of the current date;
5. Landdrill Mexico does not require a Critical Supplier Charge in order to maintain its operations in Mexico as it intends to maintain payment to its Critical Suppliers on a current basis;
6. 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 to the Secured Creditors entitled to such proceeds;
7. 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 BC, including all executive and senior management personnel employed by Landdrill BC (the "Norrep Motion");

8. In view of the Norrep Motion, Landdrill BC considered it appropriate to recommend that the executive and senior management personnel employed by Landdrill BC including, *inter alia*, Mr. Michael Tripp ("Mr. Tripp") and Mr. Roger Rogers ("Mr. Rogers"), retain independent counsel to represent them in relation to the Norrep Motion,.

9. Landdrill BC was advised that Mr. Tripp and Mr. Rogers had engaged the firm Lawson Creamer to represent them in relation to the Norrep Motion;

10. Upon being advised that Mr. Tripp and Mr. Rogers had engaged Lawson Creamer, Ronald J. Goguen, President and CEO of Landdrill BC ("Mr. Goguen") 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;

11. A resolution of the board of directors of Landdrill BC dated October 31, 2012 (the "October 2012 Resolution" went beyond the scope of the Resolution intended by Mr. Goguen and included the additional words "and enforcing the rights of their employment agreement or any other employment related document";

12. Landdrill BC has now passed a new resolution to rescind that portion of the October 2012 Resolution related to paying for the legal costs of Mr. Tripp and Mr. Rogers related to enforcing the rights of their employment agreement or any other employment related document;

13. On or about October 31, 2012, Mr. Goguen advised Mr. Tripp and Mr. Rogers that he 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. On November 2, 2012, Rogers instructed Landdrill BC staff to wire the sum of \$20,000.00 to Lawson Creamer. The sum of \$20,000.00 was transferred from Landdrill BC to Lawson Creamer on or about November 2, 2012 (the "Retainer Funds"). Mr. Goguen did not become aware of the transfer of \$20,000.00 (as apposed to the \$5,000.00 preauthorized) until the transfer had been completed;

14. Landdrill BC 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;

15. Each of Mr. Tripp and Mr. Rogers were employed by Landdrill BC. 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 net of taxes on statutory withholdings (the "Retention Bonus"). Shortly before the CCAA filing on August 31, 2012 each of Mr. Tripp and Mr. Rogers was paid the Retention Bonus in full;

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

17. On August 30, 2012, Lawson Creamer registered PPSA Financing Statements on behalf of each of Mr. Tripp and Mr. Rogers

(the "PPSA Filings");

18. 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 Mr. Tripp and Mr. Rogers to be invalid;

19. 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 (as defined in the Initial Order), which claims rank in priority to the purported secured claims of Mr. Tripp and Mr. Rogers; and

20. Landdrill BC has 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. Lawson Creamer has refused to do so.

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

(a) section 11 and other provisions of the CCAA;

(b) Rules 1.03, 2.01, 2.02, 3.02, 37 and 39 of the *Rules of Court*;

(c) the inherent and equitable jurisdiction of this Honourable Court;

(d) paragraph 3 of the Initial Order dated August 31, 2012; 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 affidavits or other documentary evidence will be presented:

1. the Affidavit of Ronald J. Goguen to be sworn on the 17th day of May 2013 and the exhibits attached thereto;
2. the various reports of the Monitor, filed; and
3. such further 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.

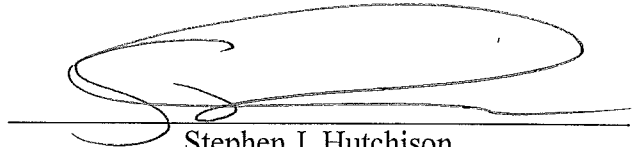
A l'audition de la motion, les affidavits ou les autres preuves littérales suivantes seront présentées:

Sachez que:

- (a) vous avez le droit d'émettre des documents et de présenter votre preuve à l'audience en français, en anglais ou dans les deux langues;
- (b) le demandeur a l'intention d'utiliser la
- (c) si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un interprète pourront être requis et vous devrez en aviser le greffier au moins 5 jours avant l'audience.

DATED at Saint John, New Brunswick, this 16th day of May 2013.

STEWART McKELVEY
Solicitors the Applicants


Stephen J. Hutchison

Stewart McKelvey
Barristers & Solicitors
44 Chipman Hill, Suite 1000
P.O. Box 7289 Station "A"
Saint John, N.B. E2L 2A9

Telephone : (506) 632-1970
Facsimile: (506) 652-1989
Email: shutchison@stewartmckelvey.com

Schedule "A"

Court File No. M/M/114/12

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

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JUDICIAL DISTRICT OF MONCTON

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
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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)**

SERVICE LIST
(Revised – May 15, 2013)

PARTIES WITH COUNSEL OF RECORD	
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) 160 MacNaughton Avenue Moncton, NB E1H 3L9	COUNSEL: Stewart McKelvey 44 Chipman Hill Suite 1000, Brunswick House Saint John, NB E2L 4S6 Stephen J. Hutchison Tel: 506.632.1970 Fax: 506.652.1989 Email: shutchison@stewartmckelvey.com

Attention: Ronald J. Goguen Tel: 506.388.8100 Fax: 506.388.8990 Email: rongoguen@landdrill.com Applicants	
ERNST & YOUNG INC. The Fortis Building, 139 Water Street 7th Floor, St. John's, NL A1C 1B2, Canada Monitor	Paul D. Hickey Tel: 709.570.5404 Fax: 709 726 0345 Email: paul.d.hickey@ca.ey.com Steven J. McLaughlin steven.j.mclaughlin@ca.ey.com
ERNST & YOUNG INC. Ernst & Young Tower, 222 Bay Street Toronto, Ontario M5K 1J7 Monitor	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 AGENT: ELLSWORTH JOHNSON PHILLIPS 828 Main Street Moncton, NB E1C 8M7 Bruce Johnson Tel: 506.857.8103 Fax: 506.859.4219 Email: bruce.johnson@monctonlwyers.ca
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 0B2	COUNSEL: MacPHERSON LESLIE & TYERMAN LLP 150, 410-22 nd Street East Saskatoon, SASK S7K 5T6 D. Jeff Lee Tel: 306.975.7136 Fax: 306.975.7145 Email: jmlee@mlt.com

Attention: Chris Johnson Tel: 416.640.6715 Fax: 416.640.6722 Email: chris.johnson@crowncapital.ca	
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 1100 – 1250 René-Lévesque 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
FIRST INSURANCE FUNDING OF CANADA A Wintrust Company 20 Toronto Street, Suite 700 Toronto, ON M5C 2B8	COUNSEL: McLEAN & KERR LLP Suite 2800 130 Adelaide Street West Toronto, ON M5H 3P5 G. F. (Gus) Camelino Tel: 416.369.6621 Fax: 416.366.8571 Email: stephen.gcamelino@mcleankerr.com

ROGER ROGERS 53 Berkshire Crescent Quispamsis, NB E2E 6B2 MICHAEL TRIPP 41 Irene Crescent Dieppe, NB E1A 7V4	COUNSEL: LAWSON CREAMER LAWYERS 133 Prince William Street, Suite 801 P.O. Box 6787, Station A Saint John, New Brunswick E2L 4S2 Kelly VanBuskirk Tel: 506.633.3535 Fax: 506.633.0465 Email: kvanbuskirk@lawsoncreamers.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 E1C 1E2 Christian E. Michaud Tel: 506.856.9800 Fax: 506.856.8150 Email: cmichaud@coxandpalmer.com
CRITICAL SUPPLIERS	
SANDVIK MINING 100 Magill Street Lively, Ontario P3Y 1K7	Frank Mozzon Controller Tel: 705.692.5881 Fax: 705.692.5313 / 613.932.1734 Email: frank.mozzon@sandvik.com
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: 450.477.5284
HYDRAULIC VAL d'OR 1050 Rue Leo Fournier Val D'Or, Quebec J9P 6X7	Tel: 819.825.8501 Fax: 819.825.2085 Email: hydvaldor@cablevision.qc.ca
DETOUR MACHINING Box 1597, Highway 652 East Cochrane, Ontario P0L 1C0	Tel: 705.272.4890 Fax: 705.272.4895 Email: detour@puc.net

PPSA REGISTRANTS	
9166-2114 QUÉBEC INC. RAYMOND CHABOT acting on behalf and in the name of 9166-2114 QUEBEC INC. 600 Rue De La Gauchetière 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 Fax: 902.434.5732
ALLY CREDIT CANADA LIMITED / ALLY CRÉDIT CANADA LIMITÉE 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 Tony Annunzi Email: tony.annunzi@ally.com
CANADIAN IMPERIAL BANK OF COMMERCE 761 Main Street Moncton, NB E1C 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	Faseeh Ahmad Tel: 905.465.3160 Fax: 905.901.6460 Email: fahmad@leasedirect.com
MITCHELL'S DRILLING EQUIPMENT LTD. 3105 Topham Rd. West Kelowna, BC V1Z 2J5	Tel: 250.769.0487 Fax: 250.769.0497 Email: aggressivediamonddrilling@silk.net
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
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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
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 P0M 1W0	Glenn MacDonald Tel: 705.365.8904
TNG HOLDINGS LTD. 709 Richards Cres Labrador City, NL A2V 1P4	Tom Delaney Tel: 709.282.6200
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 Tamarack Drive, Labrador City, NL A2V 2V6	Subash Ramkaran Tel: 709.282.5559
ROBERT SMITH 813 Hudson Drive Labrador City, NL A2V 1M4	Robert Smith Tel: 709.944.3781
PARTIES INVOLVED WITH THE APPLICANTS' INSURANCE PROGRAM	
Goguen Champlain Insurance/Assurance Goguen Champlain 1040 rue Champlain Street, Suite 200 Dieppe, NB E1A 8L8	Sonia Lirette, CAIB Tel: 506.869.8239 Fax: 506-857-1809 Email: slirette@goguenchamplain.com

GOVERNMENT AGENCIES AND MUNICIPALITIES	
Department of Justice Atlantic Regional Office Department of Justice Canada Suite 1400, Duke Tower 5251 Duke Street Halifax, NS B3J 1P3	
Ministry of the Attorney General (British Columbia) P.O. Box 9290, Station Prov. Govt. Victoria, BC V8W 9J7	
Ministry of the Attorney General (Quebec) 1200, route de l'Eglise, 6e étage Québec City, QC G1V 4M1	
Department of Justice, Civil Division Government of Newfoundland and Labrador	Todd Stanley Tel: 709.729.2597 Fax: 709.729.2129 Email: toddstanley@gov.nl.ca
Canada Revenue Agency Ralston Building 1557 Hollis Street Post Office Box 638 Halifax, NS B3J 2T5	Anna Flemming
Her Majesty the Queen in Right of the Province of British Columbia as Represented by the Minister of Finance P.O. Box 9417, Station Prov. Govt Victoria, BC V8W 9V1	
Her Majesty the Queen in Right of the Province of Ontario as Represented by the Minister of Finance 33 King Street West, 6 th Floor P.O. Box 620 Oshawa, ON L1H 8E9	Kevin J. O'Hara Email: kevin.ohara@ontario.ca
Her Majesty the Queen in Right of the Province of Quebec as Represented by the Minister of Finance	

12, rue Saint-Louis Québec, PQ G1R 5L3	
Her Majesty the Queen in Right of the Province of British Columbia as Represented by the Minister of the Environment P.O. Box 9339 Station Province Govt. Victoria, BC V8W 9M1	
Her Majesty the Queen in Right of the Province of Ontario as Represented by the Minister of the Environment 720 Bay Street, 8 th Floor Toronto, ON M7A 2S9	Jacqueline L. Wall Tel: 416.325.8435 Fax: 416.326.4181 Email: Jacqueline.wall@ontario.ca Ananthan Sinnadurai Tel: 416.326.4576 Email: ananthan.sinnadurai@ontario.ca
Municipalité de Notre-Dame-du-Nord 71, Principale Nord Notre-Dame-du-Nord, QC J0Z 3B0	