

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)

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 25th day of October, 2012 at 2:00 p.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:

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:

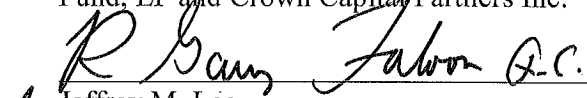
vous avez le droit d'émettre des documents et de présenter votre preuve à l'audience en français, en anglais ou dans les deux langues;

le demandeur a l'intention d'utiliser la

si vous avez l'intention d'utiliser l'autre langue officielle, les services d'un 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 19th day of October, 2012

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


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 <u>Email: paul.d.hickey@ca.ey.com</u> 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 <u>Email: ataylor@stikeman.com</u>
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: <u>chris.johnson@crowncapital.ca</u>	COUNSEL: MacPHERSON LESLIE & TYERMAN LLP 1500, 410, 22 nd Street East Saskatoon, SASK S7K 5T6 Jeffrey M. Lee Tel: 306.975.7136 Fax: 306.975.7145 <u>Email: jmlee@mlt.com</u> GILBERT, MCGLOAN, GILLIS Barristers & Solicitors 22 King Street Saint John, NB E2L 1G3 Attention: R. Gary Faloon Telephone: (506) 634-3600 Facsimile: (506) 634-3612 Email: <u>rgfaloon@gmglaw.com</u> 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 <u>Email: mbuttery@davis.ca</u>

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")	<i>COUNSEL:</i> 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
ROGERS, ROGER 53 Berkshire Crescent Quispamsis, NB E2E 6B2 TRIPP, MICHAEL 41 Irene Crescent Dieppe, NB E1A 7V4	<i>COUNSEL:</i> 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@lawsoncreamer.com
INFLIGHT DRILLING, S DE. R.L. DE C.V. and HD DRILLING, S DE R.L. DE C.V.	<i>COUNSEL:</i> 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

GOLD CANYON RESOURCES INC. 810-809 Granville St. Vancouver, BC V6Z 110	COUNSEL: COX & PALMER 644 Main Street, Suite 500 Moncton, NB B1C 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
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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: 450.477.5284
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 <u>Email: marc.st-onge@ally.com</u>
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	Vita McKenna Tel: 905.465.3160 Fax: 905.465.3173 <u>Email: vmckenna@leasedirect.com</u>
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 <u>Email: manitoba@nationalleasing.com</u>
WILSON CHEVROLET LIMITED 100 Wilson Ave. New Liskeard, ON P0U 1P0	Tel: 705.647.4373 Fax: 705.647.3062
PENSION PLAN	
I ASSUMPTION LIFE 770 Main Street Moncton New Brunswick E1C 8L1	Justin Belliveau Tel: 506.869.9751 Fax: 506.853.5433 <u>Email: justin.belliveau@assumption.ca</u>
OFFICE OF THE SUPERINTENDENT OF PENSIONS — NEW BRUNSWICK Frederick Square P. O. Box 6000 Fredericton, NB E3B 5H1	Angela Mazerolle-Stephens Tel: 506.453.2055 Fax: 506.457.7266 <u>Email: angela.mazerollestephens@gnb.ca</u>
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 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	Karen Ghaney Tel: 709.757.2787
SUBASH RAMKARAN 864 Tamarak Drive, Labrador City, NL	Subash Ramkaran Tel: 709.282.5559
ROBERT SMITH 813 Hudson Drive Labrador City, NL	Robert Smith Tel: 709.944.3781
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
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 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