

COURT FILE NUMBER 1501-00396

COURT COURT OF QUEEN'S BENCH OF ALBERTA

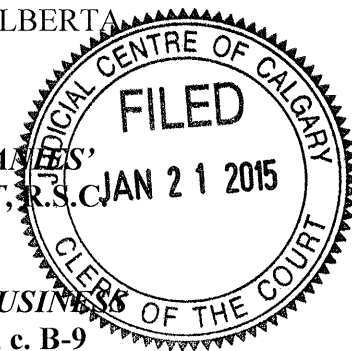
JUDICIAL CENTRE Calgary

APPLICANTS

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

AND IN THE MATTER OF THE BUSINESS
CORPORATIONS ACT, R.S.A. 2000, c. B-9

AND IN THE MATTER OF GASFRAC
ENERGY SERVICES INC., GASFRAC
SERVICES GP INC., GASFRAC ENERGY
SERVICES (US) INC., GASFRAC US
HOLDINGS INC. and GASFRAC INC.



DOCUMENT

ORDER Re: Limited KERP Approval

ADDRESS FOR SERVICE AND

CONTACT INFORMATION OF

PARTY FILING THIS

DOCUMENT

Patrick T. McCarthy, Q.C./Robyn Gurofsky certify this to be a true copy of
Borden Ladner Gervais LLP the original order
1900, 520 3rd Ave. S.W. Dated this 21 day of Jan 2015
Calgary, AB T2P 0R3
Telephone: (403) 232-9774
Facsimile: (403) 266-1395
Email: PMcCarthy@blg.com/RGurofsky@blg.com
File No. 441817-000015

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for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: January 21, 2015

NAME OF JUSTICE WHO MADE THE ORDER: The Honourable Justice K.M. Eidsvik

LOCATION OF HEARING: Calgary, Alberta

UPON the application of GASFRAC ENERGY SERVICES INC. ("GESI"),
GASFRAC SERVICES GP INC. ("GSGP") for itself and in its capacity as general partner of
GASFRAC ENERGY SERVICES LIMITED PARTNERSHIP ("GES LP"), GASFRAC
ENERGY SERVICES (US) INC. ("GESI US"), GASFRAC US HOLDINGS INC.
("Holdings") and GASFRAC INC. ("GI") (GESI, GSGP, GES LP, GESI US, Holdings and GI

are sometimes collectively referred to herein as the "**Applicants**"); **AND UPON** having read the Application, the Affidavits of Lori McLeod-Hill sworn on January 13, 2015 (the "**Original Affidavit**") and January 20, 2015, the Confidential Affidavits of Lori McLeod-Hill sworn on January 13, 2015 (the "**Original Confidential Affidavit**") and January 15, 2015, respectively, the Confidential Affidavit of Rhonda Lastockin, sworn on January 16, 2014, the First Report of the Monitor dated January 20, 2015, the Confidential Supplement to the First Report of the Monitor dated January 20, 2015 (the "**Monitor's Confidential Report**"), and the pleadings and proceedings filed herein, including the Orders of this Court granted on January 15, 2015 (the "**Initial Order**") and January 16, 2015, respectively; **AND UPON** hearing counsel for the Applicants and any other interested party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order.
3. The KERP as described in the Original Confidential Affidavit and the Confidential Supplemental Report of the Monitor is hereby authorized and approved and the KERP payments shall be secured by a charge on the Property (the "KERP Charge") which shall not exceed an aggregate amount of \$825,000, and, notwithstanding any other provision in the Initial Order:
 - (a) the KERP Charge shall represent a charge on the real property located in Edson, Alberta (the "Edson Property") which shall rank in priority to all other Encumbrances and Charges, save and except for the Administration Charge; and
 - (b) the KERP Charge shall represent a charge on the Property (excluding the Edson Property) ranking subordinate in priority to the security of PNC Bank.
4. The filing, registration or perfection of the KERP Charge shall not be required and the KERP Charge shall be valid and enforceable for all purposes, including as against any

right, title or interest filed, registered, recorded or perfected subsequent to the KERP Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

5. The Employee Bonus as described in the Original Affidavit is hereby authorized and approved and the Applicants are hereby authorized to deposit the maximum amount of \$338,000 in escrow at the conclusion of this month.
6. The Applicants are at liberty to apply to this Court to amend this Order as they deem necessary in the circumstances, including but not limited to amending the priority of the KERP Charge and applying for the approval of the remainder of the Employee Bonus described in the Original Affidavit.
7. The Applicants shall serve by courier, fax transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this Application and on all parties who received notice of this Application or who are presently on the service list established in these proceedings, and such service shall be deemed good and sufficient for all purposes.

"K.M. Eidsvik"

Justice of the Court of Queen's Bench of Alberta