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CALGARY, ALBERTA
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COURT FILE NUMBER	1501-00681
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HSBC BANK CANADA
DEFENDANTS	CALMENA ENERGY SERVICES INC., CALMENA ENERGY HOLDINGS LTD., CALMENA ENERGY SERVICES OPERATING LIMITED PARTNERSHIP, 1414995 ALBERTA LTD., CALMENA ENERGY SERVICES USA CORP., CALMENA DRILLING SERVICES LLC, CALMENA ENERGY SERVICES US LP, BW SERVICES LUXEMBOURG SARL, BWES SERVICES DE MEXICO, S. DE R.L. DE C.V., PAM AMERICAN DRILLING S. DE R.L. DE C.V., CALMENA ENERGY SERVICES DE MEXICO, S. DE R.L. DE C.V., CALMEAN LUXEMBOURG HOLDING S.A.R.L.
DOCUMENT	**FIFTH REPORT OF ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER** **November 14, 2016**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**<u>RECEIVER</u>** ERNST & YOUNG INC. 1000, 440 - 2nd Avenue S.W. Calgary, AB T2P 5E9 Neil Narfason / Peter Chisholm Telephone: (403) 206-5067 / (403) 206-5061 Email: neil.narfason@ca.ey.com peter.chisholm@ca.ey.com **<u>COUNSEL</u>** Borden Ladner Gervais LLP Patrick T. McCarthy, Q.C. / Jessica L. Cameron 1900, 520 3rd Ave S.W. Calgary, AB T2P 0R3 Phone: (403) 232-9715 Fax: (403) 266-1395 Email: pmccathy@blg.com jcameron@blg.com

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APPENDICES

INTRODUCTION

1. Ernst & Young Inc. was appointed as Receiver and Manager (the "**Receiver**") of the property, assets and undertakings (the "**Property**") of Calmena Energy Services Inc. ("**CESI**"), Calmena Energy Holdings Ltd. ("**Calmena Holdings**"), Calmena Energy Services Operating Limited Partnership ("**Calmena LP**"), 1414995 Alberta Ltd. ("**141 AB**"), Calmena Energy Services USA Corp. ("**Calmena US Corp**"), Calmena Drilling Services LLC ("**Calmena Drilling Services**"), Calmena Drilling Services US LP ("**Calmena US LP**"), BW Services Luxembourg S.A.R.L. ("**BW Luxembourg**"), BWES Services Mexico, S. De R.L. De C.V. ("**BWES Mexico**"), Pan American Drilling S. De R.L. De C.V. ("**PanAm Mexico**"), Calmena Energy Services De Mexico S. De R.L. De C.V. ("**CES Mexico**"), Calmena Luxembourg Holding S.A.R.L. ("**Luxembourg Holding**") (collectively the "**Calmena Group**") pursuant to an Order (the "**Receivership Order**") of this Honourable Court dated January 20, 2015 (the "**Appointment Date**").

2. On February 5, 2015, the Receiver filed a Petition for Recognition for CESI, Calmena Drilling Services, Calmena Drilling Services US LP, and Calmena US Corp under Chapter 15 of the United States Bankruptcy Code in United States Bankruptcy Court for the Southern District of Texas (the "**US Court**") in Case No. 15-30786 (the "**Chapter 15 Proceedings**"). On March 5, 2015, the US Court entered an Order Granting the Receiver's Petition for Recognition as a Foreign Main Proceeding and recognizing the Receiver as the Foreign Representative.

3. CES Mexico, BWES Mexico, BW HR Pro. S. De R.L. de C.V. ("**BW HR**") and Pan Am Drilling are collectively referred to herein as "**Calmena Mexico**". BW Luxembourg and Luxembourg Holding are together referred to herein as "**Calmena Luxembourg**".

4. The Receiver was advised by its local legal counsel in both Mexico and Luxembourg that in both jurisdictions formal insolvency proceedings with respect to both Calmena Mexico and Calmena Luxembourg will be difficult and involve considerable delay and expense. Despite having been unable to take direct control of the assets and operations of the Calmena Mexico and Calmena Luxembourg entities, the Receiver has had the co-operation of the directors of these companies and has been able to effectively control their operations since the Appointment Date.

5. Given the expense of obtaining foreign recognition in Luxembourg and Mexico, the Receiver concluded that the cost of doing so outweighed any perceived benefits. As a result, the Receiver sought and obtained a court order on February 9, 2015 amending the Receivership Order by removing Calmena Mexico, with the exception of BW HR as it was never subject to the

Receivership Order, and Calmena Luxembourg from the definition of the "Debtors" within the Receivership Order, *nunc pro tunc*. The Calmena Group's senior secured creditor, HSBC Bank Canada ("**HSBC**") consented to this Order.

6. Since taking control of the Property on the Appointment the Receiver has effected an orderly disposition of the business, assets and operations of both Calmena Mexico and Calmena Luxembourg by virtue of its control of the parent company, CESI, and as a result of the co-operation extended by the directors of Calmena Mexico and Calmena Luxembourg.

7. There are certain outstanding issues in both Calmena Mexico and Calmena Luxembourg preventing the Receiver from finalizing the Receivership of the Calmena Group, as follows:

   a. **Calmena Mexico:** The Receiver is in the process of collecting outstanding accounts receivable owed to Calmena Mexico and assisting Calmena Mexico with audit requirements with Mexican tax authorities.

   b. **Calmena Luxembourg:** Calmena Luxembourg is considering a sale or wind-down of Calmena Luxembourg in accordance with corporate statutes in Luxemburg.

8. The Receiver will apply to this Honourable Court for a discharge as Receiver of CESI, Calmena Holdings, Calmena LP and 141 AB upon resolution of the above outstanding matters.

9. The purpose of this fifth report (the "**Fifth Report**") of the Receiver is to provide this Honourable Court with the Receiver's comments and information in respect of:

   a) an overview of the activities of the Receiver in relation to the US Debtors between Appointment date and November 2, 2016 (the "**Receivership Period**") and the Receiver's statement of receipts and disbursements during the Receivership Period;

   b) the settlement agreement (the "**Settlement Agreement**") entered into by the Receiver and Turbo Drill Industries Inc. ("**Turbo Drill**") to settle a dispute for amounts owing from Turbo Drill to the Receiver in relation to *ad valorem taxes* paid by the Receiver on directional drilling equipment that Turbo Drill acquired from the Receiver in the United States;

   c) a proposed distribution (the "**US Debtor Distribution**") to HSBC of US$900,000 from the proceeds recovered from the Property of the US Debtors and the Chapter 15 Proceedings respecting CESI;

d) the request for approval of the professional fees and costs of the Receiver's US legal counsel;

e) the discharge of the Receiver as the Court appointed Receiver of Calmena Drilling Services, Calmena Drilling Services US LP, and Calmena US Corp (collectively the "**US Debtors**") in these Canadian receivership proceedings and authorizing the Receiver to seek its discharge in the Chapter 15 Proceedings respecting CESI.

TERMS OF REFERENCE

10. Capitalized terms not defined in this Fifth Report are as defined in the Receivership Order.

11. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

12. The Calmena Group is an international oilfield services company with operational entities providing well bore construction services and both conventional and directional drilling.

13. For additional background on Calmena, please refer to the Receiver's website, www.ey.com/ca/calmena.

ACTIVITIES OF THE RECEIVER – US DEBTORS

14. The following is an overview of the activities undertaken by the Receiver in relation to the US Debtors and CESI's Chapter 15 Proceedings during the Receivership Proceedings:

   a. upon recognition of the Receivership in the United States, the US Debtors' bank accounts in the United States were frozen by the Receiver and the funds transferred to the Receiver's trust account;

   b. six employees were retained for the purposes of completing a directional drilling job being undertaken by Calmena in Oklahoma on the Appointment Date. This job was completed January 30, 2015 and these employees were terminated thereafter;

   c. the Receiver collected approximately US$815,000 from accounts receivable owing to the US Debtors as at the Appointment Date;

d. in February 2016, the Receiver obtained a refund of approximately $477,000 USD from the United States Treasury for overpayment of taxes made by the US Debtors prior to the Appointment Date;

e. the Receiver conducted a sales process in the United States of all the directional assets of the US Debtors which consisted of measurement-while-drilling assets and motor assets located in Oklahoma City, Oklahoma and Conroe, Texas. The directional drilling assets were sold for proceeds of approximately $1.635 million, less adjustments, to Turbo Drill and 1616057 Alberta Ltd. ("**161 Alberta**");

f. the Receiver settled all property taxes owing on equipment owned by the Calmena Group in the United States;

g. as discussed in more detail below and in the fourth report of the Receiver dated September 19, 2016 (the "**Fourth Report**"), the final statement of adjustments arising from the sale of Calmena's directional drilling equipment were delivered to Turbo drill and 161 on March 2, 2016; and

h. The Receiver is currently in the process of completing the US Debtors' federal and state tax returns for 2015 and 2016. The Receiver anticipates filing the 2015 and 2016 tax returns in January 2017.

15. The Receiver is not aware of any other outstanding tasks that need to be completed prior to the Receivers discharge with respect to the US Debtors or with respect to its discharge in the Chapter 15 Proceedings of CESI.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

Consolidated Summary of Receipts and Disbursements

16. The following table is a summary of the Receiver's receipts and disbursements for the Calmena Debtors on a consolidated basis during the Receivership Period:

Calmena Debtors — Table 1.0
Summary of Receipts and Disbursements
CAD and US dollar trust accounts
For the period of January 20, 2015 to November 2, 2016

Canadian dollar trust account		
Total receipts (CAD$)		9,584,003
Total disbursements (CAD$)		9,406,905
Net change in cash (CAD$)	*a*	**177,097**
US dollar trust account		
Total receipts (USD$)		11,553,963
Total disbursements (USD$)		10,347,015
Net change in cash (USD$)		**1,206,947**
USD to CAD FX Rate (Nov. 14/16)		1.36
Net change in cash (CAD$)	*b*	1,641,448
Calmena Debtors (CAD$ + US$) Cash Position		
Consolidated net change in cash (CAD$)	*a + b*	**1,818,546**
Opening cash balance		-
Ending cash balance		**1,818,546**

17. As indicated in Table 1.0 above, the Receiver is holding approximately $1.9 million as at the date of this Fifth Report and before the issuance of the proposed US Debtor Distributions to HSBC in the amount of US$900,000.

Canadian Dollar Receivership Account

18. The following table is a statement of the Receiver's receipts and disbursements from its Canadian dollar account during the Receivership Period:

Calmena Debtors		**Table 2.0**
Statement of Receipts and Disbursements - Canadian Dollar Bank Account		
For the period of January 20, 2015 to November 2, 2016		
Opening cash		$ -
Transfers from Receiver's US Dollar Account	7,640,388	
Sale of US directional assets	1,622,284	
Intercompany recoveries	186,446	
Miscellanous refunds	134,885	
Total receipts		9,584,003
Distribution to secured creditor	6,556,038	
Receivers fees and costs	982,103	
Salaries and benefits	664,023	
US Legal fees	302,470	
Canadian legal fees	457,531	
Insurance	124,652	
Rent	96,761	
Miscellanous disbursements	90,111	
Tax services	72,928	
GST Paid	43,851	
Utilities	16,437	
Total disbursements		9,406,905
Net receipts		177,097
Closing cash		$ 177,097

19. The Receiver has collected approximately $9.58 million in its Canadian dollar receivership account, as follows:

   a. net transfesr of cash in the amount of $7.6 million from the Receiver's US dollar trust, see Table 3.0 of this Fifth Report below, to the Receiver's Canadian dollar trust account;

b. proceeds of approximately $1.62 million received from the sale of the US directional drilling equipment; and

c. intercompany recoveries and other miscellaneous refunds.

20. The Receiver has disbursed approximately $9.4 million from its Canadian dollar receivership account, as follows:

a. interim distribution to HSBC of $6.5 million as approved by an Order of this Court dated December 18, 2015 (the "**Interim Distribution Order**");

b. Receiver's fees and expenses of $982,103;

c. salaries and benefits paid to Calmena's Canadian employees retained by the Receiver;

d. Receiver's legal counsels' fees and expenses, including both Canadian and US counsel; and

e. insurance, rent, tax services and other miscellaneous expenditures associated with the Receivership proceeding.

US Dollar Receivership Account

21. The following table is a statement of the Receiver's receipts and disbursements from its US dollar bank account during the Receivership Period.

Calmena Debtors		Table 3.0
Statement of Receipts and Disbursements - US Dollar Bank Account		
For the period of January 20, 2015 to November 2, 2016		
Opening cash		-
Sale of Mexico rigs	6,200,524	
Receipt of cash from Calmena Mexico	1,500,000	
Initial transfer of debtor bank account	1,378,910	
AR Collections	990,461	
Intercompany recoveries	491,584	
Tax Refund	477,339	
Insurance refund	347,367	
Miscellanous refunds	167,778	
Total receipts		11,553,963
Transfer of cash to CAD bank account	5,855,975	
Distribution to secured creditor	1,745,688	
Mexico Operations Salaries and Benefits	977,411	
US and Mexico legal fees	446,450	
Property Taxes	408,456	
Luxembourg payments	273,839	
Insurance	269,823	
US Directional Drilling Salaries and Benefits	146,705	
Miscellanous disbursements	118,463	
Rent	45,225	
Luxembourg legal fees	37,094	
Utilities	21,889	
Total disbursements		10,347,015
Net receipts		1,206,947
Closing cash balance		1,206,947

22. The Receiver has collected approximately US$11.5 million in its US dollar receivership account, as follows:

   a. the sale of conventional drilling rigs located in Mexico and the United States to Simmons Edeco Ltd. for US$2.8 million and a conventional drilling rig located in Mexcio to GPA Energy, S.A. de C.V., for US$3.0 million. The Calmena Group's conventional drilling equipment was owned by Calmena Luxembourg as at the Appointment Date;

   b. the repayment of intercompany loans in the amount of US$1.5 million from Calmena Mexico to CESI. These proceeds were recovered through the collection of accounts receivable owed to Calmena Mexico as at the Appointment Date less the settlement of Calmena Mexico's third party liabilities;

   c. US$1.4 million transferred from Calmena Drilling Services' operating bank account held with HSBC Bank USA as at the Appointment Date;

   d. approximately US$815,000 from the collection of outstanding accounts receivable in the United States owed to Calmena Drilling Services; and

   e. insurance refunds, intercompany recoveries, tax refund and other miscellaneous receipts.

23. The Receiver has disbursed approximately US$10.3 million from its US dollar receivership account as follows:

   a. transfer of cash to the Receiver's Canadian dollar trust account of approximately US$5.9 million;

   b. interim distribution to HSBC of US$1.7 million as approved by the Interim Distribution Order;

   c. salaries and benefits of US$970,000 paid to Calmena Drilling Services' employees in the United States. Employees responsibilities included completing a directional drilling contract that was in progress as of the Appointment Date and managing Calmena Mexico's conventional drilling operations;

d. property taxes of approximately US$408,000 associated with the directional drilling equipment and a conventional drilling rig located in Texas; and

e. other miscellaneous disbursements associated with the Receivership.

TURBO DRILL SETTLEMENT AGREEMENT

24. The receiver entered into an asset purchase agreement (the "**Turbo Drill APA**") dated May 14, 2015 between the Receiver, Calmena LLC, Calmena US LP, Luxembourg Holdings and Turbo Drill for the sale of certain directional drilling assets and associated parts.

25. On May 21, 2016 the Turbo Drill APA was approved by this Honourable Court. The Receiver collected the sum of $800,000 from Turbo Drill, representing the purchase price payable for the assets under the Turbo Drill APA, subject to certain adjustments provided for therein.

26. The sale of direction drilling equipment pursuant to the Turbo Drill APA closed on June 2, 2015, subject to delivery of the Final Statement of Adjustments (the "**FSA**").

27. The Receiver received the final 2015 property tax invoices in January 2016 from Montgomery County and the Oklahoma County Treasurer. The deadline to pay the outstanding property taxes was January 31, 2016. The Receiver paid the 2015 Property Taxes prior to this date to avoid penalties and interest that would have otherwise accrued.

28. The Receiver delivered the FSA to Turbo Drill on March 2, 2016. The FSA dealt with the apportionment of property taxes on the assets located in Oklahoma City, Oklahoma and Conroe, Texas. Turbo Drill's liability to the Receiver pursuant to the FSA totalled US $63,071.81.

29. On April 1, 2016 the Receiver received a letter from Turbo Drill's counsel disputing Turbo Drill's obligation to pay US$63,071.81 pursuant to the FSA.

30. On September 8, 2016 the Receiver and Turbo Drill entered into the Settlement Agreement, which provided that Turbo Drill was to pay the Receiver US$25,000 as settlement of the amounts outstanding under the FSA.

31. HSBC, the Calmena Group's primary secured creditor, is in support of the Settlement Agreement. HSBC was owed approximately $16.0 million as at the Appointment Date and has received an interim distribution of approximately $9.0 million; based upon the Receiver's

estimate of future distributions to HSBC from the receivership of the Calmena Group, HSBC is the only stakeholder with an economic interest in this matter.

32. A copy of the Settlement Agreement has been attached at Appendix "**A**" for this Court's review and approval.

US DEBTOR DISTRIBUTION

33. As described in the third report of the Receiver dated December 7, 2015, the Receiver obtained an independent security review from Canadian counsel as well as from its US counsel (together the "**Security Review**"), indicating that the security granted by the Calmena Group to HSBC constitutes a valid and enforceable first charge security over all present and after acquired assets and undertakings of the Calmena Group. As of the Appointment Date, the Calmena Group owed HSBC approximately $16.0 million, excluding interest and professional fees accruing subsequent to the Appointment Date.

34. On December 23, 2015, the Receiver issued an interim distribution to HSBC in the amount of US$1.7 million and $6.5 million CAD as approved by the Interim Distribution Order. After affecting payment under the Interim Distribution Order, HSBC is estimated to be owed approximately $7.0 million before interest and professional fees accruing subsequent to the Appointment Date.

35. The Receiver is proposing to issue the US Debtor Distribution to HSBC in the amount of US$900,000 representing proceeds recovered from the property of the US Debtors. The US Debtor Distribution will be paid from the balance of funds held in the Receiver's US dollar trust account.

36. Should this Honourable Court grant an Order approving the US Debtor Distribution, the Receiver will seek an Order from the US Court approving the US Debtor Distribution prior to issuing the US Debtor Distribution.

APPROVAL OF RECEIVER'S US LEGAL COUNSEL'S FEES

37. The Receiver's US legal counsel has incurred fees and costs, including sales tax, during the Receivership Period of approximately $365,000 associated with the Chapter 15 Proceedings.

38. Copies of the Receiver's US legal counsel's invoices are not attached but will be provided to this Honourable Court prior to the Receiver's application.

39. The Receiver's US legal counsel estimates that the fees that will be incurred to complete the administration of the Receivership will not exceed $30,000.

40. The Receiver respectfully requests that this Honourable Court approve the Receiver's US legal counsel's fees and disbursements along with the estimate of fees to complete the Chapter 15 Proceedings.

APPLICATION FOR DISCHARGE – US DEBTORS

41. As a result of the settlement with Turbo Drill, the Receiver has substantially completed the administration of the Receivership with respect to the US Debtors. Upon remitting any remaining funds to HSBC and filing of the US Debtors' 2015 and 2016 tax returns, the Receiver is not aware of it being required for any further purpose herein and is therefore of the view that it should be discharged from its mandate of the US Debtors and the Chapter 15 Proceedings respecting CESI.

42. Should this Honourable Court grant both the US Debtor Distribution and an Order discharging the Receiver of the US Debtors in these Canadian Proceedings and authorizing it to seek a discharge with respect to CESI's Chapter 15 Proceedings, the Receiver will seek an Order from the US Courts approving the discharge of the Receiver of the US Debtors and CESI's Chapter 15 Proceedings.

43. The discharge of the Receiver in the Chapter 15 Proceedings will allow those proceedings to be closed and reduce the administrative expenses associated with the overall Calmena Receivership estate.

44. The Receiver has been advised by HSBC that it supports the Receiver's request for an Order discharging it as Receiver of the US Debtors and CESI's Chapter 15 Proceedings.

45. The Receiver will seek this Honourable Court's approval of its fees and the fees of its legal counsel associated with the Calmena Group when it applies for an Order of this Honourable Court discharging it as Receiver of the remaining Debtors (CESI's Canadian proceedings, Calmena Holdings, Calmena LP and 141 AB).

46. The Receiver therefore respectfully request that this Honourable Court approve an Order discharging the Receiver as the Court appointed receiver of the US Debtors and authorizing it to seek approval of its discharge in CESI's Chapter 15 Proceedings (the "Discharge of the Receiver of the Chapter 15 Debtors Order") .

RECOMMENDATIONS

47. The Receiver recommends that this Honourable Court approve:

    a. the Settlement Agreement with Turbo Drill;

    b. the US Debtor Distribution;

    c. the fees and disbursements of the Receiver's US legal counsel; and

    d. the Discharge of the Receiver of the Chapter 15 Debtors Order.

All of which is respectfully submitted this **14th** day of November, 2016.

ERNST & YOUNG INC.
in its capacity as Court Appointed
Receiver of the Calmena Group

Neil Narfason, CA, CIRP, CBV
Senior Vice-President

Peter Chisholm, CA, CIRP
Vice-President

APPENDIX A

TURBO DRILL SETTLEMENT AGREEMENT

SETTLEMENT & RELEASE AGREEMENT

Dated this 8th day of September, 2016

BETWEEN:

CALMENA ENERGY SERVICES INC., CALMENA DRILLING SERVICES US LP and CALMENA DRILLING SERVICES LLC ("Calmena"), by ERNST & YOUNG INC. in its capacity as the court appointed receiver and foreign representative of CALMENA and not in its personal or corporate capacity (the "Receiver")

and

CALMENA LUXEMBOURG HOLDING S.À.R.L. ("Calmena Luxembourg") with its registered office at 15, rue Edward Steichen, L-2540 Luxembourg, Grand-Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B 151919;

and

TURBO DRILL INDUSTRIES INC.

(hereinafter referred to as "**Turbo**" and together with Calmena,

the Receiver and Calmena Luxembourg, the "**Parties**")

WHEREAS:

A. Ernst & Young Inc. was appointed receiver of all of the current and future property and undertakings of Calmena by order of the Alberta Court of Queen's Bench (the "**Alberta Court**") on January 20, 2015, as amended on February 9, 2015 (the "**Receivership Order**");

B. The Receivership Order was recognized by the United States Bankruptcy Court for the Southern District of Texas, Houston Division, as a foreign main proceeding and the Receiver was recognized as the foreign representative of Calmena on March 5, 2015 (the "**Recognition Order**");

C. Calmena, by the Receiver, and Calmena Luxembourg, and Turbo entered into an asset purchase agreement dated May 14, 2015 (the "**APA**") whereby Turbo agreed to purchase and Calmena and Calmena Luxembourg agreed to sell the Purchased Assets (as defined in the APA);

D. In connection with the APA the Receiver delivered a final statement of adjustments dated March 2, 2016 (the "**FSA**") to Turbo in the amount of USD$63,071.81 (the "**Adjustment Amount**");

E. Turbo disputed the Adjustment Amount reflected on the FSA and the actions taken by the Receiver in connection with calculating the Adjustment Amount;

F. The Parties are mutually desirous to settle the issues between them relative to the APA, the FSA, and the Adjustment Amount,

NOW THEREFORE in consideration of the matters hereinbefore referred to, the payments, agreements, covenants and undertakings hereinafter referred to, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Turbo covenants and agrees to pay the amount of USD$25,000.00 (twenty-five thousand US dollars) ("**Settlement Funds**"), all inclusive, to the Receiver, representing a full and final settlement of the Adjustment Amount. The Settlement Funds are to be held in trust by the Receiver for the benefit of Turbo until such time as the Receiver has obtained the Court Approval described in Clause 2 hereof. If the Receiver is unable to obtain Court Approval, the Receiver is to promptly return the Settlement Funds to Turbo, and this Agreement shall be void *ab initio*.

2. The Receiver covenants and agrees to use its best efforts to obtain approval of this Settlement & Mutual Release Agreement ("**Agreement**") by the Alberta Court (the "**Court Approval**").

3. Save and except for the obligations set out in this Agreement, upon receipt of the Settlement Funds by the Receiver, the Receiver, Calmena, and Calmena Luxembourg hereby remise, release and forever discharge Turbo of and from any and all actions or causes of actions, suits, debts, dues, sums of money, expenses, costs, claims, demands, contracts and covenants, whether express or implied, and for damages, indemnity, interest, loss or injury of every nature and kind which the Receiver, Calmena, or Calmena Luxembourg may have had, may now have, or may hereinafter have against Turbo at law or in equity or under any statute or contract, (collectively hereinafter referred to as "**Claims**") existing as at the date of execution of this Agreement, whether the Claims are known or unknown, liquidated or unliquidated, or are direct or indirect, arising out of, or in any manner related to the APA, the FSA, or the Adjustment Amount.

4. Nothing contained in this Agreement or any other document referred to herein is, or may be construed to be, an admission of liability or potential liability on the part of any of the Parties, all such liability being expressly denied.

5. Calmena, the Receiver, and Calmena Luxembourg agree that this is an unqualified, unconditional general release of all possible Claims and is to be interpreted liberally to effectuate its intent. Calmena, the Receiver, and Calmena Luxembourg further acknowledge and agree that the Settlement Funds are the only amount that will ever be paid by Turbo for a release of or in connection with the Claims arising out of, or in any manner related to the APA, the FSA, or the Adjustment Amount.

6. The Parties understand and agree that this Agreement also binds the heirs, executors, administrators, successors and assigns of the parties (and each of them) and inures to the benefit of the heirs, executors, administrators, successors and assigns of the parties (and each of them) and wherever the singular number is used in this Agreement, the same shall include the plural where the context so requires.

7. This Agreement is governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. This Agreement is subject to the jurisdiction of the Alberta Court and the Parties attorn to the Alberta Court for any dispute regarding this Agreement.

8. The Parties understand and agree that they have read this Agreement and hereby represent, warrant and acknowledge that this Agreement has been executed voluntarily, that they have obtained or have had the opportunity to obtain independent legal advice, that each Party has relied solely upon its own judgment and upon the advice given to such Party by its own attorney, and that this Agreement contains the entire agreement between the Parties and that the terms of this Agreement are contractual and not a mere recital.

9. Should any provision of this Agreement be finally determined to be illegal, void or otherwise unenforceable, such provision shall be severed from the rest of this Agreement, and the rest of this Agreement shall remain in full force and effect and be binding on the Parties.

10. No amendment of any provision of this Agreement shall be binding on any party hereto unless agreed to in writing by each of the Parties. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.

11. The Receiver and Turbo represent and warrant that they have all necessary authority to enter into and execute this Agreement.

12. Each Party shall bear its respective costs, including without limitation attorneys' fees, of negotiating and finalizing this Agreement and of obtaining Court Approval.

13. This Agreement may be executed in counterpart and each counterpart will be considered an original and together the parts will be considered one document. Delivery of an executed counterpart of a signature page of this Agreement by fax or other electronic means (such as a PDF scan) shall be as effective as delivery of a manually executed counterpart.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first written above by their representatives, duly authorized in that regard, as follows:

ERNST & YOUNG INC. in its capacity as court appointed receiver and foreign representative of Calmena Energy Services Inc., Calmena Drilling Services US LP and Calmena Drilling Services LLC, and not in its personal or corporate capacity

Per: ______________________________________

Title:

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: ______________________________________

Marjorie Allo, Sole Manager/Authorised Signatory

TURBO DRILL INDUSTRIES INC.

Per: ______________________________________

Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first written above by their representatives, duly authorized in that regard, as follows:

ERNST & YOUNG INC. in its capacity as court appointed receiver and foreign representative of Calmena Energy Services Inc., Calmena Drilling Services US LP and Calmena Drilling Services LLC, and not in its personal or corporate capacity

Per: ______________________

Title: Vice President

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: ______________________

Marjorie Allo, Sole Manager/Authorised Signatory

TURBO DRILL INDUSTRIES INC.

Per: ______________________

Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first written above by their representatives, duly authorized in that regard, as follows:

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Per: __________________________________

Title:

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: __________________________________

Marjorie Allo, Sole Manager/Authorised Signatory

TURBO DRILL INDUSTRIES INC.

Per: __________________________________

Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first written above by their representatives, duly authorized in that regard, as follows:

ERNST & YOUNG INC. in its capacity as court appointed receiver and foreign representative of Calmena Energy Services Inc., Calmena Drilling Services US LP and Calmena Drilling Services LLC, and not in its personal or corporate capacity

Per: ______________________________

Title:

CALMENA LUXEMBOURG HOLDING S.À.R.L.

Per: ______________________________

Marjorie Allo, Sole Manager/Authorised Signatory

TURBO DRILL INDUSTRIES INC.

Per: ______________________________

Title: COO