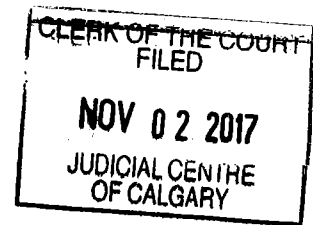


Clerk's Stamp



COURT FILE NUMBER
ESTATE FILE NUMBER

1501-13786

COURT

COURT OF QUEEN'S BENCH OF ALBERTA,
IN BANKRUPTCY

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS
AMENDED

AND IN THE MATTER OF SPYGLASS RESOURCES
CORP., 1196823 ALBERTA LTD., 1288916 ALBERTA
LTD., 1398850 ALBERTA LTD., 15836621 ALBERTA
LTD., 1636527 ALBERTA LTD., AVENEX ENERGY
PARTNERSHIP, AVENEX REAL ESTATE
ACQUISITION CORP., WESTBROOK MARKETING
LIMITED PARTNERSHIP (formerly ELBOW RIVER
MARKETING LIMITED PARTNERSHIP) 1159002
ALBERTA LTD. (formerly ELBOW RIVER
MARKETING CORP.), MEOTA 2000 PARTNERSHIP,
PACE OIL & GAS PARTNERSHIP, PACE OIL
RESOURCES LTD. AND SEAVIEW ENERGY
PARTNERSHIP

APPLICANT

NATIONAL BANK OF CANADA, IN ITS CAPACITY
AS ADMINISTRATIVE AGENT UNDER THAT
CERTAIN AMENDED AND RESTATED CREDIT
AGREEMENT DATED JUNE 30, 2015, AS
AMENDED

DOCUMENT

**AFFIDAVIT OF TRUTH OF STATEMENTS IN
APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attention: Kelly J. Bourassa/James Reid
Telephone: (403) 260-9697/(403) 260-9731
Facsimile: (403) 260-9700
E-mail: kelly.bourassa@blakes.com/
james.reid@blakes.com
File No.: 65306/37

AFFIDAVIT OF KAREN KOURY**Sworn November 1, 2017**

I, Karen Koury, of the City of Oakville, in the Province of Ontario, SWEAR AND SAY THAT:

Introduction

1. I am a Senior Manager, Special Loans with National Bank of Canada ("**National Bank**"), and as such have personal knowledge of the matters deposed to in this Affidavit.
2. I am duly authorized to make this Affidavit on behalf of National Bank, in its capacity as administrative agent (the "**Agent**") on behalf of a syndicate of financial institutions (the "**Lenders**") under an amended and restated credit agreement dated June 30, 2015, as amended (the "**Credit Agreement**").

Bankruptcy

3. The facts alleged in the application (the "**Application**") for a bankruptcy order over Spyglass Resources Corp. ("**Spyglass**") are within my own knowledge true.
4. I verily believe, and it is the position of the Agent, that Spyglass has failed to meet its obligations as they generally become due, thereby committing an act of bankruptcy.
5. Ernst & Young Inc., in its capacity as receiver of Spyglass (the "**Receiver**") has advised me that all of the realizable assets of Spyglass have been sold, resulting in distributions to the Syndicate of \$58.0 million to date, with a further \$275,000 in future distributions anticipated.
6. As of the date of the receivership order granted on November 26, 2015 in these proceeding (the "**Receivership Order**"), Spyglass owed the Lenders approximately \$171.9 million excluding interest and professional fees. In addition, the Receiver borrowed \$7.0 million in Receiver's Certificates from the Agent and the Lenders to fund the receivership proceedings of Spyglass.

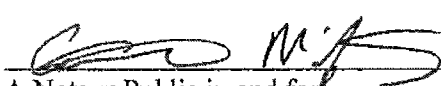
7. As a result, the Agent and the Lenders are expected to have an unsecured claim against Spyglass in the amount of approximately \$120.6 million (excluding interest and professional fees).

8. The Receiver has consented to the lifting of the stay in accordance with paragraph 8 of the Receivership Order for the purposes of bringing the application to declare Spyglass bankrupt and appoint Ernst & Young Inc. as trustee. Attached hereto and marked as Exhibit "A" is a copy of written correspondence from the Receiver.

9. Ernst & Young Inc. has consented to act as trustee over Spyglass' bankrupt estate. Attached hereto and marked as Exhibit "B" is a copy of an executed Consent to Act as Trustee of Ernst & Young Inc.

10. I swear this affidavit in support of an application for, among other things, an Order adjudging Spyglass bankrupt and appointing Ernst & Young Inc. as trustee of the bankrupt estate, and for no other purpose.

SWORN BEFORE ME, in the City of
Toronto, in the Province of Ontario,
this 1st day of November, 2017.


A Notary Public in and for
Ontario


KAREN KOURY

This is Exhibit "A" referred to in the Affidavit of
Karen Koury sworn before me this 1st day of
November, 2017

 
A NOTARY PUBLIC IN AND FOR ONTARIO

From: Duncan MacRae [<mailto:duncan.macrae@ca.ey.com>]
Sent: Monday, October 30, 2017 2:29 PM
To: REID, JAMES
Cc: Neil Narfason; Cassie Riglin; Cameron, Jessica
Subject: In the Matter of the Receivership of Spyglass Resources Corp.

James,

Ernst & Young Inc., solely in its capacity as the receiver of Spyglass Resources Corp., and not in its personal or corporate capacity (the Receiver) understands that the Syndicate has requested the Receiver's consent to lift the stay of proceedings as regards Spyglass Resources Corp. for the purposes of petitioning Spyglass into bankruptcy. The Receiver can confirm it has consented to the lifting of the stay for this limited purpose.

Thanks,
Duncan

Duncan MacRae, CPA, CA | Transaction Advisory Services



Ernst & Young Inc.
Calgary City Centre, 2200, 215 2nd Street SW, Calgary, AB T2P 1M4, Canada
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Duncan.MacRae@ca.ey.com

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This is Exhibit "B" referred to in the Affidavit of
Karen Koury sworn before me this 1st day of
November, 2017


A NOTARY PUBLIC IN AND FOR ONTARIO

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DOCUMENT

CONSENT TO ACT AS TRUSTEE

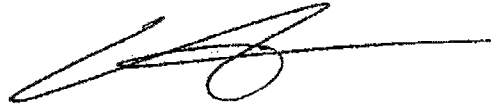
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Attention: Kelly J. Bourassa/James Reid
Telephone: (403) 260-9697/(403) 260-9731
Facsimile: (403) 260-9700
E-mail: kelly.bourassa@blakes.com/
james.reid@blakes.com
File No.: 65306/37

We, Ernst & Young Inc., licensed trustee in bankruptcy, do hereby consent to act as trustee if a Bankruptcy Order is made against Spyglass Resources Corp.

DATED at Calgary, Alberta and effective this 31st day of October, 2017

Ernst & Young Inc.

A handwritten signature in black ink, appearing to be 'Neil Narfason', written over a horizontal line.

Per: _____
Name: Neil Narfason

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