

COURT FILE NUMBER 1601-05495
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT MOSAIC ENERGY LTD.



IN THE MATTER OF THE RECEIVERSHIP
OF MOSAIC ENERGY LTD.

DOCUMENT

**ORDER FOR FINAL DISTRIBUTION,
APPROVAL OF RECEIVER'S FEES AND
DISBURSEMENTS, APPROVAL OF
RECEIVER'S ACTIVITIES AND
DISCHARGE OF RECEIVER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222

Fax: +1 403.264.5973

Email: howard.gorman@nortonrosefulbright.com /
gunnar.benediktsson@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Gunnar Benediktsson

File No.: 01128610-0068

I hereby certify this to be a true copy of
the original Order

Dated this 13 day of April, 2017

Alanna
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: April 10, 2017

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice K.D. Yamauchi

LOCATION OF HEARING: Calgary, **Alberta**

UPON THE APPLICATION of Ernst & Young Inc. in its capacity as the Court-appointed receiver (the **Receiver**) of the current and future assets, undertakings and properties of Mosaic Energy Inc. (the **Debtor**) for an Order for the final distribution of proceeds, approval of the Receiver's fees and disbursements, approval of the Receiver's activities and discharge of the Receiver **AND UPON** having read the Seventh Report of the Receiver dated April 5, 2017 (the **Seventh Report**); **AND UPON** hearing counsel for the Receiver, counsel for the Debtor and counsel for various creditors; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED THAT:**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given;
2. Capitalized terms not defined herein have the meaning given to those terms in the Seventh Report.
3. The Receiver's accounts for fees and disbursements, as set out in the Seventh Report are hereby approved without the necessity of a formal passing of its accounts.

4. The accounts of the Receiver's legal counsel, Norton Rose Fulbright Canada LLP, for its fees and disbursements, as set out in the Seventh Report are hereby approved without the necessity of a formal assessment of its accounts.
5. The Receiver's activities as set out in the Seventh Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Seventh Report, are hereby ratified and approved.
6. The Receiver is authorized and directed to establish the following holdback funds:
 - (a) The Propak Holdback, to be held in trust in the amount of \$1,674,605.06, as defined as defined and further described in the Seventh Report; and
 - (b) The Pembina Holdback, to be held by the Receiver in the amount of \$1.64 million, as defined and further described in the Seventh Report. Further to the Receiver's Sixth Report and the Pre-Receivership Distributions Order filed February 2, 2017, this authorization and direction is made without prejudice to the rights of the parties in connection with the prosecution and defence of Court of Queen's Bench Action No. 1601-4332;
7. The Receiver is authorized and directed to make the following distributions:
 - (a) the Receivership Claim Distribution, as defined and further described in the Seventh Report; and
 - (b) the Shareholder Payment and the Additional Shareholder Payments, as defined and further described in the Seventh Report and the Supplement to the Seventh Report of the Receiver filed April 11, 2017.
8. NGP IX Holdings I, S.à.R.L., NGP Quatro S.à.R.L. and Mosaic Co-Investors S.à.R.L. are hereby authorized to retain and instruct counsel on behalf of Mosaic with respect to the conduct of Court of Queen's Bench Action nos 1501-13956 and 1501-13985, and the Propak Claim and Propak Counterclaim, as defined in the Sixth Receivers' Report.
9. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
10. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
11. Upon the Receiver filing with the Clerk of the Court a certificate endorsed by the Receiver confirming that:
 - (a) all matters set out in paragraph 5 of this Order have been completed;
 - (b) notices to collect outstanding joint venture and oil and gas receivables have been prepared and issued;

- (c) the review of Pre-Receivership Claims and Receivership Claims is complete, any required notices of revision have been issued by the Receiver, and any disputes with respect to the Claims Procedure or the Receivership Claims Procedure have been fully and finally resolved;
- (d) final statements of adjustments in respect of the sales of certain assets of the Debtor to Strath Resources Ltd. (**Strath**) and Predator Oil Ltd. (**Predator**) have been completed, and provided to the purchasers;
- (e) any claim of Predator arising from the unintentional assignment of a liquids marketing agreement to Predator by the Receiver has been fully and finally settled and resolved;
- (f) the Receiver has prepared, completed, and filed all outstanding GST returns and the 2016 income tax return for the Debtor;
- (g) a Share Repurchase and Settlement Agreement between the Receiver, NGP IX Holdings I, S.A.R.L. and NGP Quatro S.A.R.L., Mosaic Co-Investors S.A.R.L. and Sabertooth Resources S.A.R.L. and certain of Mosaic's minority shareholders the **Share Repurchase Agreement**) has been executed by the parties, and approved by this Court; and
- (h) any final funds remaining after the distributions described and contemplated in the Seventh Report have been remitted to the shareholders of Mosaic in accordance with the Share Repurchase Agreement;

then the Receiver shall be discharged as Receiver of the Debtor, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

- 12. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
- 13. Service of this Order on any party not attending this application is hereby dispensed with.

K.D. Yamauchi

Justice of the Court of Queen's Bench of Alberta