

COURT FILE NO. 1601-06131

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT **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 CONNACHER OIL AND GAS LIMITED

I hereby certify this to be a true copy of the original order
Dated this 13 day of June 18
Kef
for Clerk of the Court

DOCUMENT **APPROVAL AND VESTING ORDER (SALE OF TRAILERS – VENTURES TRANSACTION)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888-3rd Street SW
Calgary, AB T2P 5C5

Attn: R. Shayne Kukulowicz/Ryan Jacobs/Jeffrey Oliver
Tel: 403-351-2920
Fax: 403-648-1151
skukulowicz@casselsbrock.com
rjacobs@casselsbrock.com
joliver@casselsbrock.com

DATE ON WHICH ORDER WAS PRONOUNCED: June 11, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

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

UPON THE APPLICATION by Connacher Oil and Gas Limited (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by invoice number MI2018trailers23-26 dated April 25, 2018 (the "**Invoice**") pursuant to which the Debtor agreed to sell

and Ventures North Financial Group LP (the "**Purchaser**") agreed to purchase the assets described in the Invoice (the "**Purchased Assets**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Purchased Assets;

AND UPON HAVING READ the Application, the Affidavit of Jeff Beeston sworn on June 4, 2018, the Sixteenth Report of Ernst & Young Inc., the Court-appointed monitor of the Debtor (the "**Monitor**"), and the pleadings and proceedings herein, including the Initial Order granted on May 17, 2016 (the "**Initial Order**"); **AND UPON** hearing counsel for the Debtor, the Monitor and the First Lien Agent (as each defined in the Initial Order) and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Benjamin Goodis sworn on June 4, 2018, filed, the Affidavit of Service of Benjamin Goodis sworn on June 5, 2018, filed, and the Affidavit of Service of Richard Comstock sworn on June 7, 2018, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

- [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.

APPROVAL OF TRANSACTIONS

- [2] The Transaction is hereby approved, with such minor amendments, modifications or alterations as the Debtor and the Purchaser deem necessary and consent to in writing. The Debtor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

- [3] Upon the delivery of a Monitor's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Invoice shall vest absolutely in the name of the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other

financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing:

- i. any encumbrances or charges created by the Initial Order; and
- ii. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all other encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

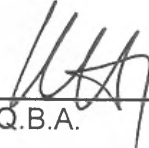
- [4] The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
- [5] The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
- [6] The Purchaser shall be entitled to hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
- [7] The Monitor is to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof to the Purchaser.
- [8] Notwithstanding:
 - i. The pendency of these proceedings;
 - ii. Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
 - iii. Any assignment in bankruptcy made in respect of the Debtor

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- [9] The Debtor, the Monitor, the Purchaser, and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

MISCELLANEOUS MATTERS

- [10] This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Debtor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Debtor and its agents in carrying out the terms of this Order.
- [11] 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.
- [12] Service of this Order on any party not attending this application is hereby dispensed with.



J.C. C.Q.B.A.

Schedule "A"**Form of Monitor's Certificate**

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Clerk's Stamp

DOCUMENT**Monitor's Certificate**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

McCarthy Tétrault LLP
Suite 4000,
431 7th Avenue SW
Calgary, Alberta M5H 3C2
Attn: Sean Collins
Walker MacLeod
Telephone: 403-260-3531
403-460-3710
Email: scollins@mccarthy.ca
wmacleod@mccarthy.ca

RECITALS

- A. Pursuant to an Initial Order (the "**Initial Order**") of the Honourable Madam Justice Dario of the Court of Queen's Bench of Alberta, Judicial District of Calgary, Alberta (the "**Court**") dated May 17, 2016, Connacher Oil and Gas Limited (the "**Debtor**") was granted protection under the *Companies' Creditors Arrangement Act* ("**CCAA**").
- B. Pursuant to the terms of the Initial Order, Ernst & Young Inc. (the "**Monitor**") was appointed as monitor in respect of the Debtor under the CCAA proceeding.

- C. Pursuant to an Order of the Court dated June 11, 2018, the Court approved the sale (the "**Transaction**") of the assets (the "**Purchased Assets**") listed in invoice number MI2018trailers23-26 dated April 25, 2018 (the "**Invoice**") by the Debtor to Ventures North Financial Group LP (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; and (ii) the Transaction has been completed to the satisfaction of the Monitor.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Invoice.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Debtor has received the Purchase Price for the Purchased Assets payable pursuant to the Invoice; and
2. The Transaction has been completed to the satisfaction of the Monitor.
3. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**Ernst & Young Inc., in its capacity
as court-appointed Monitor of
Connacher Oil and Gas Limited,
and not in its personal capacity.**

Per: _____

Name:

Title: