Clerk's stamp:

FILED
JUN 27 2017
JUDICIAL CENTRE OF CALGARY
CLERK OF THE COURT

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**
DOCUMENT	**ORDER (STAY EXTENSION, JPL SETTLEMENT & APPROVAL OF SECOND SUPPLEMENTAL KERP AND 2017 LTIP)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 1250, Millennium Tower 440 2nd Avenue SW Calgary, AB T2P 5E9 Attn: 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 27, 2017
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice Jeffrey
LOCATION OF HEARING:	Calgary, Alberta

I hereby certify this to be a true copy of
the original Order
Dated this 27 day of June 2017
for Clerk of the Court

UPON the application of Connacher Oil and Gas Limited ("**Connacher**"); **AND UPON** having read the Application, the Affidavit No. 9 of Merle Johnson sworn on June 19, 2017 (the "**Johnson Affidavit**"), the Ninth Report of Ernst & Young Inc., the Court-appointed monitor of Connacher (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 Connacher, the Monitor and the Interim Financing Agent and First Lien Agent (as each defined in the Initial Order), and counsel for the other interested parties appearing;

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, no other person is required to have been served with notice of this application and this application is properly returnable today.

Stay Extension

2. The Stay Period, as ordered and defined in paragraph 14 of the Initial Order, is hereby extended until and including January 31, 2018.

JPL Settlement Approval

3. The settlement agreement between Connacher and Jim Pattison Industries Ltd. doing business as Jim Pattison Leasing ("**JPL**") dated June 19, 2017 as attached at Exhibit "2" to the Johnson Affidavit (the "**Settlement Agreement**") is hereby approved, and Connacher is hereby authorized and directed to perform its obligations under the Settlement Agreement.

4. Without limiting the foregoing, subject to and in accordance with the terms and conditions of the Settlement Agreement: (i) Connacher is hereby authorized to release to JPL possession of the JPL Leased Vehicles (as defined in the Settlement Agreement) and (ii) upon JPL or its agents taking possession of the JPL Leased Vehicles pursuant to the Settlement Agreement, all of Connacher's rights, title and interest in and to the JPL Leased Vehicles is hereby released to JPL.

5. Subject to and in accordance with the terms and conditions of the Settlement Agreement, upon the effectiveness of the settlement contemplated therein, any and all actual or potential actions, causes of action, suits, debts, duties, accounts, bonds, dues,

covenants, contracts, rights, costs and expenses, judgments, claims, proceedings, obligations and demands whatsoever, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including fees and disbursements of legal counsel, whether known or unknown, howsoever arising of every nature and kind whatsoever which JPL ever had, now have or may hereinafter have against the Connacher Releasees (as defined in the Settlement Agreement), including without limitation by reason of, arising out of or relating to the JPL Leases, the JPL Leased Vehicles (including Connacher's use and operation of the JPL Leased Vehicles), the JPL Accrued Rent, the JPL Application, the Original JPL Claim (as each term is defined in the Settlement Agreement), and Connacher's proceeding under the CCAA, are hereby forever extinguished and discharged, provided that nothing in this paragraph shall extinguish or discharge the JPL Claim (as defined in the Settlement Agreement) which shall constitute an accepted unsecured claim in Connacher's CCAA proceeding.

6. Subject to and in accordance with the terms and conditions of the Settlement Agreement, upon the effectiveness of the settlement contemplated therein, any and all actual or potential actions, causes of action, suits, debts, duties, accounts, bonds, dues, covenants, contracts, rights, costs and expenses, judgments, claims, proceedings, obligations and demands whatsoever, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including fees and disbursements of legal counsel, whether known or unknown, howsoever arising of every nature and kind whatsoever which Connacher ever had, now have or may hereinafter have against the JPL Releasees (as defined in the Settlement Agreement), including without limitation by reason of, arising out of or relating to the JPL Leases, the JPL Leased Vehicles (including Connacher's use and operation of the JPL Leased Vehicles), and the JPL Application, are hereby forever extinguished and discharged.

7. Any disputes in connection with the Settlement Agreement shall be determined by this Court on application, on not less than 7 days' notice, by either Connacher, the Monitor or JPL.

Second Supplemental Key Employee Retention Plan

8. The second supplemental key employee retention plan (the "**Second Supplemental KERP**") described at paragraphs 35 to 46 of the Johnson Affidavit and Confidential Exhibit "1" to the Johnson Affidavit is hereby authorized and approved and Connacher (and any other person that may be appointed to act on behalf of Connacher, including without limitation, any trustee, liquidator, receiver, interim receiver, receiver and manager or other person acting on behalf of any such person) is authorized and directed to perform the obligations under the Second Supplemental KERP and to make the payments contemplated by the Second Supplemental KERP in accordance with the terms of the Second Supplemental KERP.

Employee Long Term Incentive Plan

9. Connacher (and any other person that may be appointed to act on behalf of Connacher, including without limitation, any trustee, liquidator, receiver, interim receiver, receiver and manager or other person acting on behalf of any such person) is authorized and directed to perform the obligations under the 2017 LTIP as defined and described at paragraphs 47 to 54 of the Johnson Affidavit and Confidential Exhibit "2" to the Johnson Affidavit and to make the payments that will vest and become due to employees thereunder on July 1, 2017.

KERP/LTIP Charge

10. All obligations under the Second Supplemental KERP and 2017 LTIP shall be secured by the KERP/LTIP Charge (as created and defined in the Initial Order) and the beneficiaries of the Second Supplemental KERP and 2017 LTIP are hereby granted all of the rights and benefits of the KERP/LTIP Charge set out in the Initial Order.

Sealing Order

11. Confidential Exhibit "1" and Confidential Exhibit "2" to the Johnson Affidavit (the "**Confidential Materials**") shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Confidential Materials shall be kept confidential and shall not form part of the public record, but rather shall be placed, separate and apart from all contents in the Court file to be shown only to a Justice of this Court, in a

sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order.

Justice of the Court of Queen's Bench of Alberta