Clerk's stamp:

JUDICIAL CENTRE OF CALGARY
FILED
FEB 07 2017
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 (EMPLOYEE SEVERANCE PROGRAM AND ARUNDEL SETTLEMENT AGREEMENT)**
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

I hereby certify this to be a true copy of the original Order
Dated this 7 day of Feb/17
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED:	Monday, February 6, 2017
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice Jeffrey
LOCATION OF HEARING:	Calgary, Alberta

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**" or "**Connacher**"); **AND UPON** having read the Application, the Affidavit No. 1 of Jeff Beeston sworn on January 30, 2017 (the "**Beeston Affidavit**"), the Seventh Report of Ernst & Young Inc., the Court-appointed monitor of the Applicant (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 Applicant, 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.

EMPLOYEE SEVERANCE PROGRAM

2. Until further Order of this Court, and subject to the consent of the Interim Financing Agent, Connacher be and is hereby authorized and directed to pay to any employee whose employment is terminated by Connacher an amount equal to (i) two weeks' salary per year of service plus (ii) 6% of the total amount provided for in (i), provided that:

   (a) the employee has not resigned, been terminated with cause, or, in the opinion of such employee's direct supervisor and/or Connacher's executive management team, failed to perform his/her duties and responsibilities diligently, faithfully and honestly;

   (b) the employee's employment is terminated by Connacher in the ordinary course of business during the pendency of Connacher's CCAA proceeding, and not in connection with or following any (i) court-approved sale of all or substantially all of Connacher's business or assets, (ii) court-approved restructuring transaction implemented by Connacher, (iii) termination of this CCAA proceeding, or (iv) cessation of Connacher's operations; and

   (c) the employee is not otherwise a beneficiary under the key-employee retention plan approved by Order of this Court dated November 14, 2016.

ARUNDEL SETTLEMENT AGREEMENT

3. The settlement agreement between Connacher and Arundel Capital Corporation ("**Arundel**") dated January 26, 2017 as attached at Exhibit "B" to the Beeston 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, Connacher is hereby authorized to:

   (a) pay to Arundel the amount of $170,307.00 from the Insurance Proceeds (as defined in the Settlement Agreement) and retain the balance of the Insurance Proceeds for its own use; and

   (b) release to Arundel possession of the Remaining Trailers (as defined in the Settlement Agreement) and, upon Arundel or its agents taking possession of the Remaining Trailers or being deemed to take possession of the Remaining Trailers pursuant to the Settlement Agreement, all of Connacher's rights, title and interest in and to the Remaining Trailers is hereby released to Arundel.

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 Arundel ever had, now have or may hereinafter have against the Releasees (as defined in the Settlement Agreement), including without limitation by reason of, arising out of or relating to the Lease Agreements, the Trailers (including Connacher's use and operation of the Trailers), the Written Off Trailer, the Insurance Proceeds, the Remaining Trailers (as each term is defined in the Settlement Agreement), and Connacher's proceeding under the CCAA, are hereby forever extinguished and discharged. Without limiting the foregoing, upon the effectiveness of the settlement contemplated by the Settlement Agreement, the claims asserted in the proof of claim filed by Arundel in accordance with the Claims Procedure Order granted by this Court on August 24, 2016 (the "**Claims Procedure Order**") are hereby forever extinguished and discharged and such proof of claim shall be deemed to be disallowed under the Claims Procedure Order.

6. 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 or Arundel.

Justice of the Court of Queen's Bench of Alberta