

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 (APPROVAL OF AMENDED AND
RESTATED SUPPORT AGREEMENT)**

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, Alberta T2P 5C5

Attn: Ryan Jacobs/Joseph Bellissimo/Natalie E. Levine
Tel: 403-351-2920
Fax: 403-648-1151
rjacobs@casselsbrock.com
jbellissimo@casselsbrock.com
nlevine@casselsbrock.com

**DATE ON WHICH ORDER
WAS PRONOUNCED:** May 16, 2019

**LOCATION OF HEARING
OR TRIAL:** Calgary, Alberta

**NAME OF JUDGE WHO
MADE THIS ORDER:** The Honourable Mr. Justice Jones



I hereby certify this to be a true copy of
the original ORDER
dated this 16 day of May 20 19
[Signature]
for Clerk of the Court

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**") for an Order, among other things, (i) approving the amended and restated support agreement dated May 6, 2019 among the Applicant, the Consenting First Lien Lenders and the First Lien Agent (the "**Amended and Restated Support Agreement**") and authorizing and directing the Applicant to comply with its obligations thereunder, (ii) approving the credit bid key employee retention plan attached at Schedule "H" to the Amended and Restated Support Agreement (the "**Credit Bid KERP**") and authorizing and directing the Applicant to perform its obligations under the Credit Bid KERP and to make the payments contemplated by the Credit Bid KERP, (iii) declaring that all obligations under the Credit Bid KERP shall be secured by the KEIP Charge (as created and defined in the Order (Support Agreement, SISP & KEIP Approval) granted by the Honourable Associate Chief Justice J.D. Rooke on March 28, 2018) (the "**Support Agreement, SISP & KEIP Approval Order**"); (iv) sealing Confidential Exhibit "1" to the Affidavit of Merle Johnson sworn on May 6, 2019 (the "**Johnson Affidavit**") on the Court file; and (v) sealing Confidential Exhibit "1" to the Affidavit of Richard Comstock sworn on May 7, 2019 (the "**Comstock Affidavit**") on the Court file

AND UPON having read the Application, the Johnson Affidavit, the Comstock Affidavit, the 21st Report of Ernst & Young Inc. as the Court-appointed Monitor of the Applicant, 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, the First Lien Agent and the Consenting First Lien Lenders, and counsel for the other interested parties appearing, with no one else appearing although duly served as appears from the Affidavits of Service of Benjamin Goodis sworn May 6, 2019 and May 7, 2019 and the Affidavits of Service of Linda Passilidis sworn May 7, 2019 and May 8, 2019, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.

AMENDED AND RESTATED SUPPORT AGREEMENT

2. The Amended and Restated Support Agreement is hereby approved. The execution and delivery of the Amended and Restated Support Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Applicant may deem necessary, and the Applicant is hereby authorized, empowered and directed to take all steps and actions in respect of, and to comply with all of its obligations pursuant to, the Amended and Restated Support Agreement. Nothing in this paragraph shall constitute approval of the PSA (as defined in the Amended and Restated Support Agreement) or the transactions contemplated therein.

CREDIT BID KEY EMPLOYEE RETENTION PLAN

3. The Credit Bid KERP described in the Johnson Affidavit, Confidential Exhibit "1" to the Johnson Affidavit and Confidential Exhibit "1" to the Comstock Affidavit is hereby authorized and approved and the Applicant (and any other person that may be appointed to act on behalf of the Applicant, 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 Credit Bid KERP and to make the payments contemplated by the Credit Bid KERP in accordance with the terms of the Credit Bid KERP.
4. All claims of the key employees designated under the Credit Bid KERP (the "**Credit Bid KERP Beneficiaries**") to the Credit Bid KERP payments shall be treated as "Unaffected Claims" under the CCAA Plan (as defined in the Amended and Restated

Support Agreement), and are claims that may not be compromised pursuant to the CCAA Plan or any other plan of compromise or arrangement filed by the Applicant under the *Companies' Creditors Arrangement Act* (Canada), any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* (Canada), or any other restructuring and no such plan, proposal or restructuring shall be approved that does not provide for the payment of any Credit Bid KERP payments due to the Credit Bid KERP Beneficiaries under the terms of the Credit Bid KERP. The obligations and liabilities of the Applicant under the Credit Bid KERP shall be treated as Assumed Liabilities as defined in and pursuant to the PSA.

KEIP CHARGE

5. All obligations under the Credit Bid KERP shall be secured by the KEIP Charge and the Credit Bid KERP Beneficiaries are hereby granted all of the rights and benefits of the KEIP Charge set out in the Support Agreement, SISP & KEIP Approval Order.

SEALING ORDER

6. Confidential Exhibit "1" to the Johnson Affidavit and Confidential Exhibit "1" to the Comstock 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.

MISCELLANEOUS

7. This Court hereby requests the aid and recognition of any court, tribunal, and regulatory or administrative body having jurisdiction in Canada or the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the

Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory or administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, or any of them, and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Applicant in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

"C. Jones"

J.C.Q.B.A.