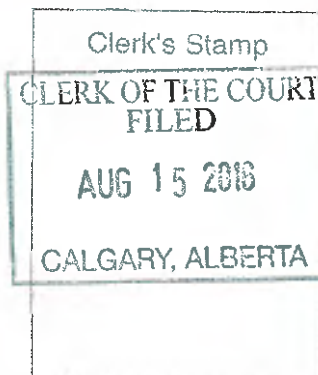


COURT FILE NUMBER 1601-06131

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

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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**AFFIDAVIT NO. 4 OF MERLE JOHNSON
Sworn on August 15, 2016**

I, Merle Johnson, of the City of Calgary, Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the Chief Executive Officer and a director of Connacher Oil and Gas Limited ("**Connacher**" or the "**Applicant**"). As such I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based on information and belief, in which case I do verily believe the same to be true.

2. I previously swore an Affidavit in this Action on May 16, 2016 (the "**First Affidavit**"), a second Affidavit on May 30, 2016, and a third Affidavit on August 2, 2016. Where I use capitalized terms in this Affidavit No. 4, but do not define them, I intend them to bear their meanings as defined in the First Affidavit.
3. I make this Affidavit No. 4 in support of an application for an Order (the "**Claims Procedure Order**") in substantially the form set forth in Schedule "A" to the Applicant's Application filed concurrently with this Affidavit, approving a claims procedure ("**Claims Procedure**") for the identification and determination of claims against the Applicant and its present and future directors and officers.
4. I am advised by the Monitor and do verily believe that the Monitor supports this application. Further, I am advised by counsel for the Interim Financing Agent and First Lien Agent and do verily believe that the Interim Financing Agent and First Lien Agent also support this application.
5. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

I. ACTIVITIES TO DATE

6. Since the commencement of this CCAA proceeding and the last stay extension hearing, the Applicant has been actively engaged in advancing the restructuring proceedings for the benefit of all stakeholders. The Applicant has taken, and continues to take, significant steps to advance the restructuring, and has been granted extensions of the Stay Period as initially granted by the Honourable Court in the Initial Order dated May 18, 2016 (the "**Initial Order**") and extended by way of Orders granted by this Honourable Court on June 10, 2016 and on August 10, 2016 to facilitate the restructuring process.
7. Currently, the Applicant is working with the Monitor to, among other things, pursue the sale and investment solicitation process which was approved by this Honourable Court on May 17, 2016, (the "**SISP**"), a copy of which is attached to the Initial Order as Schedule "A". Phase II Bids (as defined in the SISP), being final binding bids, are due on August 19, 2016 - the deadline was previously extended in accordance with the terms of the SISP.

II. CLAIMS PROCEDURE ORDER

8. Based on my discussions with the Applicant's legal counsel and the Monitor, I believe:
 - (a) the Applicant developed the Claims Procedure in consultation with the Monitor and the Interim Financing Agent;
 - (b) the Claims Procedure for which approval is sought herein is similar to claims procedures used in other CCAA proceedings. The Claims Procedure is designed to create a process that will allow for a timely review and determination of all potential claims against the Applicant or its directors and officers, and appropriately balances the Applicant's need to proceed expeditiously with the need to provide creditors with appropriate notice of the requirement to file a claim;
 - (c) the Claims Procedure sets September 26, 2016 at 5:00 p.m. (Calgary time) as the deadline for claimants to file a proof of claim asserting claims against the

Applicant or its directors or officers, other than in respect of claims arising from a post-filing termination or disclaimer of a contract by the Applicant which must be filed by the later (i) 5:00 p.m. (Calgary time) on September 26, 2016 or (ii) fifteen calendar days following the termination or disclaimer;

- (d) the Claims Procedure will be effective and is reasonable and appropriate in these proceedings; and
- (e) commencing a process to determine the nature, quantum, and validity of each claim against the Applicant and its directors and officers through the Claims Procedure will allow the Applicant to be in a position to make informed decisions regarding bids received in the SISP and better evaluate, and ultimately implement, available restructuring options without undue delay.

III. CONCLUSION

9. I believe the relief sought herein is appropriate under the circumstances.

SWORN before me at the City of
Calgary, in the Province of Alberta,
on August 15, 2016,

Commissioner for Oaths/Notary Public in
and for the Province of Alberta

Danielle S. Maréchal
Barrister and Solicitor

MERLE JOHNSON