Form 27
[Rules 6.3 and 10.52(1)]

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	**APPLICATION** **(STAY EXTENSION, ROYALTY AGREEMENT & INTERIM FINANCING REPAYMENT)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Suite 1250, Millennium Tower 440 - 2nd Avenue SW Calgary, Alberta 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

CLERK OF THE COURT
FILED
JAN 22 2018
JUDICIAL CENTRE
OF CALGARY

NOTICE TO RESPONDENT(S):
This Application is made against you. You are a Respondent.

You have the right to state your side of this matter before the Master/Judge.

To do so, you must be in Court when the Application is heard as shown below:

Date:	January 29, 2018
Time:	3:00 pm
Where:	Calgary Courts Centre, 601 - 5 Street S.W. Calgary, AB T2P 5P7
Before Whom:	The Honourable Madam Justice Campbell

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Connacher Oil and Gas Limited ("**Connacher**") seeks an order substantially in the form attached hereto as Schedule "A" (the "**Stay Extension Order**") extending the stay of proceedings (the "**Stay Period**") established by Initial Order granted by the Honourable Madam Justice Dario on May 17, 2016 (the "**Initial Order**") through and including June 29, 2018.

2. Connacher seeks a further order substantially in the form attached hereto as Schedule "B" (the "**Royalty Approval and Vesting Order**"):

   (a) if necessary, abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient;

   (b) approving and authorizing Connacher to enter into the royalty agreement (the "**BEH Royalty Agreement**") between Connacher and Burgess Energy Holdings, L.L.C. ("**BEH**"), including the grant by Connacher in favour of BEH of the Royalty (as defined in the BEH Royalty Agreement) in accordance with the terms thereof and vesting all of Connacher's right, title and interest in and to the Royalty in BEH;

   (c) approving and authorizing the grant of the Lien (as defined in the BEH Royalty Agreement) by Connacher to BEH;

   (d) sealing Confidential Exhibit "1" to the Affidavit of Merle Johnson sworn January 22, 2018 (the "**Johnson Affidavit**"), containing an unredacted version of the BEH Royalty Agreement, on the Court file;

   (e) authorizing and directing Connacher to forthwith pay to the Interim Financing Agent (as defined in the Initial Order) from the Consideration (as defined in the BEH Royalty Agreement) to be received by Connacher under the BEH Royalty Agreement such amount as agreed to among Connacher, the Monitor and the Interim Financing Agent (as defined in the Initial Order) or as determined by further order of this Honourable Court to satisfy in full all of the obligations (including the outstanding principal, accrued interest and all fees) owing by Connacher under the Interim Financing Credit Facility (as defined in the Initial Order); and

3. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem appropriate in the circumstances.

Grounds for making this Application:

4. On May 17, 2016, the Honourable Madam Justice Dario of this Honourable Court granted the Initial Order which provided for, among other things, a stay of proceedings up to and including June 16, 2016 pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") in favour of Connacher, which has most recently been extended by this Honourable Court to January 31, 2018.

5. Pursuant to the terms of the Initial Order, Ernst & Young Inc. (the "**Monitor**") was appointed as monitor in this CCAA proceeding.

Stay Period Extension

6. Working with the Monitor and the Interim Lenders (and with the approval of this Honourable Court as applicable), since its CCAA filing, Connacher has pursued and implemented a number of business and cash flow optimization strategies and has been evaluating potential restructuring and exit strategies to maximize value for stakeholders.

7. With these objectives in mind, Connacher is now seeking (i) an extension of the CCAA Stay Period in order to appropriately develop and pursue a renewed sale and investment solicitation process (the "**SISP**") and (ii) approval of the BEH Royalty Agreement which will provide Connacher with the funds necessary to repay the Interim Financing in full (without depleting Connacher's cash) and provide additional and sufficient capital for the business to assist in facilitating a successful exit from CCAA protection in 2018.

8. With the assistance of the Monitor, Connacher has engaged in discussions with its key lenders on the terms of the anticipated renewed SISP to be conducted by Connacher (subject to approval by this Honourable Court) that would be back-stopped by a stalking horse credit-bid from its first lien lenders.

9. Connacher is seeking an extension of the Stay Period to June 29, 2018 to allow it to complete those discussions and to (if approved by the Court on a further application) implement the proposed SISP.

10. Based on Connacher's current cash on hand and cash flow projections, Connacher will have sufficient liquidity through the proposed extension of the Stay Period.

11. Connacher has been acting in good faith and with due diligence in these proceedings and it is in the best interests of Connacher and its stakeholders that the Stay Period be extended to June 29, 2018.

12. The proposed Stay Period extension is supported by the Monitor, the Interim Financing Agent, and the First Lien Agent.

BEH Royalty Agreement

13. Subject to approval of this Honourable Court, Connacher has entered into the BEH Royalty Agreement, pursuant to which, Connacher will grant to BEH a sliding scale royalty interest in the bitumen produced by Connacher, free and clear of any and all encumbrances (the "**Royalty**"), as more particularly described in the Johnson Affidavit.

14. The Royalty is to be secured by a lien (the "**Lien**") on Connacher's working interest in the Royalty Lands, the Bitumen within, upon, or under the Royalty Lands, or produced therefrom, and the wells and other tangible equipment thereon (as such terms are defined in the BEH Royalty Agreement).

15. The closing of the transaction contemplated by the BEH Royalty Agreement is conditional upon certain conditions precedent, including, but not limited to, the receipt of the Royalty Approval and Vesting Order substantially in the form appended hereto.

16. Connacher believes that the BEH Royalty Agreement will be of significant value to its business and operations, and that approval of the BEH Royalty Agreement is in the best interests of Connacher and its stakeholders.

17. The approval of the BEH Royalty Agreement is supported by each the Monitor, the Interim Lenders, the Interim Financing Agent and the First Lien Agent.

Repayment of the Interim Financing

18. In connection with the approval of the BEH Royalty Agreement, Connacher seeks authorization, following closing of the transaction contemplated by the BEH Royalty Agreement, to forthwith pay to the Interim Financing Agent from the Consideration such amount as agreed to among Connacher, the Monitor, and the Interim Financing Agent or as determined by further order of this Court to satisfy in full all of the obligations owing by Connacher under the Interim Financing Credit Facility.

19. Repayment of the Interim Financing Credit Facility is in the best interest of Connacher and its stakeholders, as it will allow Connacher to cease paying interest and remove certain administrative and operational burdens imposed by the Interim Financing Credit Agreement.

20. Based on Connacher's cash flow projections, Connacher will have sufficient liquidity (after repayment of the Interim Financing Credit Facility) through to at least the proposed expiry of the Stay Period and Connacher does not forecast or anticipate any need for interim financing during that period.

21. The requested provisions of the Royalty Approval and Vesting Order addressing the repayment of the Interim Financing Credit Facility are acceptable to Connacher, the Monitor, BEH, the Interim Lenders and the Interim Financing Agent.

Sealing Requests

22. Confidential Exhibit "1" to the Johnson Affidavit contains sensitive commercial information, the disclosure of which would be harmful to BEH's and Connacher's commercial interests. Therefore, Connacher is requesting that Confidential Exhibit "1" to the Johnson Affidavit be sealed on the Court file.

23. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

24. The Johnson Affidavit, including Confidential Exhibit "1" attached thereto, filed.

25. The Thirteenth Report of the Monitor, to be filed.

26. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

27. Alberta *Rules of Court*, AR 124/2010.

28. Such further and other rules as counsel may advise and this Honourable Court may permit

Applicable Acts and regulations:

29. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended.

30. *Judicature Act*, R.S.A. 2000, c. J-2.

31. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

32. None.

How the Application is proposed to be heard or considered:

33. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A" TO APPLICATION

COURT FILE NO.	1601-06131	Clerk's Stamp
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	**STAY EXTENSION ORDER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 1250, Millennium Tower 440 – 2nd Avenue SW Calgary, Alberta 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: January 29, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice G.A. Campbell

UPON THE APPLICATION by Connacher Oil and Gas Limited (the "**Applicant**"); **AND UPON HAVING READ** the Affidavit of Merle Johnson dated January 22, 2018 (the "**Johnson Affidavit**"), the Thirteenth Report of Ernst & Young Inc. in its capacity as 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, the Interim Financing Agent and the First Lien Agent (each as defined in the Initial Order), with no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ● sworn on January ●, 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.

EXTENSION OF THE STAY PERIOD

2. The Stay Period, as ordered and defined in paragraph 14 of the Initial Order, is hereby extended until and including June 29, 2018.

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

SCHEDULE “B” TO APPLICATION

COURT FILE NO.	1601-06131	Clerk's Stamp
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	**ROYALTY APPROVAL AND VESTING ORDER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**Cassels Brock & Blackwell LLP** Suite 1250, Millennium Tower 440 – 2nd Avenue SW Calgary, Alberta 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: January 29, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice G.A. Campbell

UPON THE APPLICATION by Connacher Oil and Gas Limited (the "**Debtor**") for an order approving the royalty transaction (the "**Royalty Transaction**") contemplated by a royalty agreement (the "**Royalty Agreement**") between the Debtor and Burgess Energy Holdings, L.L.C. (the "**Royalty Owner**") substantially in the form of such Royalty Agreement being appended at Exhibit "A" to the Affidavit of Merle Johnson sworn on January 22, 2018 (the

“**Johnson Affidavit**”), and vesting in the Royalty Owner the Royalty (as defined in the Royalty Agreement) to which the Royalty Owner is entitled pursuant to the terms of the Royalty Agreement;

AND UPON HAVING READ the Initial Order dated May 17, 2016 (the “**Initial Order**”), the Johnson Affidavit, the Thirteenth Report of Ernst & Young Inc. in its capacity as Court-appointed monitor of the Debtor (the “**Monitor**”) and the Affidavit of Service of ● sworn on January ●, 2018;

AND UPON HEARING the submissions of counsel for the Debtor, the Monitor, the Interim Financing Agent, the First Lien Agent, and the Royalty Owner, with no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, 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 Royalty Transaction is hereby approved, and the execution and delivery of the Royalty Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor, in consultation with the Royalty Owner, may deem necessary. 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 Royalty Transaction or for the grant of the Royalty to the Royalty Owner.

3. Without limiting the foregoing, the grant of the Lien (as defined in the Royalty Agreement) by the Debtor to the Royalty Owner is hereby authorized and approved.

VESTING OF ROYALTY

4. Upon the delivery of the Monitor's certificate to the Royalty Owner, 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 Royalty shall vest absolutely in the name of the Royalty Owner in accordance with and subject to the terms of the Royalty Agreement, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, royalties, pledges, options, privileges, interests, assignments, actions, 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**"), but for clarity save and except for those Permitted Encumbrances (as defined in Sections 1.1(ww)(iii) to 1.1(ww)(xii) inclusive of the Royalty Agreement), but only to the extent that such Permitted Encumbrances: (a) are applicable to the Royalty Lands (as defined in the Royalty Agreement) and (b) indirectly encumber the Bitumen (as defined in the Royalty Agreement) within, upon or under the Royalty Lands.

5. From and after the delivery of the Monitor's Certificate to the Royalty Owner, no holder of any security interests in and to, or over, the Royalty Lands (including, without limitation: (x) those granted by the Debtor to a lender, debentureholder or any other Person (as defined in the Royalty Agreement), including, without limitation, the Existing Lender Security (as defined in the Royalty Agreement); and (y) those arising as a result of, or granted by the Court in connection with the Debtor's proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36) or applicable agent, trustee or collateral trustee thereunder or in respect thereof shall (a) have any interest in or to the Royalty, (b) seek to foreclose, or otherwise acquire an interest in the Royalty Lands (as defined in the Royalty Agreement) without acknowledgement that such assets are subject to the Royalty and the terms and conditions of the Royalty Agreement, (c) seek or support any conveyance of all or any portion of the Royalty Lands free and clear of the Royalty, (d) seek or support any restructuring plan or proposal or otherwise make or support any claim that (i) purports to eliminate or modify the Royalty or the Royalty Agreement without the express written consent of the Royalty Owner, (ii) contests, challenges or brings into question the validity or

enforceability of the Royalty as an interest in land, and specifically, in and to the Royalty Lands, or (iii) contest or challenge in any way the validity or enforceability of all terms, covenants, and conditions in the Royalty Agreement as running with and binding upon the Title and Operating Documents (as defined in the Royalty Agreement), the Royalty Lands and the estates affected thereby for the life of any of the Title and Operating Documents, subject to the terms and conditions of the Royalty Agreement.

6. The closing of the Royalty Transaction shall be effected automatically upon the execution and delivery of the Royalty Agreement by the Debtor and the Royalty Owner and payment of the Consideration (as defined in the Royalty Agreement) in accordance with the terms of the Royalty Agreement and such amendments to the Royalty Agreement as may be agreed to in writing between the Royalty Owner and the Debtor.

7. For the purposes of determining the nature and priority of Claims, the Consideration received by the Debtor pursuant to the Royalty Agreement shall stand in the place and stead of the Royalty, and from and after the delivery of the Monitor’s Certificate all Claims shall attach to the Consideration with the same nature and priority as they had with respect to the Royalty immediately prior to the grant of the Royalty, as if the Royalty had not been granted.

8. The Royalty Owner shall, by virtue of the completion of the Royalty Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.

9. The Monitor is to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof to the Royalty Owner.

10. Notwithstanding:

    (a) the pendency of these proceedings;

    (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Royalty in the Royalty Owner 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 BIA 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.

11. The Debtor, the Monitor, the Royalty Owner 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 Royalty Transaction.

INTERIM FINANCING REPAYMENT

12. The Debtor is hereby authorized and directed, following the closing of the Royalty Transaction, to forthwith pay to the Interim Financing Agent from the Consideration to be received under the Royalty Agreement such amount as agreed to among the Debtor, the Monitor and the Interim Financing Agent or as determined by further order of the Court, to satisfy in full all of the obligations (including the outstanding principal, accrued interest and all fees) owing by the Debtor under the Interim Financing Credit Facility (the "**Interim Financing Repayment**"). The Interim Financing Repayment shall be and shall be deemed to be made free and clear of all Claims and encumbrances. Upon the filing with the Court of the Monitor's certificate substantially in the form set out in **Schedule "B"** hereto confirming completion of the Interim Financing Repayment, the Interim Lenders' Charge (as defined in the Initial Order) shall be released and terminated.

SEALING ORDER

13. Confidential Exhibit "1" to the Johnson Affidavit (the "**Confidential Material**") shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*. The Confidential Material 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 MATTERS

14. 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.

15. 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.

16. Service of this Order on any party not attending this application is hereby dispensed with.

17. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Royalty Agreement or the Initial Order, as applicable.

____

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

Schedule "A"

Form of Monitor's Certificate

COURT FILE NO.	1601-06131	Clerk's Stamp
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	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McCarthy Tétrault LLP** Suite 400 421-7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3500 scollins@mccarthy.ca /wmacleod@mccarthy.ca	

RECITALS

A. Pursuant to an Order of the Honourable Madam Justice Dario of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2016 (the "**Initial Order**"), Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of Connacher Oil and Gas Limited (the "**Debtor**").

B. Pursuant to an Order of the Honourable Madam Justice Campbell dated January 29, 2018 (the "**Royalty Approval and Vesting Order**"), the Court approved the royalty agreement made as of January 29, 2018 (the "**Royalty Agreement**") between the

Debtor and Burgess Energy Holdings, L.L.C. (the "**Royalty Owner**") and provided for the vesting in the Royalty Owner of the Debtor's right, title and interest in and to the Royalty (as defined in the Royalty Agreement) to which the Royalty Owner is entitled pursuant to the terms of the Royalty Agreement, which vesting is to be effective with respect to the Royalty upon the delivery by the Monitor to the Royalty Owner of a certificate confirming (i) the payment by the Royalty Owner of the Consideration (as defined in the Royalty Agreement); (ii) that, other than payment of the Consideration, there are no conditions to closing set out in the Royalty Agreement such that closing occurs and the Royalty Transaction is completed and effective automatically upon the execution and delivery of the Royalty Agreement by the Debtor and the Royalty Owner; and (iii) the Royalty Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Royalty Agreement, the Initial Order or the Royalty Approval and Vesting Order, as applicable.

THE MONITOR CERTIFIES the following:

1. The Royalty Owner has paid and the Debtor advised the Monitor that it has received the Consideration payable pursuant to the Royalty Agreement;

2. The Monitor has been advised in writing by the Debtor and the Royalty Owner that each of the Debtor and the Royalty Owner have executed and delivered the Royalty Agreement such that the Royalty Transaction is completed and effective as there are no conditions to closing as set out in the Royalty Agreement; and

3. The Royalty Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at ________ [Time] on January ___, 2018.

Ernst & Young Inc., in its capacity as Court-appointed Monitor of Connacher Oil and Gas Limited

Per:_________________________
Name:
Title:

Schedule "B"

Form of Monitor's Certificate

COURT FILE NO.	1601-06131	Clerk's Stamp
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	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**McCarthy Tétrault LLP** Suite 400 421-7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Sean Collins/Walker MacLeod Tel: 403-260-3531 Fax: 403-260-3500 scollins@mccarthy.ca /wmacleod@mccarthy.ca	

RECITALS

B. Pursuant to an Order of the Honourable Madam Justice Dario of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2016 (the "**Initial Order**"), Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of Connacher Oil and Gas Limited (the "**Debtor**").

B. Pursuant to an Order of the Honourable Madam Justice Campbell dated January 29, 2018 (the "**Royalty Approval and Vesting Order**"), the Court authorized and directed the Debtor to forthwith pay to the Interim Financing Agent from the Consideration to be received under the Royalty Agreement such amount as agreed to between the Debtor, the Monitor and the Interim Financing Agent or as determined by further order of the Court, to satisfy in full all of the obligations (including the outstanding principal, accrued interest and all fees) owing by the Debtor under the Interim Financing Credit Facility (the "**Interim Financing Repayment**").

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Initial Order or the Royalty Approval and Vesting Order, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has been advised in writing by the Debtor and the Interim Financing Agent that the Interim Financing Repayment has been completed.

This Certificate was delivered by the Monitor at ________ [Time] on January ___, 2018.

Ernst & Young Inc., in its capacity as Court-appointed Monitor of Connacher Oil and Gas Limited

Per:_________________________
Name:
Title: