COURT FILE NUMBER	1601-06131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	CLERK OF THE COURT FILED SEP 24 2018 CALGARY, 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** **(PLAN SANCTION ORDER)**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** Bankers Hall West, 888-3rd Street SW Suite 3810 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	

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:	October 4, 2018
Time:	10:00 a.m.
Where:	Calgary Courts Centre, 601 - 5 Street S.W. Calgary, AB T2P 5P7
Before Whom:	The Honourable Justice Macleod

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 "**Sanction Order**"), *inter alia*:

   (a) declaring that the meetings of creditors (the "**Creditors' Meetings**") held on October 3, 2018 were duly convened and held, all in accordance with the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and the Creditors' Meetings Order granted August 22 2018 (the "**Creditors' Meetings Order**");

   (b) sanctioning and approving the Amended and Restated Plan of Compromise and Arrangement dated August 13, 2018 (as may be further amended from time to time pursuant to the terms thereof, the "**Plan**") and granting the ancillary relief requested in the Sanction Order; and

   (c) extending the CCAA stay of proceedings until the earlier of (i) the filing of the Monitor's Certificate and (ii) January 31, 2019.

Grounds for making this Application:

Overview of the Application

2. On May 17, 2016 (the "**Filing Date**"), the Honourable Madam Justice Dario granted the Initial Order, which provided for, among other things, a stay of proceedings up to and including June 16, 2016, which has most recently been extended by this Honourable Court through and including October 31, 2018 (the "**Stay Period**").

3. At an unopposed application heard on August 22, 2018, Connacher sought, and this Honourable Court granted, three orders:

   (a) the Creditors' Meetings Order;

   (b) an order, *inter alia*, approving the solicitation of certain claims against Connacher and its directors and officers (the "**Supplemental Claims Procedure Order**"); and

   (c) an order, *inter alia*, approving and authorizing Connacher's entry into a Purchase and Sale Agreement dated August 2, 2018 (the "**Purchase Agreement**") between Connacher and East River Oil and Gas Ltd. (the "**Plan Sponsor**"), and, in the event of a CCAA Plan Termination Event (as defined in the Purchase Agreement), authorizing the sale and vesting of Connacher's assets in and to the Plan Sponsor free and clear of all encumbrances (the "**Approval and Vesting Order**").

4. These orders created a framework for Connacher to implement either (i) a CCAA plan transaction (the "**Plan Transaction**") pursuant to the terms of the Plan Sponsorship Agreement dated August 2, 2018 between Connacher and the Plan Sponsor, as amended (the "**Plan Sponsorship Agreement**") and the Plan, or (ii) an alternative asset purchase transaction (the "**Purchase Transaction**" and, together with the Plan Transaction, the "**Plan Sponsor Transactions**"), and in either case transfer its business to the Plan Sponsor.

5. The Creditors' Meetings are scheduled for October 3, 2018, and if the Plan is approved by the requisite majorities of affected creditors at the Creditors' Meetings, Connacher will seek the Sanction Order on this Application. In the event that the Plan is not approved at the Creditors' Meetings, or upon the occurrence of another CCAA Plan Termination Event, Connacher and the Plan Sponsor will proceed to complete the Purchase Transaction in accordance with the Purchase Agreement and the Approval and Vesting Order.

6. Connacher's Application is supported by the Monitor, the First Lien Agent and Consenting First Lien Lenders, and the Plan Sponsor.

<u>The Plan</u>

7. The Plan provides for two voting classes of creditors:

   (a) the First Lien Lender Class, comprised of the First Lien Lenders; and

   (b) the General Creditor Class, comprised of all other affected creditors, other than holders of certain priority claims and equity claims. The General Creditor Class includes holders of First Lien Deficiency Claims and holders of Second Lien Claims (as such terms are defined in the Plan). The amounts for the First Lien Claims and the Second Lien Claims include interest through October 31, 2018.

8. Existing shareholders and holders of equity claims shall not be entitled to receive any distributions under the Plan and all equity claims in Connacher shall be forever cancelled and extinguished on the Effective Date for no consideration.

9. The Plan and the proposed Sanction Order contain broad releases in favour of Connacher, Connacher's Directors and Officers, and third parties including the Monitor, the First Lien Agent, the Collateral Trustee, the Second Lien Trustee, the Consenting First Lien Lenders, the Financial Advisor, the Plan Sponsor and their respective advisors (the "**Released Parties**").

10. The Plan and the proposed Sanction Order provide that claims which have been preserved in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order against directors that cannot be compromised due to the provisions of section 5.1(2) of the CCAA will be limited in recovery to the proceeds of any directors insurance policies.

11. The Released Parties have made significant contributions to Connacher's restructuring. The releases are an integral part of the Plan. The going concern transaction contemplated by the Plan would not have been possible without the participation and support of the Released Parties throughout the CCAA proceeding and, in particular, in the development, negotiation, and actions to implement the Plan and the Court orders giving effect thereto.

<u>Sanction Order</u>

12. The Sanction Order contains provisions sanctioning and approving the Plan pursuant to section 6 of the CCAA and giving effect to the compromise of affected claims contemplated thereunder. Among other provisions, the Sanction Order also provides for certain amendments to the Initial Order to be effective upon implementation of the Plan, including amending certain of the Monitor's obligations.

13. The Stay Period is set to expire on October 31, 2018. In the event that the relief sought on Connacher's Application is granted, Connacher will require an extension of the Stay Period in order to implement the Plan Transaction, the current outside date of which is November 15, 2018 (the "**Outside Date**"). The Outside Date may be extended by the Plan Sponsor up to two consecutive times for a period of 30 days each if the required regulatory approvals remain outstanding, provided that an additional deposit of $1.5 million is paid contemporaneous with each requested extension.

14. Connacher requests that this Honourable Court grant an extension of the Stay Period until the earlier of (i) January 31, 2019, and (ii) the filing of the Monitor's Certificate confirming

implementation of the Plan. The requested extension of the Stay Period will provide some flexibility in case the Plan Sponsor elects to extend the Outside Date.

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

16. Connacher has acted and continues to act in good faith and with due diligence in these proceedings, including in implementing the terms of the Supplemental Claims Procedure Order and Creditors' Meetings Order granted on August 22, 2018 in preparation to hold the Creditors' Meetings and, if approved by the affected creditors, seeking Court sanction of the Plan.

Service of Materials

17. Pursuant to the terms of the Creditors' Meetings Order, any person who wishes to oppose Connacher's application for the Sanction Order shall serve on Connacher, the Monitor and the service list a notice setting out the basis for such opposition and a copy of its opposing materials no later than 5:00 p.m. (Calgary time) on September 25, 2018.

18. Any person who intends to rely upon additional materials at Connacher's application must serve the service list with such additional materials by no later than 5:00 p.m. (Calgary time) on October 3, 2018.

Material or evidence to be relied on:

19. The Affidavit of Jeff Beeston, sworn September 24, 2018, filed.

20. The Affidavit of Merle Johnson, sworn August 13, 2018, filed.

21. The 17th Report of the Monitor and the confidential supplement thereto, filed.

22. The Supplement to the 17th Report of the Monitor, to be filed.

23. The 18th Report of the Monitor, to be filed.

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

Applicable rules:

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

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

Applicable Acts and regulations:

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

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

29. 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:

30. None.

How the Application is proposed to be heard or considered:

31. 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	**CCAA PLAN SANCTION ORDER**	
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, AB 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: October 4, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Macleod

UPON the application of Connacher Oil and Gas Limited (the "**Applicant**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") sanctioning the Amended and Restated Plan of Compromise and Arrangement of the Applicant that was attached as Exhibit "B" to the Creditors' Meetings Order granted August 22, 2018 and is attached as Schedule "A" to this Order, as may be further amended, varied or supplemented from time-to-time in accordance with the terms thereof (the "**Plan**"); **AND UPON** having read the Affidavit of Merle Johnson sworn August 13, 2018; the Affidavit of Jeff Beeston sworn September 24, 2018; the Seventeenth Report of Ernst & Young Inc., the Court-appointed monitor of the Applicant (the "**Monitor**") filed August 17, 2018 (the "**17th Report**"); the Supplement to the 17th Report filed September ●, 2018; the Eighteenth Report of the Monitor filed October 3, 2018; and the pleadings and proceedings herein; **AND UPON** hearing counsel for the Applicant, the Monitor, the Consenting First Lien Lenders, the First Lien Agent, the Plan Sponsor (each as defined in the Plan) and from any other affected parties that may be present and no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of ● sworn ●, 2018, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan or the Creditors' Meetings Order.

SERVICE, NOTICE AND MEETING

2. 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.

3. There has been good and sufficient notice, service and delivery of the First Lien Lenders' Meeting Materials, the Beneficial Noteholder Information Packages, and the General Creditors' Meetings Materials (including, without limitation, pursuant to the Creditors' Meetings Order and the Plan) to all Persons upon which notice, service and delivery was required.

4. The Creditors' Meetings were duly convened and held, all in conformity with the CCAA and the Orders of this Court, including, without limitation, the Creditors' Meetings Order.

5. The hearing in respect of this Order was open to all of the Affected Creditors and all other Persons with an interest in the Applicant and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of this Order; and prior to the hearing, all of the Affected Creditors and all other Persons on the Service List were given adequate notice thereof.

SANCTION OF THE PLAN

6. The Plan has been approved by the Required Majorities in conformity with the CCAA and the Creditors' Meetings Order.

7. The Applicant has complied with the provisions of the CCAA and the orders made in the CCAA Proceeding in all respects.

8. The Applicant has acted and is acting in good faith and with due diligence, and has not done or purported to do (nor does the Plan do or purport to do) anything that is not authorized by the CCAA.

9. The Plan, and all the terms and conditions thereof and matters and transactions contemplated thereby, are fair, reasonable, not oppressive and in the best interests of the Applicant.

10. The Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

11. The Plan and all associated steps, compromises, distributions, transactions, arrangements, assignments, releases and reorganizations effected thereby are approved and shall be deemed to be implemented, binding and effective upon and with respect to the Applicant, all Affected Creditors, the Directors, the Officers, the Released Parties and all other Persons named or referred to in, or subject to, the Plan, including without limitation their respective heirs, executors, administrators, and other legal representatives, successors, and assigns, on the date such steps, compromises, distributions, transactions, arrangements, releases and reorganizations are deemed to occur and be effected by the Plan, and in the sequential order contemplated by Schedule "A" to the Plan on the Effective Date (or in such other manner or sequence or at such other time or times on the Effective Date as the Applicant, the Monitor and the Plan Sponsor may agree, subject to the Plan and the Creditors' Meetings Order).

12. Each of the Applicant, the Directors, the Officers, the First Lien Agent, the Second Lien Trustee and the Monitor is authorized and directed to take all steps and actions and to do all things (including making any applications for authorizations), reasonably necessary or

appropriate, to implement the Plan in accordance with its terms, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, instruments and agreements contemplated by and subject to the terms of the Plan, and such steps and actions are hereby authorized, ratified and approved. Without limiting the foregoing, the Monitor is authorized to perform its obligations under the Plan on and after the Effective Date, including instructing and obtaining assistance from its legal counsel and/or Cassels as necessary to do so and as further provided in the Plan. Furthermore, none of the Applicant, the Directors, the Officers, the First Lien Agent, the Second Lien Agent, or the Monitor shall incur any liability as a result of acting in accordance with terms of the Plan or this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

13. To the extent not previously given, all necessary approvals of and from the Existing Shareholders, Directors, or Officers of the Applicant, as applicable (including all necessary resolutions, whether ordinary, special or otherwise, of the Existing Shareholders, Directors, or Officers of the Applicant, as applicable) to take all actions under the Plan or contemplated thereby (including but not limited to the adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan) shall be deemed to have been made, given, passed or obtained, and no agreement between or among the Existing Shareholders of the Applicant, or any of them, or between an Existing Shareholder and another Person, that limits or purports to limit in any way the right to vote Existing Shares or other interests held by such Existing Shareholder(s) with respect to any of the steps or transactions contemplated by the Plan, shall be effective, and all such agreements shall be deemed to be of no force or effect.

14. The Applicant and the Monitor are authorized to take any and all such actions as may be necessary to comply with applicable withholding and reporting requirements. All amounts withheld with respect to such payment under the ITA or under Applicable Law shall be treated for all purposes as having been paid to such Affected Creditors in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Taxing Authority.

15. All distributions or payments by the Monitor, on behalf of the Applicant, to Affected Creditors with Accepted Claims under the Plan are for the account of the Applicant and shall be deemed to have been distributed or paid in connection with the fulfillment of the Applicant's obligations under the Plan.

16. Upon receiving from the Applicant, the Plan Sponsor and the Consenting First Lien Lenders written notice of the fulfilment or waiver of the conditions precedent to implementation of the Plan pursuant to Section 9.3 of the Plan, the Monitor is authorized and directed to deliver to the Applicant, the Plan Sponsor and the Consenting First Lien Lenders a certificate substantially in the form attached as Schedule "B" to the Plan (the "**Monitor's Certificate**", the form of which is hereby approved) signed by the Monitor, certifying that the Effective Time has occurred and that the Plan is effective in accordance with its terms and the terms of this Order. As soon as possible following the Effective Time, the Monitor shall file the Monitor's Certificate with this Court and post it on the Website.

17. Pursuant to and in accordance with the terms of the Plan at the time or times and in the manner set out in Schedule "A" to the Plan:

(a) The Existing Shares and all other Equity Claims shall be and are hereby fully, finally, irrevocably and forever cancelled, released and extinguished for no consideration. For greater certainty, any written or oral agreement, option or warrant, or any right or privilege capable of becoming such, for the purchase, subscription, allotment or issuance of any shares or other form of equity interest (or any securities or investments convertible, exercisable or exchangeable for any shares or other form of equity interest) in the Applicant, and any agreements or instruments entitling any holder thereof to any participation in the Applicant, are of no further force or effect as at the Effective Date and all certificates evidencing Existing Shares shall be and are hereby cancelled for no consideration, null and void.

(b) The voting common shares of the Applicant to be issued to the Plan Sponsor pursuant to the Plan (the "**New Common Shares**") shall be and are hereby deemed to have been validly authorized, created, issued and outstanding as fully-paid and non-assessable shares in the capital of the Applicant on the

Effective Date. The New Common Shares issued pursuant to the Plan shall be free and clear of any Encumbrances (as defined below).

(c) All Directors serving on the Applicant's board of directors (and any committee thereof) immediately prior to the Effective Time shall be deemed to resign and the Plan Sponsor shall appoint the New Board in its discretion.

(d) The Articles of the Applicant shall be amended upon the implementation of the Plan pursuant to Section 191 of the CBCA in accordance with paragraph (d) of Schedule "A" to the Plan.

18. The amounts of each of the Directors' Charge Claims Reserve, Retention Plan Claims Reserve, Administrative Reserve Fund, Priority Secured Claims Reserve, and Emkay Reserve shall be in the amounts set forth in, or calculated or determined pursuant to, the Plan and shall be held and distributed by the Monitor in accordance with the Plan.

19. Pursuant to and in accordance with the terms of the Plan, from and after the Effective Time, each of the CCAA Charges shall be terminated, discharged, and released provided, that the Administration Charge shall continue to exist against the Administrative Reserve Fund.

20. Notwithstanding anything to the contrary in the Plan, upon implementation of the Plan, the First Lien Credit Agreement shall remain in effect solely for the purpose of and only to the extent necessary to allow the First Lien Agent to make distributions to First Lien Lenders, and to maintain all of the rights and protections afforded to the First Lien Agent under the First Lien Credit Agreement, including without limitation (i) the First Lien Agent's contractual priority and lien rights with respect to any distributions under the Plan, and (ii) to enforce any rights of the First Lien Agent and the First Lien Lenders under the Plan and this Order. For clarity, upon implementation of the Plan, any claims of the First Lien Lenders owing by the Applicant pursuant to the First Lien Credit Agreement shall be discharged as against the Applicant and its business, assets and undertaking, and such claim by the First Lien Lenders shall attach to the First Lien Lender Pool in accordance with the Plan. The obligations of the First Lien Agent under or in respect of the Plan shall be solely as expressly set out in the Plan and this Order. At such time as the First Lien Agent has completed performance of all of its duties, if any, set forth in the Plan, the First Lien Agent shall be relieved of all obligations under the First Lien Credit Agreement and

any related agreements and other instruments that are otherwise terminated and cancelled under the Plan at the Effective Time.

21. Notwithstanding anything to the contrary in the Plan, upon implementation of the Plan, the Second Lien Indenture shall remain in effect solely for the purpose of and only to the extent necessary to allow the Second Lien Trustee to make distributions to Second Lien Noteholders, and to maintain all of the rights and protections afforded to the Second Lien Trustee under the Second Lien Indenture, including without limitation (i) the Second Lien Trustee's contractual priority and lien rights with respect to any distributions under the Plan, and (ii) to enforce any rights of the Second Lien Trustee and the Second Lien Noteholders under the Plan and this Order. For clarity, upon implementation of the Plan, any claims of the Second Lien Noteholders owing by the Applicant pursuant to the Second Lien Indenture shall be discharged as against the Applicant and its business, assets, and undertaking, and such claim by the Second Lien Noteholders shall attach to the General Creditor Pool in accordance with the Plan. The obligations of the Second Lien Trustee under or in respect of the Plan shall be solely as expressly set out in the Plan and this Order. At such time as the Second Lien Trustee has completed performance of all of its duties, if any, set forth in the Plan, the Second Lien Trustee shall be relieved of all obligations under the Second Lien Indenture and any related agreements and other instruments that are otherwise terminated and cancelled under the Plan at the Effective Time.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

22. Pursuant to and in accordance with the terms of the Plan, from and after the Effective Time: (i) all Affected Claims of any nature shall be forever fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred, (ii) the ability of any Person to proceed against the Applicant or any of the Released Parties in respect of or relating to any Affected Claims shall be forever discharged and restrained, and (iii) all proceedings with respect to, in connection with or relating to such Affected Claims shall be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims, if any.

23. The determination of Accepted Claims and Disallowed Claims in accordance with the Claims Procedure Order or the Supplemental Claims Procedure Order (hereinafter

collectively referred to as the "**Claims Bar Orders**") and the Plan shall be final and binding on the Applicant and all Persons.

24. Pursuant to and in accordance with the terms of the Plan, following delivery of the Monitor's Certificate, any and all liens, encumbrances, security interests and registrations in favour of any Affected Creditor (including without limitation with respect to any Alleged Priority Secured Claims) or which any Affected Creditor holds by way of subrogation, including all registrations made in accordance with the *Personal Property Security Act*, the *Land Titles Act*, or similar legislation against the interests of the Applicant, other than in respect of an Unaffected Claim, (the "**Encumbrances**") are terminated, discharged and extinguished as against the Applicant and all of its business, assets and undertakings, and any Registrar of any personal property security registry or any real property registry is hereby authorized and directed to discharge any such Encumbrance.

(a) For greater certainty, and without limiting the generality of the foregoing, the Plan Sponsor is expressly authorized and directed to effect the discharge of the registrations as identified in Schedule "B" hereto pursuant to the *Personal Property Security Act,* RSA 2000, c P-7; (ii) the *Personal Property Security Act,* RSBC 1996, c 359; (iii) the *Personal Property Security Act,* 1993, SS 1993, c P-6.2; (iv) the *Mines and Minerals Act,* RSA 2000, c M-17; the Land Titles Act, RSA 2000, c L-7; (vi) the Land Title Act, RSBC 1996, c 250; (vii) the Municipal Government Act, RSA 2000, c M-26; and (viii) any other personal or real property registration system.

(b) For the purposes of determining the nature and priority of Alleged Priority Secured Claims, the Priority Secured Claims Reserve shall stand in the place and stead of the security described in this paragraph 24, and from and after delivery of the Monitor's Certificate, such Alleged Priority Secured Claims and Encumbrances shall attach to the Priority Secured Claims Reserve with the same priority as they had with respect to the Applicant and its business, assets and undertakings just prior to the Effective Date as if the Plan had not been implemented. Upon delivery of the Monitor's Certificate, the holders of such Alleged Priority Secured Claims shall have no further claims or remedies against the Applicant or its business, assets or undertakings in respect of such Alleged Priority Secured Claims.

25. Upon receipt of a copy of this Order together with the Monitor's Certificate contemplated in paragraph 16 of this Order, all registrars or similar government departments and land titles offices are hereby directed and required to give effect to the discharges contemplated by this Order. The directions contemplated by this Order are to be given full effect by all such registries and offices notwithstanding section 191(1) of the *Land Titles Act* (Alberta) or any similar provision contained in any other legislation of any jurisdiction.

26. Without limiting the Claims Bar Orders:

(a) Any Person who was required to file a Proof of Claim (as defined in the Claims Bar Orders) but did not file a Proof of Claim by the Claims Bar Date, the Restructuring Period Claims Bar Date, the Supplemental Claims Bar Date or the Post-Filing Claims Bar Date (each as defined in the Claims Bar Orders) or such other date provided for in the Claims Bar Orders, as applicable, whether or not such Person received direct notice of the claims process established by the Claims Bar Orders, shall be and is hereby forever barred from making any Claim against the Applicant or any of the Directors or Officers and shall not be entitled to any distribution under the Plan, and such Person's Claim shall be and is hereby forever barred and extinguished. Nothing in the Plan or this Order extends or shall be interpreted as extending or amending the Claims Bar Date, the Restructuring Period Claims Bar Date, the Supplemental Claims Bar Date, the Post-Filing Claims Bar Date or any other bar date or other deadline provided for in the Claims Bar Orders, or shall be interpreted as giving any rights to any Person in respect of Claims against the Applicant or the Directors or Officers that have been barred or extinguished pursuant to the Claims Bar Orders, the Plan, or this Order.

(b) Any Person who was required to deliver a Notice of Dispute (as defined in the Claims Bar Orders) but did not timely deliver a Notice of Dispute pursuant to the Claims Bar Orders, as applicable, shall be forever barred from disputing the classification, amount or nature of the Claim set forth in the Notice of Non-Continuing Employee Claim, Notice of Post-Filing Claim or Notice of Revision or Disallowance (each as defined in the Claims Bar Orders), as applicable, and any Claim against the Applicant or any of the Directors or Officers of a different classification or nature or in excess of the amount specified in the Notice of Non-Continuing Employee Claim, Notice of Post-Filing Claim or Notice of Revision or Disallowance, as applicable, shall be and is hereby forever barred and extinguished.

27. The compromises, arrangements, releases, discharges and injunctions contemplated in the Plan, including those granted by and for the benefit of the Released Parties are integral components thereof and, effective as of the Effective Date, all such compromises, arrangements, releases, discharges and injunctions contemplated in the Plan are binding, effective, sanctioned, approved and given full force and effect upon all Creditors, the Applicant, the Monitor, and all other Persons affected by the Plan and shall enure to the benefit of such Persons.

28. To the extent not barred, released or otherwise affected by paragraph 27 above, and notwithstanding paragraph 26 above, any Person having, or claiming any entitlement or compensation relating to a D&O Claim, a D&O Restructuring Period Claim, or a Post-Filing D&O Claim (hereinafter collectively referred to as the "**Director/Officer Claims**") (with the exception of any Director/Officer Claims judged by the express terms of a judgment rendered on a final determination on the merits to have resulted from criminal, fraudulent or other wilful misconduct on the part of the Director or Officer (an "**Excluded Director/Officer Claim**")) will be irrevocably limited to recovery in respect of such Director/Officer Claim solely from the proceeds of the applicable insurance policies held by the Applicant (the "**Insurance Policies**"), and Persons with any Director/Officer Claims will have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from the Applicant or any Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing in this Order prejudices, compromises, releases or otherwise affects any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of a Director/Officer Claim. Notwithstanding anything to the contrary herein, from and after the Effective Time, a Person may only commence or continue an action for an Excluded Director/Officer Claim against a Director or Officer if such Person has first obtained leave of the Court on notice to the applicable Directors and Officers, the Monitor and the Applicant.

29. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including any demands, claims, actions,

counterclaims, suits, judgments or other remedies or recoveries, whether directly, indirectly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and matters which are released pursuant to Article 10 of the Plan or discharged, compromised or terminated pursuant to the Plan, except as against the applicable insurer(s) to the extent that Persons with Director/Officer Claims seek to enforce rights to be paid from the proceeds of the Insurance Policies, and provided that any claimant in respect of a Director/Officer Claim that was duly filed with the Monitor by the Claims Bar Date shall be permitted to file a statement of claim in respect thereof to the extent necessary solely for the purpose of preserving such claimant's ability to pursue such Director/Officer Claim against an insurer in respect of an Insurance Policy. Notwithstanding anything to the contrary contained herein, from and after the Effective Time, a Person may only commence or continue an action against a Director or Officer in respect of a matter that is not released pursuant to Article 10 of the Plan if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Applicant, the Monitor and the insurer(s) under any applicable Insurance Policy.

30. From and after the Effective Time, each Affected Creditor, each holder of a Director/Officer Claim or an Excluded Director/Officer Claim, and any Person having a Released Claim shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety, and, in particular, each Affected Creditor, each holder of a Director/Officer Claim and any Person having a Released Claim shall be deemed:

(a) to have executed and delivered to the Monitor, the Applicant and the other Released Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and

(b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor, holder of a Director/Officer Claim or an Excluded Director/Officer Claim, and the Applicant as of the Effective Time and the provisions of the Plan, the provisions of the Plan shall take precedence and priority, and the provisions of such agreement or other arrangements shall be deemed to be amended accordingly.

THE MONITOR

31. In carrying out the terms of this Order and the Plan, (i) the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information. In no circumstance will the Monitor have any liability for any of the Applicant's tax liabilities regardless of how or when such liabilities may have arisen.

32. Following the Effective Date, the Applicant shall be and is hereby directed to maintain the books and records of the Applicant for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims.

33. Effective upon the delivery of the Monitor's Certificate to the Applicant in accordance with this Order:

(a) the Initial Order shall be amended to delete, in their entirety, subparagraphs 26(a), 26(c), 26(d), 26(e) and 26(f) and the Monitor shall thereafter have no obligation to perform any duty or exercise any power set out in such subparagraphs; and

(b) the Applicant shall not be subject to the restrictions, obligations, requirements or provisions of paragraphs 7-13 or 22 of the Initial Order.

STAY OF PROCEEDINGS

34. The Stay Period, as ordered and defined in paragraph 14 of the Initial Order is hereby extended until and including the earlier of (i) filing of the Monitor's Certificate, and (ii) January 31, 2019.

35. From and after of the delivery of the Monitor's Certificate, subject to the performance by the Applicant of its obligations under the Plan, and except to the extent expressly contemplated by the Plan or this Order, all Continuing Contracts that have not expired or been terminated prior to the Effective Date pursuant to their terms or by agreement will be and shall remain in full force and effect as at the Effective Date, unamended except as

they may have been amended by agreement of the parties thereto subsequent to the Filing Date, and no Person who is a party to any such agreement shall, following the Effective Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such agreement, by reason of:

(a) any defaults or events of default arising as a result of the insolvency of the Applicant prior to the Effective Date;

(b) any change of control of the Applicant arising from implementation of the Plan;

(c) the fact that the Applicant has sought or obtained relief under the CCAA or that the Plan has been implemented by the Applicant;

(d) the effect on the Applicant of the completion of any of the transactions contemplated by the Plan;

(e) any compromises or arrangements effected pursuant to the Plan; or

(f) any other event(s) which occurred on or prior to the Effective Date which would have entitled any Person thereto to enforce those rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

36. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, guarantee, agreement for sale, deed, licence, permit or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicant arising directly or indirectly from the filing by the Applicant under the CCAA and the implementation of the Plan, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant from

performing its obligations under the Plan or be a waiver of defaults by the Applicant under the Plan and the related documents.

EFFECT, RECOGNITION AND ASSISTANCE

37. The Applicant or the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan and to the extent that any Person (including either of the Applicant or the Monitor) seeks any advice or direction with respect to any matter arising from or under the Plan or this Order, such application shall be brought in the CCAA Court.

38. This Order shall have full force and effect in all provinces and territories of Canada, outside Canada and against all Persons against whom it may be enforceable.

39. This Court hereby requests the aid and recognition of any court, tribunal, 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, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

MISCELLANEOUS

40. This Order shall be posted on the Website at www.ey.com/ca/connacheroilandgas and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule A

Amended and Restated Plan of Compromise and Arrangement

Schedule B

Registrations to Be Discharged

Descriptor	Details
Agreement Type/Number	074 7407010531 Oil Sands Lease
Encumbrance ID	0800141
Encumbrance Type	Security Notice
Status	Active
Registration Date	2008/01/15
Registration Type/Number	SN 0800141 Security Notice
Interest Of	Great Divide Oil Corporation
Secured Party	Computershare Trust Company of Canada, as Collateral Agent

Security Notice	0800141
Secured Party	Computershare Trust Company of Canada, as Collateral Agent
Address for Service	600, 530 8th Avenue SW, Calgary, AB, T2P 0B2
The secured party hereby gives notice that it has a security interest affecting the following agreement(s) (type and number)	Oil Sands Lease 7404010454 Oil Sands Lease 7407010522 Oil Sands Lease 7407010523 Oil Sands Lease 7407010524 Oil Sands Lease 7404010456 Oil Sands Lease 7404120875 Oil Sands Lease 7404010457 Oil Sands Lease 7404010458 Oil Sands Lease 7405070551 Oil Sands Lease 7407010525 Oil Sands Lease 7405070552 Oil Sands Lease 7404010459 Oil Sands Lease 7404010460 Oil Sands Lease 7406070401 Oil Sands Lease 7406110501 Oil Sands Lease 7405070553

Descriptor	Details
	Oil Sands Lease 7405070554 Oil Sands Lease 7407010531 Oil Sands Lease 7405070555 Oil Sands Lease 7405070556 Oil Sands Lease 7406010664 Oil Sands Lease 7406010665 Oil Sands Lease 7406010666 Oil Sands Lease 7406050801 Oil Sands Lease 7406050803 Oil Sands Lease 7406110503 Oil Sands Lease 7406110506 Oil Sands Lease 7406110507 Oil Sands Lease 7406050804 Oil Sands Lease 7406050805 Oil Sands Lease 7406050806
Full name of corporation or individual who gave the security interest	Great Divide Oil Corporation
Describe the general nature only of the security interest arising under the security instrument.	Debenture dated December 3rd, 2007

Descriptor	Details
Encumbrance Type	Security Agreement
Status	Current
Registration Date	2016/01/14
Expiry Date	2021/01/14
Registration Type/Number	Security Agreement 16011412231 amended by 16051731263
Secured Party	Arundel Capital Corporation Suite 420 - 5119 Elbow Drive SW Calgary, Alberta T2V 1H2
Collateral – Serial Numbers	1. 1T9BL4034ES588962 2014 - TREMCAR SUPER B TANK LD TR – Trailer 2. 1T9BL3126ES588963 2014 - TREMCAR

Descriptor	Details
	SUPER B TANK RR TR - Trailer
Description	ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4034ES588962 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N1T9BL3126ES588963 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Descriptor	Details
Encumbrance Type	Security Agreement
Status	Current
Registration Date	2016/01/14
Expiry Date	2021/01/14

Descriptor	Details
Registration Type/Number	Security Agreement 16011413719
Secured Party	Arundel Capital Corporation Suite 420 - 5119 Elbow Drive SW Calgary, Alberta T2V 1H2
Collateral – Serial Numbers	1. 1T9BL4038ES588964 2014 TREMCAR SUPER B TANK LD TR - Trailer 2. 1T9BL312XES588965 2014 TREMCAR SUPER B TANK RR TR - Trailer 3. 1T9BL4031ES588966 2014 TREMCAR SUPER B TANK LD TR - Trailer 4. 1T9BL3123ES588967 2014 TREMCAR SUPER B TANK RR TR - Trailer
Description	ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4038ES588964 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N 1T9BL312XES588965 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER LEAD S/N 1T9BL4031ES588966 ONE(1) USED 2014 TREMCAR SUPER B TC407 ALUMINUM TANK TRAILER REAR S/N 1T9BL3123ES588967 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN

Descriptor	Details
	DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.