COURT FILE NO. 1703 12327

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED
JAN 14 2019
Clerk of the Court

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 ARRANGEMENT OF 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD., 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS LTD.

DOCUMENT **ORDER APPROVING AND VESTING TITLE (WRC ASSETS)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Darren R. Bieganek, QC/Ryan F.T. Quinlan Barrister & Solicitor Phone: 780.441.4386/780.441.4336 Fax: 780.969.6381 Email: dbieganek@dcllp.com/rquinlan@dcllp.com	File #204-196164 **DUNCAN CRAIG LLP** LAWYERS MEDIATORS 2800 Scotia Place 10060 Jasper Avenue Edmonton, Alberta Canada T5J 3V9

DATE ON WHICH ORDER WAS PRONOUNCED: **January 10, 2019**

LOCATION OF HEARING: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Mr. Justice S.D. Hillier**

UPON THE APPLICATION of Ernst & Young Inc. (the "Monitor"), in its capacity as the Court-appointed Monitor of 667402 Alberta Ltd., 18512398 Alberta Ltd., 816956 Alberta Ltd., 1371047 Alberta Ltd., 1919209 Alberta Ltd. and Canada North Group LP Holdings Ltd. (collectively the "Applicants") for an Order approving the sale transaction contemplated by the Asset Purchase Agreement (the "Sale Agreement") between the Monitor and A.O.S. Services Ltd. (the "Purchaser") dated effective as at December 18, 2018 (the "Transaction"), and vesting in the Purchaser (or its nominee) the Applicants' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), amongst other relief; AND UPON HAVING READ the Initial Order dated July 5, 2017, the Amended Order Increasing the Administration Charge, etc. dated April 30, 2018 (the "Powers Expansion Order"), the Twenty-First Report of the Monitor (the "Report"), the Confidential Supplement to the Twenty-First Report of the Monitor (the "Confidential Supplement"), and the Affidavit of Service; UPON HEARING the submissions of counsel for the Monitor and any other affected parties that may be present; **IT IS HEREBY ORDERED THAT:**

DEFINED TERMS

1. Capitalized terms not defined herein shall have the meanings ascribed to them in the Initial Order of this Court in these proceedings dated July 5, 2017 (the "Initial Order").

SERVICE

2. Service of the notice of application for this Order is hereby abridged and deemed good and sufficient and this application is properly returnable as of the date of this Order.

APPROVAL OF TRANSACTION

3. The Transaction is commercially reasonable and in the best interests of the Applicants and its stakeholders. The Transaction is hereby approved, and the execution of the Sale Agreement is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary. The Monitor 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 Transaction, or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

4. Upon the Monitor receiving the full purchase price and any related documentation for the Purchased Assets from the Purchaser, as set out in the Sale Agreement, the Monitor shall deliver to the Purchaser a Monitor's certificate substantially in the form set out in Schedule "A" hereto (the "Monitor's Certificate").

5. Upon the delivery of the Monitor's Certificate, all of the Applicants' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the name of the Purchaser (or its nominee), 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, 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") including, without limiting the generality of the foregoing:

    any encumbrances or charges created by the Initial Order and any other Orders granted in these proceedings;

    all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; but excluding the permitted encumbrances listed on Schedule "C"; and

    for greater certainty, this Court orders that all of the registrations and encumbrances in respect of the Claims affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. The purchase price paid for and allocated to each of the Purchased Assets shall be as is set out in the Sale Agreement.

7. From and after the closing of the Transaction, any and all persons with financing statements registered at the Personal Property Registry for the Province of Alberta in respect of the Applicants shall, within ten (10) days of receipt of a notice from the Monitor or the Monitor's solicitors, discharge their Claims registered at the Personal Property Registry against the serial numbered goods sold as part of the Purchased Assets and shall provide evidence of such discharge to the solicitors for the Monitor. If such party shall fail to affect such discharge within the time stipulated herein, then the solicitors for the Monitor are authorized to discharge from the

Personal Property Registry any Claims registered against any of the Purchased Assets being purchased by the Purchaser (or its nominee).

8. For the purposes of determining the nature and priority of the Claims, the net proceeds from the sale of each of the Purchased Assets (to be held in an interest bearing trust account by the Monitor) shall stand in the place and stead of such Purchased Assets, and from and after the delivery of the Monitor's Certificate, all Claims and encumbrances shall attach to the net proceeds from the sale of each of the Purchased Assets with the same priority as they had with respect to each of the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Applicants.

10. From and after the delivery of the Monitor's Certificate, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remain in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Applicants, or any person claiming by or through or against the Applicants.

12. The Monitor is to file with the Court a copy of the Monitor's Certificate after completion of the Transaction.

13. 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* (Canada) in respect of the Applicants and any bankruptcy order issued pursuant to any such applications;

(c) Any assignment in bankruptcy made in respect of the Applicants, and

(d) The provisions of any federal or provincial statute,

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, 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 *Bankruptcy and Insolvency Act* (Canada) 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.

14. The Monitor, the Purchaser (or its nominee) 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 Transaction.

SEALING

15. The Confidential Supplement shall be sealed on the Court file until further Order of this Court, notwithstanding Division 4 of Part 6 of the Alberta *Rules of Court*.

16. The Clerk of this Honourable Court shall file the Confidential Supplement in a sealed envelope that set out the style of cause of these proceedings and states that:

> THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY ERNST & YOUNG INC., IN ITS CAPACITY AS COURT-APPOINTED MONITOR OF 667402 ALBERTA LTD., ET AL. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO AN ORDER ISSUED BY JUSTICE HILLIER ON JANUARY 10, 2019 UNTIL FURTHER ORDER OF THIS COURT.

MISCELLANEOUS MATTERS

17. The Twenty-First Report of the Monitor, the Confidential Supplement, and the activities of the Monitor outlined therein are hereby approved; provided, however, that only the Monitor in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any such approval.

18. 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 Monitor 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Monitor's Certificate

COURT FILE NUMBER	1703-12327	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
	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 ARRANGEMENT OF 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD. and 1919209 ALBERTA LTD. AND CANADA NORTH GROUP LP HOLDINGS LTD.	
DOCUMENT	**MONITOR'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DUNCAN CRAIG LLP LAWYERS MEDIATORS 2800 Scotia Place, 10060 Jasper Avenue Edmonton, Alberta, T5J 3V9 Attention: Darren R. Bieganek, QC / Ryan F.T. Quinlan Phone: 780.441.4386/780.441.4336 Fax: 780.969.6381 Email: dbieganek@dcllp.com / rquinlan@dcllp.com File No.: 204-196164	

RECITALS

A. Pursuant to an Order of the Honourable Justice K.G. Nielsen of the Court of Queen's Bench of Alberta, Judicial District of Edmonton (the "Court") dated July 5, 2017, and subsequent Orders granted by the Court thereafter, Ernst & Young Inc. was appointed as the Monitor of 667402 ALBERTA LTD., 18512398 ALBERTA LTD., 816956 ALBERTA LTD., 1371047 ALBERTA LTD. 1919209 ALBERTA LTD. and CANADA NORTH GROUP LP HOLDINGS LTD. (collectively, the "Applicants").

B. Pursuant to an Order of the Court dated January 10, 2019, the Court approved an agreement (the "Sale Agreement") between the Monitor and A.O.S. Services Ltd. (the "Purchaser") dated effective Decmeber 18, 2018, and provided for the vesting in the Purchaser of the Applicants' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the total purchase price for the Purchased Assets; (ii) that the conditions to closing of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the 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 Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Monitor has received Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser;

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

4. This Certificate was delivered by the Monitor at ____________ on ____________________.

Ernst & Young Inc., in its capacity as Monitor of the Applicants, and not in its personal capacity.

Per:____________________

Name: Matt McCulloch

Title:

SCHEDULE "B"

Purchased Assets

Asset Description	Serial Numbers
WELLSITE EXEC DOUBLE ENDER	104
WELLSITE EXEC DOUBLE ENDER	106
WELLSITE EXEC DOUBLE ENDER	108
WELLSITE EXEC DOUBLE ENDER	119
WELLSITE EXEC DOUBLE ENDER	111
WELLSITE EXEC DOUBLE ENDER	117
REC - 6 UNIT	FX6UR201319001 to 006
REC 3 UNIT	SLF3UR201315001 to 003

SCHEDULE "C"

Permitted Encumbrances

None.