Clerk's Stamp

JUDICIAL CENTRE OF CALGARY
FILED
OCT 02 2018
CLERK OF THE COURT

COURT FILE NUMBER	1801-09188
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	THIRD EYE CAPITAL CORPORATION
RESPONDENTS	RANCH ENERGY CORPORATION, OPSMOBIL INC., 1734163 ALBERTA INC., 1859821 ALBERTA INC., OPSMOBIL GROUP INC., OPSMOBIL CONSTRUCTION INC., OPSMOBIL ENERGY SERVICES INC., AIR DALLAIRE LTD., and K.L. CAPITAL CORP.
DOCUMENT	**ORDER APPROVING SALE AND INVESTMENT SOLICITATION PROCESS**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Josef G.A. Kruger, Q.C./ Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 / (403) 232-9774 Facsimile: (403) 266-1395 Email: JKruger@blg.com/ RGurofsky@blg.com File No. 413255.63

I hereby certify this to be a true copy of the original order
Dated this 2 day of Oct 2018
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: October 2, 2018

NAME OF JUSTICE WHO MADE THE ORDER: The Honourable Mr. Justice A.D. Macleod

LOCATION OF HEARING: Calgary, Alberta

UPON the application of Ernst & Young Inc. ("**EY**"), in its capacity as the court-appointed receiver and manager (the "**Receiver**") of Ranch Energy Corporation, OpsMobil Inc., 1734163 Alberta Inc., 1859821 Alberta Inc., OpsMobil Group Inc., OpsMobil Construction Inc., OpsMobil Energy Services Inc., Air Dallaire Ltd., and K.L. Capital Corp. (collectively, the "**Debtors**"), and not in its personal capacity; **AND UPON** having read the First Report of the Receiver dated August 8, 2018 (the "**Receiver's First Report**"), the Second Report of the Receiver dated September 24, 2018 (the "**Receiver's Second Report**"), the pleadings, affidavits and other documents filed in these proceedings, including the receivership order granted on July 19, 2018 (the "**Receivership Date**"), as amended on August 7, 2018 (the "**Receivership Order**"); **AND UPON** hearing from counsel for the Receiver and counsel for any other interested parties appearing at the hearing of this application:

IT IS HEREBY ORDERED AND DECLARED THAT:

Approval of Sales and Investment Solicitation Process

1. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the sale and investment solicitation process attached hereto as Appendix "A" ("**SISP**").

2. The SISP is hereby approved, and the Receiver is hereby authorized and directed to implement the SISP and do all things as are reasonably necessary to conduct and give full effect to the SISP and carry out its obligations thereunder, including seeking approval of this Court as soon as reasonably practicable following the selection of a Successful Bidder under the SISP.

3. Neither the Receiver nor the Selling Agent shall have any liability whatsoever to any person or party for any act or omission related to the SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Receiver or the Selling Agent.

Increase to Receiver's Borrowings Charge

4. Paragraph 24 of the Receivership Order is hereby amended such that the Receiver shall be authorized to borrow, by way of revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, up to the principal of $7,000,000 (or such greater amount as this Honourable Court may by further Order authorize).

5. The Receiver's Borrowings Charge, as contemplated by, and defined in paragraph 24 of the Receivership Order, is hereby increased from $6,000,000 to $7,000,000.

Miscellaneous Matters

6. The Receiver's activities as set out in the Receiver's First Report and the Receiver's Second Report are hereby ratified and approved.

7. This Order and the SISP shall be without prejudice to any contractual rights that run with or are related to the Property which Canadian Natural Resources Limited or Canadian Natural Resources, a general partnership by its managing partner, Canadian Natural Resources Limited, may have and assert in these proceedings.

8. The time for service of this Application together with all supporting materials is hereby declared to be good and sufficient and no other person is required to have been served with such documents,

and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.

9. Service of this Order shall be deemed good and sufficient by serving the same on:

a) the persons listed on the service list (attached as **Schedule "A"** to the Application); and

b) by posting a copy of this Order on the Receiver's website at: www.ey.com/ca/OpsMobil.

10. No other persons are entitle to be served with a copy of this Order.

"Justice Macleod"

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A" TO
ORDER DATED OCTOBER 2, 2018

SALE AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

On July 19, 2018, the Alberta Court of Queen's Bench (the "**Court**") made an order which was amended on August 7, 2018 (the "**Receivership Order**") appointing Ernst & Young Inc. ("**EYI**") as Receiver and Manager (the "**Receiver**") over the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceedings therefrom (the "**Property**") of Ranch Energy Corporation ("**Ranch**"), OpsMobil Inc., 1734163 Alberta Inc., 1859821 Alberta Inc., OpsMobil Group Inc., OpsMobil Construction Inc., OpsMobil Energy Services Inc., Air Dallaire Ltd. and K.L. Capital Corp. (collectively, the "**Corporations**").

The Receiver intends to conduct a sale and investment solicitation process (the "**SISP**") as set out below to market and sell the Business (as defined below) and Property of Ranch. The SISP will be conducted with the approval of the Court, and under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to solicit interest in an acquisition or investment in the Business or a sale of the assets and/or the Business of Ranch.

The Receiver has engaged Animus Capital Partners Inc. as Selling Agent (in such capacity, the "**Selling Agent**") to administer and carry out the marketing steps contemplated by the SISP.

TEC Capital Corporation ("**TEC**") is the senior secured lender to Ranch, and in that capacity, will have certain consultation rights in the SISP, as provided for below.

This document (the "**SISP Procedure**") outlines the SISP, which is comprised principally of three stages: pre-marketing, marketing, and offering and evaluation.

OPPORTUNITY AND SISP SUMMARY

1. The SISP is intended to solicit interest in, and opportunities for a sale of, or investment in, all or part of the Ranch's business or Property (the "**Opportunity**"), which primarily consist of wells, pipelines, facilities and other oil and gas production assets located in British Columbia.

2. In order to maximize the number of participants that may have an interest in the Opportunity, the SISP will provide for the solicitation of interest for:

    (a) the sale of Ranch's interest in the Property. In particular, interested parties may submit proposals to acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); and

    (b) the investment in the business operations, as a going concern (the "**Business**") of Ranch. Such proposals for the Business may take the form of an investment in the Business (an "**Investment Proposal**").

3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any Sale Proposal or any Investment Proposal will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver, the Selling Agent or Ranch, or any of their respective affiliates, agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of Ranch in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

4. Solicitation of interest for Sale Proposals and Investment Proposals will be on an unpriced basis whereby no set asking price will be stipulated.

5. As described more fully in this SISP, the major stages in the SISP Procedure will be comprised of the following:

   (a) Pre-Marketing: preparation of all marketing material, assembly of all relevant due diligence material, establishment of an electronic data room and preparation of potential buyer/investor lists;

   (b) Marketing: advertising, contacting potential buyers/investors, responding to requests for information and disseminating marketing material to potential buyers and investors; and

   (c) Offer Submission and Evaluation: solicitation, receipt of, evaluation and negotiation of offers from potential buyers and investors, as described below.

6. The offer submission and evaluation stage of the SISP will be comprised of a two phase offering process: "**Phase 1**" being the submission of letters of intent ("**LOIs**") from qualified bidders, and "**Phase 2**" being the submission of formal binding offers from those parties that submitted LOIs and that have been invited by the Selling Agent and the Receiver to participate in Phase 2 (defined below as Phase 1 Qualified Bidders).

PROPERTY & REGULATOR

7. Ranch is the operator or has a working interest in the Property comprised of approximately 1,600 oil and gas wells in northeast British Columbia, and a gas processing plant in the Wildboy district of British Columbia that is owned and operated by Ranch.

8. All of the Property was acquired from Predator Oil BC Ltd. ("**Predator BC**") on July 10, 2017.

9. The British Columbia Oil and Gas Commission ("**BCOGC**") regulates oil and gas and related activities in British Columbia, including wells, facilities, oil refineries, natural gas processing plants, pipelines and oil and gas roads, through permits, authorizations, orders and regulations.

10. The permits associated with the Property continue to be held by Predator BC pursuant to a trust agreement as Ranch was not qualified to hold the permits under applicable BCOGC regulations.

11. The BCOGC has the regulatory authority to transfer the permits and has advised the Receiver that it will exercise such authority provided a Bidder meets its regulatory requirements. Bidders will be required to be licensees in good standing with the BCOGC, or to be otherwise eligible to obtain or hold BCOGC licenses, permits or approvals with respect to the Property.

TIMELINE

12. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Phase 1 Non-Binding LOI Deadline	October 25, 2018
Phase 2 Binding Bid Deadline	November 15, 2018
Closing Dates	November 30, 2018

PRE-MARKETING STAGE

13. As soon as reasonably practicable, but in any event by no later than October 2, 2018 (the "**Commencement Date**"):

(a) the Selling Agent will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; (ii) a non-disclosure agreement (an "**NDA**"); and (iii) a confidential Information Memorandum ("**CIM**"). The Teaser Letter, NDA and CIM shall be in form and substance satisfactory to the Receiver, in consultation with TEC. The CIM will specifically stipulate that the Selling Agent, the Receiver and their respective advisors make no representation or warranty as to the accuracy or completeness of the information contained in the CIM, the Data Room (as defined below), or made available pursuant to the SISP or otherwise, except to the extent expressly contemplated in any definitive sale or investment agreement with a Successful Bidder (as defined below) ultimately executed and delivered by the Receiver;

(b) the Selling Agent, with the assistance of the Receiver, will gather and review all required due diligence material to be provided to interested parties and shall establish a secure, electronic data room (the "**Data Room**"), which will be maintained and administered by the Selling Agent during the SISP;

(c) the Selling Agent will develop a draft form of LOI (the "**LOI Form**") and a purchase and sale agreement or investment agreement for use during the SISP (the "**Draft Purchase/Investment Agreement**"), which agreement or agreements shall be in form and substance satisfactory to the Receiver, in consultation with TEC; and

(d) the Selling Agent, in consultation with the Receiver and TEC, will prepare a list of potential bidders, including: (i) parties that have approached one or more of the Selling Agent, Ranch or the Receiver indicating an interest in the Opportunity; and (ii) local, national and international strategic and financial parties who the Selling Agent and the Receiver believe may be interested in purchasing all or part of the Business and Property or investing in Ranch pursuant to the SISP (collectively, "**Known Potential Bidders**").

MARKETING STAGE

14. As soon as reasonably possible after the Commencement Date, the Selling Agent shall:

(a) arrange for a notice of the SISP (and such other relevant information as the Selling Agent, in consultation with the Receiver, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition) and the Oil and Gas Bulletin, and any other newspaper or journals as the Selling Agent, in consultation with the Receiver, considers appropriate, if any; and

(b) send the Teaser Letter and NDA to all Known Potential Bidders and to any other party who responds to the Notice as soon as reasonably practicable after such identification or request, as applicable.

15. The Selling Agent will send the CIM and grant access to the Data Room to those parties who have executed and delivered the NDA to the Selling Agent as soon as reasonably practicable after such execution and delivery.

16. Requests for information and access to the Data Room will be directed to the Selling Agent, to the attention of the persons listed in **Schedule "A"** hereto. All printed information shall remain the property of the Receiver and, if requested by the Selling Agent or the Receiver, shall be returned without further copies being made and/or destroyed with an acknowledgement that all such material has either been returned and/or destroyed and no electronic information has been retained.

17. Any party who expresses a wish to participate in the SISP (a "**Potential Bidder**") must, prior to being given any additional information such as the CIM and access to the Data Room, provide to the Selling Agent:

(a) an NDA executed by it, and which shall inure to the benefit of any ultimate Successful Bidder; and

(b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder.

18. If a Potential Bidder has delivered the NDA and the letter contemplated in paragraph 17(b) with disclosure that is satisfactory to the Receiver, acting reasonably, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". TEC will automatically be deemed to be a Phase 1 Qualified Bidder, without having to satisfy the criteria listed in paragraph 17 (a) and (b). No Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Receiver.

OFFER SUBMISSION AND EVALUATION STAGE

Phase 1

Due Diligence

19. The Selling Agent in consultation with the Receiver, subject to competitive and other business considerations, will afford each Phase 1 Qualified Bidder such access to due diligence materials through the Data Room and information relating to the Property and Business as it deems appropriate. Due diligence access may further include management presentations, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and to which the Selling Agent, with the approval of the Receiver, in its reasonable business judgment, may agree. The Selling Agent will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Selling Agent nor the Receiver will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Further and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Receiver, in consultation with the Selling Agent, determines such information to represent proprietary or sensitive competitive information.

LOI Submission

20. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Receiver on behalf of Ranch.

21. Phase 1 Qualified Bidders who advise the Selling Agent that they wish to submit an offer will be provided with a copy of the LOI Form.

22. A Phase 1 Qualified Bidder who wishes to pursue the Opportunity further must deliver an executed LOI, identifying each specific Property or Business the Phase 1 Qualified Bidder is interested in, to the Selling Agent at the addresses specified in Schedule "A" hereto (including by email or fax transmission), so as to be received by them not later than 12:00 PM (Calgary time) on or before October 25, 2018 (the "**Phase 1 Bid Deadline**").

23. An LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:

(a) it is submitted on or before the relevant Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;

(b) it contains an indication of whether the Phase 1 Qualified Bidder is making a:

(i) Sale Proposal; or

(ii) an Investment Proposal;

(c) in the case of a Sale Proposal, it identifies or contains the following:

(i) the purchase price, in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation. If a Phase 1 Qualified Bidder wishes to acquire more than one Property, a price for each Property must be stipulated;

(ii) a description of each Property that is expected to be subject to the transaction and any of the Property or obligations for each Property expected to be excluded;

(iii) a specific indication of the financial capability, together with evidence of such capability, of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;

(iv) a description of the conditions and approvals required for a final and binding offer; and

(v) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(d) in the case of an Investment Proposal, it identifies the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment in the Business or Businesses;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Business or in Ranch in Canadian dollars;

(iii) the underlying assumptions regarding the *pro forma* capital structure;

(iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;

(v) a description of the conditions and approvals required for a final and binding offer;

(vi) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and

(vii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(e) in the case of either a Sale Proposal or an Investment Proposal it contains a statement that the Phase 1 Qualified Bidder is a licensee in good standing with the BCOGC, or is eligible to obtain or hold BCOGC licenses, permits or approvals with respect to the Property, and its current Liability Management Rating is 1.0 or greater; and

(f) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Selling Agent or Receiver from time to time.

24. The Receiver, in consultation with the Selling Agent, will consider any bid on behalf of a creditor of Ranch, including but not limited to TEC, under which all or a portion of the consideration being offered under the bid includes the compromise of all or a portion of indebtedness owing from Ranch to the creditor (a "**Credit Bid**", and a person submitting a Credit Bid, a "**Credit Bid Party**"). For further clarity, a Credit Bid will not prohibit a Potential Bidder from becoming a Qualified Phase 1 Bidder, Qualified Phase II Bidder or the Successful Bidder, provided that such Credit Bid is in accordance with these SISP Procedures.

25. Notwithstanding any consultation rights specifically afforded to TEC in this SISP, should any creditor, including TEC, submit a bid including a component of a Credit Bid to acquire the Business or Property, such bidder shall be barred from receiving any confidential data regarding the bids received prior to the Phase 1 Bid Deadline or the Phase 2 Bid Deadline, as may be applicable and will not be consulted by the Receiver in the selection of the Phase 2 Bidders or the Successful Bidder.

26. An LOI shall not be a Qualified LOI if the Sale Proposal or Investment Proposal contemplated thereby is conditional on further due diligence or financing.

27. The Receiver may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

28. Following the Phase 1 Bid Deadline, the Receiver will assess the Qualified LOIs with respect to the Property or Business in consultation with the Selling Agent and TEC (unless TEC has submitted a Credit Bid). If it is determined by the Receiver that a Phase 1 Qualified Bidder that has submitted a Qualified LOI (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Receiver may, in its reasonable business judgment, in

consultation with TEC (unless TEC has submitted a Credit Bid), limit the number of Phase 2 Qualified Bidders (and thereby eliminate some Phase 1 Qualified Bidders from the process). Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP.

29. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Receiver in consultation with the Selling Agent and TEC (unless TEC has submitted a Credit Bid), shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received; (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business; (iii) the scope of the Property or Business to which any Qualified LOIs may relate; and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

30. In the event that no Qualified LOIs are submitted by the Phase 1 Bid Deadline, then the Receiver may terminate the SISP.

31. Upon the determination by the Receiver of the manner in which to proceed to Phase 2 of the SISP, the Receiver will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), which will include a Draft Purchase/Investment Agreement which will be made available in the Data Room, and the Bid Process Letter will be sent to all Phase 2 Qualified Bidders who are invited to participate in Phase 2.

Phase 2: Formal Offers and Selection of Successful Bidder

32. Paragraphs 33 to 44 below and the conduct of Phase 2 bidding are subject to paragraphs 28 to 31, above, and any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

33. Phase 2 Qualified Bidders that wish to make a formal Sale Proposal or an Investment Proposal shall submit to the Selling Agent a sealed binding offer that complies with all of the following requirements at the addresses specified in Schedule "A" hereto (including by email or fax transmission), so as to be received by the Selling Agent not later than 12:00 PM (Calgary time) on November 15, 2018 or such other date and time as may be modified in the Bid Process Letter (the "**Phase 2 Bid Deadline**"):

   (a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;

   (b) cash is the preferred form of consideration, but if the bid utilizes other consideration, a description of the material terms of the consideration shall be provided;

(c) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to the Receiver;

(d) unless otherwise agreed, the bid shall take the form of the Draft Purchase/Investment Agreement and shall include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with such Successful Bidder;

(e) the bid includes duly authorized and executed transaction agreements as listed in the Draft Purchase/Investment Agreement; including, but not limited to, the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, the name or names of the ultimate beneficial owner(s) of the Phase 2 Qualified Bidder including their respective percentage interests;

(f) to the extent that a bid is conditional upon new or amended agreements being entered into with other parties, the interested parties shall provide the proposed terms of such amended or new agreements and identify how such agreements may differ from existing agreements to which Ranch may be a party. A Phase 2 Qualified Bidder's willingness to proceed without such conditions and, where such conditions are included in the bid, the likelihood of satisfying such conditions shall be an important factor in evaluating the bid;

(g) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction that will allow the Receiver to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

(h) the bid should not be conditioned on the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 2 from the Phase 2 Qualified Bidder;

(i) each Phase 2 Qualified Bidder must provide with its bid details regarding its ability to obtain and method of financing the transaction, the timetable for obtaining financing and, if appropriate, the amount of senior debt, subordinated debt, equity and any other source of financing contemplated in the pro forma capital structure;

(j) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

(k) for a Sale Proposal, the bid, except in the case of a Credit Bid, includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to

"Ernst & Young Inc. in trust" (the "**Deposit**"). One half of the Deposit shall be paid to "Ernst & Young Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within one week of obtaining court approval for the Successful Bid;

(l) for an Investment Proposal, the bid, except in the case of a Credit Bid, includes a commitment by the Phase 2 Qualified Bidder to provide a refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder, which shall be paid to "Ernst & Young Inc. in trust". One half of the Deposit shall be paid to "Ernst & Young Inc. in trust" upon the submission of the Phase 2 Qualified Bidder's Phase 2 Bid. The second half of the Deposit shall be submitted upon the Phase 2 Qualified Bidder being selected as the Successful Bidder. The Successful Bidder's Deposit shall be applied as against the Purchase Price and all other Deposits submitted by Phase 2 Qualified Bidders who are not selected as the Successful Bidder shall be returned within one week of obtaining court approval for the Successful Bid;

(m) in the case of a Credit Bid, it is accompanied by a Deposit in the form of a wire transfer (to a bank account specified by the Receiver), or such other form acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of that total consideration set out in its Phase 2 Bid, less the value of the consideration allocated to the credit portion of the Credit Bid;

(n) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business and Ranch or any of them prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever made by the Selling Agent, Ranch or the Receiver, whether express, implied, statutory or otherwise, regarding the Business, Property or Ranch, or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Receiver on behalf of Ranch;

(o) all required corporate approvals of the Phase 2 Qualified Bidder will have been obtained prior to the submission of the bid;

(p) the bid shall identify any material conditions in favour of the purchaser to be resolved prior to closing the transaction;

(q) the bid is received by the relevant Phase 2 Bid Deadline;

(r) the bid contemplates court approval; and

(s) the bid contemplates a schedule for closing the transaction set out therein which is on or before November 30, 2018 (the "**Closing Date**").

34. Following the Phase 2 Bid Deadline, the Receiver, in consultation with TEC (unless TEC has submitted a Credit Bid), will assess the Phase 2 bids received with respect to the Property or Business. The Receiver will designate the most competitive bids that comply with the foregoing requirements to be "**Phase 2 Qualified Bids**". No Phase 2 bids received shall be deemed to be Phase 2 Qualified Bids without the approval of the Receiver in consultation with the BCOGC and TEC (unless TEC has submitted a Credit Bid). Only Phase 2 Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

35. The Receiver may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Phase 2 Qualified Bid.

36. The Selling Agent, upon receiving instructions from the Receiver, shall notify each Phase 2 Qualified Bidder in writing as to whether its bid constituted a Phase 2 Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Receiver deem appropriate.

37. If the Receiver is not satisfied with the number or terms of the Phase 2 Qualified Bids, the Receiver, in consultation with the Selling Agent and TEC (unless TEC has submitted a Credit Bid), may extend the Phase 2 Bid Deadline without Court approval, or the Receiver may seek Court approval for an amendment to the SISP.

38. The Receiver may terminate, in consultation with TEC (unless TEC has submitted a Credit Bid), further participation in the Phase 2 Bid Process by any interested party, or modify dates or procedures in this SISP as deemed appropriate or necessary, or terminate the process altogether.

39. The Receiver may aggregate separate bids from unaffiliated Phase 2 Qualified Bidders to create one or more "**Phase 2 Qualified Bid**".

40. In the event that no Phase 2 Qualified Bids are submitted by the Phase 2 Bid Deadline, then the Receiver may terminate the SISP.

Evaluation of Competing Bids

41. A Phase 2 Qualified Bid will be evaluated based upon several factors, including, without limitation, items such as the Purchase Price and the net value and form of consideration to be paid provided by such bid, the identity, circumstances and ability of the Phase 2

Qualified Bidder to successfully complete such transactions, including any conditions attached to the bid and the expected feasibility of such conditions, the proposed transaction documents, factors affecting the speed, certainty and value of the transaction, the assets included or excluded from the bid, any related restructuring costs, compliance with BCOGC requirements, the likelihood and timing of consummating such transactions, and the ability of the bidder to finance and ultimately consummate the proposed transaction within the timeline established by the Receiver.

Selection of Successful Bid

42. The Receiver, in consultation with TEC (unless TEC has submitted a Credit Bid): (a) will review and evaluate each Phase 2 Qualified Bid with the applicable Phase 2 Qualified Bidder, and such Phase 2 Qualified Bid may be amended, modified or varied as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**"), and the Phase 2 Qualified Bidder making such Successful Bid (the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Receiver shall be subject to approval by the Court.

43. The Receiver shall have no obligation to enter into a Successful Bid, and the Receiver reserves the right to reject any or all Phase 2 Qualified Bids.

Sale Approval Hearing

44. At the hearing of the application to approve any transaction with a Successful Bidder (the "**Sale Approval Application**"), the Receiver shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Receiver on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

45. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, LOIs, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Receiver and such other bidders or Potential Bidders in connection with the SISP. The Receiver may however, with the consent of the applicable participants, disclose such information to other bidders for the purpose of seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

Supervision of the SISP

46. The Receiver will participate in the SISP in the manner set out in this SISP Procedure and the SISP Order and is entitled to receive all information in relation to the SISP.

47. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between Ranch, the Selling Agent or the Receiver and any Phase 1 Qualified

Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Receiver on behalf of Ranch and approved by the Court.

48. Without limiting the preceding paragraph, neither the Receiver nor the Selling Agent shall have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, or any other creditor or other stakeholder of Ranch, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result of gross negligence or willful misconduct of the Receiver or Selling Agent. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Receiver or Selling Agent for any reason whatsoever, except to the extent such claim is the result of gross negligence or willful misconduct of the Receiver or Selling Agent.

49. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

50. The Receiver shall have the right, in consultation with the Selling Agent and TEC (unless TEC has submitted a Credit Bid), to modify the SISP and the deadlines set out herein (including, without limitation, pursuant to the Bid Process Letter) if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

SCHEDULE "A"

Selling Agent

Animus Capital Partners Inc.
3800, 855-2nd Street SW
Calgary, Alberta
T2P 4J8

Attention: **Mathew August, Executive Managing Director**

Receiver

Ernst & Young Inc.
2200, 215-2nd Street SW
Calgary, Alberta
T2P 1M4

Attention: **Neil Narfason, Senior Vice President/Duncan MacRae, Manager**