COURT FILE NUMBER	1801-09188	Clerk's Stamp CLERK OF THE COURT FILED NOV 30 2018 JUDICIAL CENTRE OF CALGARY
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	**FIFTH REPORT OF THE RECEIVER** **NOVEMBER 30, 2018**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** Ernst & Young Inc. Calgary City Centre 2200, 215 2nd Street SW Calgary, AB T2P 1M4 Attention: Neil Narfason / Duncan MacRae Telephone: (403) 206-5067 / (403) 206-5035 Fax: (403) 206-5075 Email: neil.narfason@ca.ey.com / duncan.macrae@ca.ey.com **RECEIVER'S COUNSEL** Borden Ladner Gervais LLP Josef G.A. Kruger, Q.C. / Robyn Gurofsky 1900, 520 3rd Ave SW Calgary, AB T2P 0R3 Phone: (403) 232-9563 / (403) 232-9774 Fax: (403) 266-1395 Email: jkruger@blg.com / rgurofsky@blg.com	

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APPENDIX

INTRODUCTION

1. Third Eye Capital Corporation ("**TEC**") issued a notice of intention to enforce security on June 6, 2018, pursuant to section 244(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3 as amended (the "**BIA**") against Ranch Energy Corporation ("**Ranch**"), OpsMobil Inc. ("**OMI**"), 1734163 Alberta Inc. ("**1734 AB**"), 1859821 Alberta Inc. ("**1859 AB**"), OpsMobil Group Inc. ("**OMGI**"), OpsMobil Construction Inc. ("**OMCI**"), OpsMobil Energy Services Inc. ("**OMESI**"), Air Dallaire Ltd. ("**Air Dallaire**") and K.L. Capital Corp. ("**KLCC**") (collectively the "**Corporations**"). OMI, OMGI, OMCI, OMESI, Air Dallaire and KLCC are collectively referred to as "**OpsMobil**".

2. Ernst & Young Inc. was appointed as receiver (the "**Receiver**") of the Corporations' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**") pursuant to an order of the Court of Queen's Bench of Alberta (the "**Honourable Court**") dated July 19, 2018, (the "**Receivership Date**"), as amended on August 7, 2018 (the "**Receivership Order**").

3. The Receivership Order authorizes the Receiver, among other things, to carry on the business of the Corporations, to sell, convey, transfer, lease or assign the Property out of the normal course of business, subject to approval of this Honourable Court for any transactions exceeding $100,000, or the aggregate of multiple transactions exceeding $500,000, and to make such arrangements or agreements as deemed necessary by the Receiver.

PURPOSE

4. This fifth report of the Receiver (the "**Fifth Report**") is filed in support of an emergency application by the Receiver to ground the fleet of aircraft (the "**Initial Aircraft Assets**") currently in the possession of Airborne Energy Solutions Inc. ("**AES**") on the basis that no adequate flight risk insurance could be obtained in respect thereof. This Fifth Report provides this Honourable Court with:

   a) The status of the AES Transaction (described below);

   b) Details of attempts by the Receiver to obtain insurance over the Initial Aircraft Assets;

   c) Details of the meeting and agreement between AES, its counsel, the Receiver and its counsel setting out the terms under which the parties would obtain insurance;

   d) Details of correspondence between the parties in respect of insurance over the Initial Aircraft Assets; and

   e) The Receiver's concerns and recommendations in respect of its Application to ground the fleet of Initial Aircraft Assets.

TERMS OF REFERENCE

5. All references to dollars are in Canadian currency unless otherwise noted.

6. Capitalized terms not defined in this Fifth Report are as defined in the Receivership Order, the first report of the Receiver dated August 8, 2018 (the "**First Report**") or the second report of the Receiver dated September 24, 2018 (the "**Second Report**").

STATUS OF AES TRANSACTION

7. The Receiver's role is to deal with the property of the Corporations in a commercially reasonable manner having regard to the interests of all stakeholders in the Corporations. Accordingly, since the Court adjourned the Initial AES Application on August 10, 2018, the Receiver has been working diligently with AES and TEC (and other interested stakeholders) to resolve matters arising out of the Initial AES Application, and in particular those matters related to AES' proposed purchase of the Initial Aircraft Assets (the "**Initial AES Transaction**"), in the most commercially reasonable manner. These efforts included attending several conference calls and meetings with AES, TEC and their counsel, as noted in Affidavit No. 3 of Kenneth I. Mizera filed on September 28, 2018 (the "**Third Mizera Affidavit**"). To date, no purchase and sale agreement has been finalized or entered into by the parties due to their inability to reach commercial terms in respect thereof. The Receiver understands that AES and TEC remain in discussions in respect of a transaction.

INSURANCE

8. The Initial Aircraft Assets are currently insured pursuant to a policy in which OpsMobil and AES are named as co-insured and Third Eye Capital Corporation and in some cases, Nabors Drilling Canada Limited are named as loss payee. The current insurance lapses on December 1, 2018.

9. The Receiver has been working with its insurance broker at Marsh Canada Limited throughout the month of November to obtain appropriate replacement coverage, not only with respect to the Initial Aircraft Assets, but with respect to the remaining assets of OpsMobil which are not subject to the Initial AES Transaction. The Receiver reached out to the insurance broker initially on November 8, 2018 to obtain information related to renewing the existing insurance policy.

10. The Receiver had advised AES, who had been enquiring about the status of insurance, that it was working with its broker to obtain the requisite insurance, not only on the Initial Aircraft Assets, but on the remaining assets, the majority of which are subject to a second potential sale transaction with AES.

11. On November 28, 2018, Mr. Mizera of AES advised the Receiver that ground risk insurance and flight risk insurance could not be separated into two policies. Further, Mr. Mizera advised the Receiver that AES had to be the named insured on any insurance coverage in respect of the Initial Aircraft Assets in order for AES to maintain the its air operator certificate (the "**AOC**") pursuant to which Transport Canada authorizes commercial air service. The Receiver discovered that it could not obtain its own flight risk insurance as it was not authorized to fly the aircraft, nor did it have any intention to do so.

12. As a result, AES, the Receiver and their respective counsel held a meeting a the Court House on November 28, 2018 for approximately 45 minutes (the "**November 28 Meeting**") in which the parties discussed the manner in which insurance coverage could be obtained that would:

a) satisfy the Receiver's requirements to insure assets of the OpsMobil estate; and

b) allow AES to continue flying the Initial Aircraft Assets so that it was not in breach of its AOC.

13. During the meeting, Mr. Mizera expressed concern that because the Receiver was not flying the aircraft, it could not be named an insured on the policy. The Receiver indicated that so long as it was named as loss payee, and provided it was satisfied with the terms of the policy, that it did not need to be a named insured. The Receiver emphasized the importance of receiving any insurance proceeds, as loss payee, in the event of a loss occurring prior to closing any transaction with AES, in order to protect the receivership estate and comply with its statutory duties. Mr. Mizera and his counsel appeared to understand and while they referenced the fact that the Transition Services Agreement appended to the original purchase and sale agreement between OpsMobil and AES contemplated insurance proceeds being paid to AES, they acknowledged that that was in contemplation of closing a sale transaction with AES.

14. Mr. Mizera also advised the Receiver during this meeting that he intended to insure the Initial Aircraft Assets at above their current value, given that the replacement value exceeded current value. He indicated that in those circumstances, the Receiver should not be entitled to receive insurance proceeds for the entire replacement value. After some discussion on this issue, the Receiver ultimately agreed and determined that it would be commercially reasonable for the Receiver to collect the entirety of the insurance proceeds, retain the amount of the proceeds equal to the values attributed to the Initial Aircraft Assets as set out in the original purchase and sale agreement, and pay out the difference to AES (representing the differential between original purchase and sale agreement values and replacement values).

15. The Receiver sent the letter agreement attached as **Appendix A** hereto, to counsel for AES just before 9:00 a.m. on November 29, 2018, reflecting what had been agreed between the parties per the November 28 Meeting. No formal response was provided by AES or its legal counsel in respect of the letter.

16. Email exchanges took place between the Receiver and Mr. Mizera on November 29, 2018 on various insurance issues, however, AES did not advise during those exchanges that it was resiling from the position that it took regarding the terms of the insurance over the Initial Aircraft Assets agreed upon on November 28, 2018. Those emails are attached as **Appendix B** hereto.

17. Later on in the afternoon of November 29, 2018, Mr. Mizera contacted the Receiver via telephone and advised, among other things, that he refused to disclose to the receiver the terms of the insurance AES had obtained over the Initial Aircraft Assets. After further prompting by the Receiver, AES admitted that it was not going to name the Receiver as loss payee in respect of the insurance on the Initial Aircraft Assets on the basis that it was entitled to the entirety of the insurance proceeds as per the terms of the Transition Services Agreement. The Transition Services Agreement is attached as **Appendix C.**

18. Further email exchanges took place between counsel for the Receiver and AES during the late afternoon and evening of November 29, 2018. Those emails are attached as **Appendix D** hereto.

19. As a transaction has not been consummated transferring ownership of the Initial Aircraft Assets to AES, the Initial Aircraft Assets continue to represent property of the receivership estate. The Receiver is strongly of the view that it is duty bound not to permit the continued use of the Initial Aircraft Assets without: a) being satisfied as to the terms of the insurance (if any has been obtained at all), and b) being named as a loss payee in the event of a loss. Doing so would cause significant prejudice to the estate, and would place the Receiver in breach of its duties to the estate.

20. Given AES' refusal to even disclose the insurance policy/ies to the Receiver, the Receiver is unable to confirm if insurance has even been obtained in respect of the Initial Aircraft Assets, not only exposing the Receiver to significant liability, but creating significant concerns regarding public safety.

21. For these reasons, and unless the Receiver is provided with the insurance policy/ies and is satisfied with the terms, including naming the Receiver as loss payee, the Receiver has no other option but to ground the fleet of Initial Aircraft Assets. The Receiver is obtaining replacement ground risk insurance in respect of these assets which will be in place by the end of the day, thereby protecting the estate in the event of any losses.

RECOMMENDATIONS

22. The Receiver recommends that this Honourable Court grant the relief sought and direct AES to ground the fleet of Initial Aircraft Assets until such time as the Receiver is satisfied as to the terms of any flight risk insurance obtained by AES in respect of the Initial Aircraft Assets, including but not limited to naming the Receiver as loss payee in the event of any loss.

Dated at Calgary, this 30th day of November, 2018.

ERNST & YOUNG INC.
in its capacity as the
Receiver of the Corporations

Neil Narfason, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Duncan MacRae, CPA, CA, CIRP, LIT
Manager

APPENDIX 'A'

Gurofsky, Robyn

From:	Kim, Stella
Sent:	November 29, 2018 8:52 AM
To:	David LeGeyt
Cc:	Gurofsky, Robyn
Subject:	In the Matter of the Receivership of the OpsMobil Group of Companies
Attachments:	CAL01 -#2713683-v1-LT D. LeGeyt re Aviation Insurance.PDF

Hi Mr. LeGeyt,

Please find attached correspondence sent on behalf of Robyn Gurofsky with respect to the above noted.

Should you have questions or concerns, please contact Ms. Gurofsky.

Regards,

Stella Kim
Practice Assistant – Commercial Litigation
T 403.232.9442 | F 403.266.1395 | SKim@blg.com
Centennial Place, East Tower, 1900, 520 – 3rd Ave S W, Calgary, AB, Canada T2P 0R3

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Robyn Gurofsky
T (403) 232-9774
F (403) 266-1395
rgurofsky@blg.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

File No. 413255.63

November 29, 2018

Delivered by Email (dlegeyt@bdplaw.com)

Burnet, Duckworth and Palmer LLP
2400, 525 8 Ave SW
Calgary, AB T2P 1G1

Attention: David LeGeyt

Dear Mr. LeGeyt:

Re: Insurance on the OpsMobil Group Inc. et al ("OMGI") Aviation Assets

I am writing to confirm our discussion yesterday amongst ourselves and our respective clients in relation to obtaining insurance on the OMGI aviation assets (the "**Assets**"). In particular:

1. The current insurance on the Assets expires at the end of day on November 30, 2018.

2. Pursuant to the terms of the Transition Services Agreement (the "**TSA**") entered into by Airborne Energy Solutions Inc. ("**AES**") and OMGI, OMGI was to obtain insurance over the assets (the "**Original PSA Assets**") subject to the original purchase and sale agreement (the "**Original PSA**") as between OMGI and AES (which purchase and sale agreement the Receiver has previously indicated it neither accepts nor adopts) at AES' sole cost.

3. AES has advised the Receiver that it is not possible to separate out ground risk and flight risk insurance and that as the holder of the AOC permit, AES must be a named insured on the flight risk insurance.

4. As a result, AES has indicated that it is prepared to obtain both the ground risk and flight risk insurance, together with liability insurance, in respect of the Original PSA Assets and that it will pay for the cost of such insurance in accordance with the terms of the TSA.

5. AES will be the named insured on the insurance certificate in respect of the Original PSA Assets and the Receiver (and for clarity, "Ernst and Young Inc. in its capacity as court

appointed receiver of OpsMobil Group Inc. et al and not its personal capacity") will be named as loss payee and shall be the sole named loss payee on the insurance certificate.

6. The Receiver must have an opportunity to review the policy and the insurance certificate to determine it meets the Receiver's requirements in advance of November 30, 2018.

7. AES may elect to obtain the above noted insurance up to the replacement cost as opposed to current market value, resulting in an increase to the premiums payable in respect of such insurance.

8. In the event of a loss occurring prior to closing any transaction with AES for the sale of the Original PSA Assets, the entirety of the insurance proceeds shall be paid to the Receiver and the Receiver shall retain the insurance proceeds up to the amount of the current market value as outlined in the Original PSA and any excess amount shall be paid to AES.

9. AES has advised that it may be cheaper for it to obtain insurance coverage over the remaining OMGI assets (the "**Remaining Assets**") as a package with the Original PSA Assets. AES will provide the Receiver with the quote it obtains in respect of insurance coverage for ground risk over the Remaining Assets. The Receiver will likewise obtain a quote for ground risk insurance coverage over the Remaining Assets.

10. If the Receiver, in consultation with Third Eye Capital Corporation ("**TEC**"), elects to proceed with the AES insurance coverage over the Remaining Assets, such costs shall be borne by the receivership estate. In such event, the Receiver and AES shall be named as insured and the Receiver shall be the sole named loss payee.

11. In the event of a loss occurring prior to closing any transaction with AES for the sale of the Remaining Assets, the entirety of the insurance proceeds shall be paid to the Receiver and the Receiver shall retain the entirety of the insurance proceeds for the benefit of the receivership estate.

12. In the event a sale transaction is closed with AES involving the Original PSA Assets and the Remaining Assets, the Receiver shall be removed as loss payee, and where applicable, insured, in respect of the insurance obtained over both the Remaining Assets and the Original PSA Assets. Further, in such event, AES shall be responsible for paying the premiums on the insurance coverage for the Remaining Assets from the date of closing the sale transaction (and shall continue paying the insurance premiums in respect of the Original PSA Assets).

13. In the event a sale transaction with AES does not close as of a date to be specified by the Receiver, AES shall maintain the insurance coverage over both the Original PSA Assets and the Remaining Assets, at the cost of the Receiver, until such time as the Receiver is able to obtain adequate replacement ground coverage.

We trust you will find the above noted description of our discussion this morning to be accurate and in order and we look forward to quickly ensuring that appropriate insurance is obtained in respect of all of the assets as per our description above.

Please confirm your agreement with respect to the insurance coverage as outlined above, notwithstanding any prior agreement as between AES, OMGI or any other member of the OpsMobil Group of Companies, by executing on the line identified below. Please note that this letter agreement is made without prejudice to the respective positions that may be adopted by AES, TEC or the Receiver in the context of any litigation, should the closing of the transactions reflected in the Settlement Agreement dated October 25, 2018 (or any amendment thereto) not occur.

Yours truly,

Borden Ladner Gervais LLP

Robyn Gurofsky

Agreed and accepted this ___ day of November, 2018

Burnett, Duckworth & Palmer LLP, counsel to Airborne Energy Solutions Inc.

Per: ____________________________

David LeGeyt

APPENDIX 'B'

Gurofsky, Robyn

From:	Peter Chisholm <peter.chisholm@ca.ey.com>
Sent:	November 29, 2018 2:01 PM
To:	Kim Mizera; Duncan MacRae; Mike Gauthier
Cc:	Gurofsky, Robyn
Subject:	RE: Missed Call

Hi Kim,

I'm available right now in the office at (403) 206-5061.

Best regards,

Peter

EY

Peter Chisholm, CA, CIRP, LIT | Transaction Advisory Services
Ernst & Young Inc. Calgary City Centre
2200 – 215 2nd Street SW Calgary AB T2P 1M4
Phone: +1 403 206 5061 | Fax: +1 403 206 5075
peter.chisholm@ca.ey.com

From: Kim Mizera [mailto:KimM@rilpa.com]
Sent: Thursday, November 29, 2018 12:56 PM
To: Duncan MacRae <duncan.macrae@ca.ey.com>; Mike Gauthier <MikeG@rilpa.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>; Gurofsky, Robyn <RGurofsky@blg.com>
Subject: RE: Missed Call

Hi Pete,
Can you advise what number I can contact you at?

Kim Mizera
Rilpa Enterprises

RILPA
ENTERPRISES LTD.

480 Aviation Way N.E., Calgary, Alberta T2E 7G3
Phone: (403) 275-3035 Fax: (403) 275-3312

From: Duncan MacRae [mailto:duncan.macrae@ca.ey.com]
Sent: Thursday, November 29, 2018 11:13 AM
To: Kim Mizera; Mike Gauthier
Cc: Peter Chisholm; Gurofsky, Robyn
Subject: RE: Missed Call

Yes, sent to both Pete and Robyn.

After our discussion yesterday regarding insurable values, the quote we sent out was quite high. Based on the values in the Second PSA at the 0.6% Hull rate, it was 50% retained and minimum.

Have you been able to obtain a better rate for the ground risk for the Second PSA pieces?

Duncan MacRae, CPA, CA, CIRP, LIT | Transaction Advisory Services

Ernst & Young Inc.
+1 403 206 5035

From: Kim Mizera <KimM@rilpa.com>
Date: November 29, 2018 at 12:02:34 PM CST
To: Duncan MacRae <duncan.macrae@ca.ey.com>, Mike Gauthier <MikeG@rilpa.com>
Cc: Peter Chisholm <peter.chisholm@ca.ey.com>, Gurofsky, Robyn <RGurofsky@blg.com>
Subject: RE: Missed Call

Hi Duncan
I understand that you received a quote from Marsh to place ground risk on the complete fleet?
Have you forward to Pete?

Kim Mizera
Rilpa Enterprises

RILPA
ENTERPRISES LTD.

480 Aviation Way N.E., Calgary, Alberta T2E 7G3
Phone: (403) 275-3035 Fax: (403) 275-3312

From: Duncan MacRae [mailto:duncan.macrae@ca.ey.com]
Sent: Thursday, November 29, 2018 11:00 AM
To: Kim Mizera; Mike Gauthier

Cc: Peter Chisholm; Gurofsky, Robyn
Subject: Missed Call

Kim,

I see I have a vmail from Rilpa. As mentioned yesterday, could you please connect with Pete and Robyn, as I am travelling in the US.

Thanks

Duncan MacRae, CPA, CA, CIRP, LIT | Transaction Advisory Services

Ernst & Young Inc.
+1 403 206 5035

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APPENDIX 'C'

B

TRANSITION SERVICES AGREEMENT Kenneth T. Mize

9th

June 201

THIS AGREEMENT made as of the 14th day of December, 2017,

BETWEEN:

OPSMOBIL GROUP INC.,
OPSMOBIL INC. and
OPSMOBIL ENERGY SERVICES INC.
bodies corporate duly formed
pursuant to the laws of the Province of Alberta

(collectively, "**OpsMobil**")

OF THE FIRST PART

-and-

AIRBORNE ENERGY SOLUTIONS INC.
a body corporate duly incorporated
pursuant to the laws of the Province of Alberta

("**Airborne**")

OF THE SECOND PART

RECITALS

A. The parties entered into a purchase and sale agreement dated December 14, 2017, (the "**PSA**") pursuant to which OpsMobil, as Vendor, has agreed to sell to Airborne, as Purchaser, the Business and the Assets as more properly described therein, and Airborne has agreed to purchase the Business and the Assets, on and subject to the terms set forth in the PSA.

B. In connection therewith, OpsMobil agrees to provide Airborne with certain transition services as set forth in this Agreement until the Business is fully integrated with Airborne.

IN CONSIDERATION of the premises and the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms in PSA

Capitalized terms used but not defined herein, shall have the same meaning as given in the PSA.

1.2 Definitions

In this Agreement, including the recitals and the Schedules, the following terms have the following meanings:

(a) **"Agreement"** means this agreement including the recitals hereto, and all Schedules hereto.

(b) **"Aircraft"** means the fixed wing aircraft registered in Canada which Airborne has covenanted to purchase from OpsMobil pursuant to the provisions of the PSA and more properly identified in Schedule A together with any and all such other fixed wing aircraft Airborne may acquire before or after Closing for the Business.

(c) **"Aircraft AOC"** means the air operator certificate and license issued by Transport Canada to OpsMobil Inc. in order to enable it to operate the Aircraft, being AOC #6458.

(d) **"AMO"** means the Approved Maintenance Organization license issued by Transport Canada to Inc., being AMO #203-92.

(e) **"Applicable Law"** means all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise) including judgments, orders and decrees of courts, commissions or bodies exercising similar functions.

(f) **"Assets"** means the assets of OpsMobil to be acquired by Airborne on Closing pursuant to the PSA.

(g) **"Business"** means the ongoing business, assets and undertakings of OpsMobil, as a whole, previously conducted by OpsMobil as of the Effective Date and to be acquired by Airborne on Closing pursuant to the provisions of the PSA, related to its aerial surveillance and scanning, chemical spraying and local charter businesses operated by OpsMobil and/or its Affiliates in the Province of Alberta and elsewhere in Canada, excluding any such operations in the United States of America.

(h) **"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.

(i) **"Claim"** means any claim, demand, action, lawsuit, proceeding, arbitration or governmental proceeding or investigation.

(j) **"Closing"** means the completion of the transaction of purchase and sale contemplated by the PSA.

(k) **"Closing Date"** means 10:00 a.m. Calgary time on December 20, 2017 or such earlier or later date as the parties may mutually agree upon in writing as set forth in the PSA.

VA

(l) **"Customer Service Contracts"** means all agreements, contracts, licenses, undertakings, engagement or commitments of any nature whatsoever, written or oral, which OpsMobil has with Third Parties who are, as of the Effective Date, the customers and clientele of the Business, as disclosed to and accepted by Airborne at Closing, including without limitation, any and all master service agreements, customer contracts, work orders, customer order agreements and unfilled purchase orders; provided however, "Customer Service Contracts" does not include any agreements, contracts, licenses, undertakings, engagements or commitments in place with Ranch Energy Corporation.

(m) "**Default**" means:

(i) in relation to OpsMobil:

(A) it commits a breach of this Agreement;

(B) it commits a breach of or is in non-compliance with the Aircraft AOC, Helicopter AOC or AMO;

(C) it becomes bankrupt or insolvent or makes application for relief from creditors under the provision of any statute for bankrupt or insolvent debtors, or makes any proposal, assignment or arrangement with its creditors;

(D) a receiver or a receiver and manager is appointed for all or a substantially all of the property of OpsMobil;

(E) steps are taken or proceedings are instituted for the dissolution, winding-up or other termination of OpsMobil or for the liquidation of all or substantially all of its assets; or

(F) it makes or attempts to make a bulk sale of any of its assets which includes either one or more of the Aircraft AOC, Helicopter AOC or AMO, excepting pursuant to the PSA; and

(ii) in relation to Airborne:

(A) it commits a breach of this Agreement;

(B) it commits a breach of, is in non-compliance with or causes OpsMobil to be in breach of or in non-compliance with, the Aircraft AOC, Helicopter AOC or AMO;

(C) it becomes bankrupt or insolvent or makes application for relief from creditors under the provision of any statute for bankrupt or insolvent debtors, or makes any proposal, assignment or arrangement with its creditors;

(D) a receiver or a receiver and manager is appointed for all or substantially all of the property of Airborne; or

(E) steps are taken or proceedings are instituted for the dissolution, winding-up or other termination of Airborne or for the liquidation of all or substantially all of its assets.

(n) "**Dollar**" or "$" means, unless otherwise provided herein, a dollar in the lawful money of Canada.

(o) "**Effective Date**" means November 1, 2017.

(p) "**Employees**" means those persons to be employed or contracted by Airborne from time to time to provide pilot services for the Aircraft, Helicopter and Leased Helicopter.

(q) "**Encumbrances**" means any mortgage, debenture, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise) or other encumbrance of any nature or kind which, in substance, secures payment of performance of an obligation.

(r) "**Governmental Authority**" means a federal, provincial, territorial, municipal or other government or government department, agency, board or other authority (including a court of law).

(s) "**Helicopter**" means the helicopter registered in Canada which Airborne has covenanted to purchase from OpsMobil on Closing pursuant to the provisions of the PSA and more properly identified in Schedule A together with any and all such other helicopters Airborne may acquire before or after Closing for the Business.

(t) "**Helicopter AOC**" means the air operator certificate and license issued by Transport Canada to OpsMobil Inc. in order to enable it to operate the Helicopter, Leased Helicopters and other helicopters operated by the OpsMobil, being AOC #5404.

(u) "**Leased Helicopters**" means the helicopters leased by Airborne for the operations of the Business and includes without limitation those helicopters more properly described in Schedule A attached hereto together with any and all such other helicopters Airborne may lease after Closing for the Business.

(v) "**Liabilities**" means any and all liabilities and obligations, whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability or otherwise.

(w) "**Losses**" means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which such Person suffers, sustains, pays or incurs in connection with such matter and includes reasonable costs of legal counsel (on a solicitor and client basis) and other professional advisors and consultants and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained, but does not include consequential or indirect losses or loss of profits suffered by such Person.

(x) "**OpsMobil**" means collectively OpsMobil Group Inc. ("**Group**"), OpsMobil Inc. ("**Inc.**"), OpsMobil Energy Services Ltd. ("**Energy Services**"), and any related or affiliated corporation, person or other entity having an interest of whatsoever nature in the Assets notwithstanding that they are not a signatory to this Agreement, having an office at 1200, 815-8th Avenue S.W. Calgary, AB T2P 3P2.

(y) "**Party**" means one of Group, Inc., Energy Services or Airborne, and "**Parties**" means all of them collectively, together with their respective heirs, executors, administrators, successors and permitted assigns.

(z) "**Person**" means any individual or entity, including any partnership, body corporate, trust, unincorporated organization, union, government or Governmental Authority and any heir, executor, administrator or other legal representative of an individual.

(aa) "**PSA**" means the agreement for the Purchase and Sale of Assets between the Parties dated December 14, 2017.

(bb) "**Related Party**" means, in reference to a Party: (i) its Affiliates, successors and assigns; (ii) its directors, officers and employees; and (iii) its Affiliates' directors, officers and employees.

(cc) "**Segregated Trust Account**" has the meaning ascribed thereto in Section 2.3(a)(ii).

(dd) "**Services**" has the meaning ascribed thereto in Section 2.1.

(ee) "**Survival Period**" means, in respect of a Claim by a Party or it Related Parties, eighteen (18) months from the date upon which such Party or Related Party knew or ought to have known of the matters giving rise to such Claim.

(ff) "**Third Party**" means a Person other than Airborne, OpsMobil and their respective Related Parties.

(gg) "**Transfer**" has the meaning ascribed thereto in Section 2.2(b).

(hh) "**Transition Period**" means the period commencing on the Effective Date and ending on the day that is the earlier of: i) three (3) years from the Closing Date; ii) the last day upon which Services are required to be rendered hereunder by OpsMobil as advised by Airborne to OpsMobil; and iii) the day on which the last of the following events occurs: a) all Customer Service Contracts or other customer directives existing as of the Closing Date have, in all respects, been assigned to, assumed by or otherwise replaced by other arrangements directly with Airborne, b) the Aircraft AOC and AMO have been transferred to Airborne by Transport Canada; (c) Airborne has been issued an Air Operator Certificate for helicopters.

1.3 **Other Defined Terms.**

Capitalized terms used in this Agreement and not otherwise defined in this Agreement have the meanings given to such terms in the PSA, as applicable.

1.4 **Interpretation**

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

(a) references herein to any agreement or instrument, including this Agreement, shall be a reference to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time;

(b) the terms "in writing" or "written" include printing, typewriting or facsimile transmission;

(c) references to a statute shall be a reference to (i) such enactment as amended or reenacted from time to time and every statute that may be substituted therefor; and (ii) the regulations, bylaws or other subsidiary legislation made pursuant to such statute;

(d) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;

(e) a reference to time shall, unless otherwise specified, refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Alberta;

(f) "including", "includes" and like terms means "including without limitation" and "includes without limitation";

(g) the headings of Articles and Sections in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(h) the terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement in its entirety and include any agreement supplemental hereto, and

(i) unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this

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Agreement and references herein to Schedules are references to Schedules to this Agreement.

1.5 **Conflicts**

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a conveyance document, the provision of the body of this Agreement shall prevail.

ARTICLE 2
TRANSITIONAL SERVICES

2.1 **Transitional Services**

During the Transition Period, OpsMobil will provide to Airborne, with respect only to the Business and the Assets, the services set forth in this Article 2 (the "**Services**").

2.2 **Operations**

(a) On Closing occurring, Airborne will lease to OpsMobil Inc., for nominal consideration, the Aircraft and Helicopter, and sublease to OpsMobil Inc. the Leased Helicopters, for nominal consideration, for the Transition Period upon the terms and conditions set forth in such lease and sub-lease agreements and only for the purposes set forth below.

(b) Pursuant to the terms of the PSA, OpsMobil Inc. shall make application to Transport Canada for the transfer of, and act with all reasonable diligence to transfer, the Aircraft AOC and AMO to Airborne (the "**Transfer**"). Until such time as Transport Canada has accepted and processed the Transfer, OpsMobil Inc. shall maintain the Aircraft AOC and AMO with Transport Canada in good standing and shall comply with all Applicable Law pertaining thereto.

(c) OpsMobil hereby authorizes Airborne to operate and maintain the Aircraft under the Aircraft AOC and AMO until such time as the Transfer is effected by Transport Canada.

(d) OpsMobil Inc. further authorizes Airborne to operate the Helicopter under OpsMobil Inc.'s Helicopter AOC and AMO until the earlier of: i) disposition of the Helicopter by Airborne, ii) Airborne obtaining its own AOC for operation of the Helicopter, and iii) the end of the Transition Period. In this regard, Airborne shall use all reasonable diligence to apply for and obtain an AOC for operation of the Helicopter.

(e) Notwithstanding any other provision contained herein, OpsMobil Inc. shall, at all times, have and maintain "operational control", for Transport Canada purposes, over the operations of the Aircraft, Helicopter and Leased Helicopters so long as Airborne is utilizing the Aircraft, Helicopter and Leased Helicopter under the Aircraft AOC and Helicopter AOC, respectively. Airborne shall, at all times, operate under OpsMobil's operational control system. OpsMobil shall at all times not use, operate or direct to be operated the Aircraft, Helicopter or Leased Helicopters to be used for any purpose whatsoever except for the benefit of Airborne, and only as authorized and directed by Airborne in a manner consistent with the foregoing.

(f) OpsMobil shall allow Airborne to utilize and operate under certain systems and mechanisms of OpsMobil to facilitate transition of the Business. Such systems include, but are not necessarily limited to, OpsMobil's Certificates of Recognition and Safety Management Systems.

(g) OpsMobil and Airborne shall, and shall cause their respective employees, as applicable, to, comply with all the provisions of the Canadian Aviation Regulations, as amended from time to time, the requirements and conditions of the Air Operating Certificates and AMO, and such operational, manuals, policies, procedures, instructions and guidelines in place from time to time, relating to the operation of the Aircraft, Helicopter and Leased Helicopters. The Parties shall cooperate with each other in taking all reasonable steps and actions necessary for compliance with all Applicable Law relating to the operation and maintenance of the Aircraft, Helicopter and Leased Helicopters under the Aircraft AOC, the Helicopter AOC and AMO, respectively.

(h) At no time will OpsMobil transfer, assign, dispose, encumber, charge, lien or otherwise in any manner whatsoever deal with the Aircraft, Helicopter or Leased Helicopters, in whole or in part, unless pursuant to the written instructions of Airborne.

2.3 <u>Customer Management and Relationships</u>

(a) The Parties acknowledge their mutual intent that all Business conducted prior to the Effective Date shall be transitioned in every respect to Airborne as soon as practicable, each Party covenanting to the other to use their best efforts to complete same expeditiously. OpsMobil and Airborne agree that OpsMobil shall act on behalf of Airborne in the capacities set forth below, until no longer needed or the end of the Transition Period, whichever comes first:

(i) As of the Effective Date, OpsMobil shall forthwith irrevocably assign any and all receivables and work in progress accruing after the Effective Date to Airborne, free and clear of all Encumbrances;

(ii) OpsMobil shall forthwith establish upon execution hereof and operate a segregated bank account (the "**Segregated Trust Account**") with Alberta Treasury Branch in the City of Calgary, and shall:

(A) hold the Segregated Trust Account and any and all revenues OpsMobil receives relating to the Business accruing on or after the Effective Date as bare trustee in trust for Airborne;

(B) forthwith deposit or have deposited upon receipt any and all revenues relating to the Business accruing on or after the Effective Date and received by OpsMobil into the Segregated Trust Account;

(C) account to Airborne for all income and revenue which OpsMobil may at any time or from time to time receive upon or in respect of the Business for the period of time commencing on and after the Effective Date;

(D) cause Airborne to have complete and unimpeded knowledge and access to the Segregated Trust Account such that Airborne may make withdrawals and transfer of funds from the Segregated Account and receive all bank account statements related thereto; and

(E) forthwith irrevocably direct all customers of the Business to deposit all revenues relating to the Business accruing on or after the Effective Date into the Segregated Trust Account.

(iii) From and after the Effective Date to Closing, OpsMobil on behalf of and for the sole benefit of Airborne as beneficiary, but in the name of OpsMobil, shall continue to forthwith issue statements of account, invoices and such other paperwork necessary to ensure timely receipt of payment for the services performed by the Business in respect of the Customer Service Contracts or otherwise during such period of time;

(iv) After Closing, upon direction from Airborne, OpsMobil shall notify all customers of the Business that it has irrevocably assigned all accounts receivable of the Business accruing on and after the Effective Date and Customer Service Contracts (to the extent assigned upon Closing) to Airborne and to remit all payment of existing and future invoices to Airborne (other than for all or any portion of unpaid invoices for services performed prior to the Effective Date);

(v) After Closing, allow Airborne the right to use the name, letterhead and logo of OpsMobil in order to issue statements of account, invoices, services and such other paperwork to ensure the continuity of the Customer Service Contracts during the Transition Period;

(vi) To the extent that following Closing work of the Business is performed by Airborne under existing agreements, purchase orders, work orders or similar directives of OpsMobil, OpsMobil shall subcontract, assign or direct, as appropriate, all such work to Airborne on identical terms as per the agreement, purchase order, work order or other directive under which the work is commissioned and governed, in a manner which is in compliance therewith.

2.4 Insurance

OpsMobil shall be responsible, at the sole expense of Airborne, to properly insure and maintain such insurance on the Aircraft, Helicopter and Leased Helicopters as instructed by Airborne. OpsMobil, Airborne and the lessors of the Leased Helicopters, as applicable shall be the only named insured of such policy of insurance, unless otherwise agreed. OpsMobil, as bare trustee for the beneficiary Airborne, shall have no interest whatsoever in any insurance proceeds arising from an insurance claim pursuant to such policy of insurance related to the Aircraft, Helicopter and Leased Helicopters, in whole or in part. All benefits of such policy of insurance belong only and exclusively to Airborne and/or the lessors of the Leased Helicopters, as applicable. OpsMobil shall execute a Limited Power of Attorney in favor of Airborne granting Airborne the power to act as its attorney and signing authority in all dealings with such insurer, policy of insurance and any claims made pursuant to such policy of insurance. At all times, and from time to time upon request, OpsMobil will provide to Airborne the Certificate of Insurance, Insurance Policy and proof that such policy of insurance is in good and proper standing and all premiums due have been properly paid. OpsMobil shall immediately provide and deliver to Airborne any notice of default or breach of the insurance policy or any material adverse change in the relationship of OpsMobil with the insurer which OpsMobil receives notice of from the insurer of such policy of insurance and forthwith take all steps to rectify same.

2.5 Costs and Expenses

Airborne shall be responsible to pay all approved out-of-pocket costs and expenses incurred by OpsMobil in providing the foregoing Services. This shall include but in no way be limited to: insurance, maintaining Certificates of Recognition, Aircraft AOC, Helicopter AOC and AMO. OpsMobil shall not charge any fee for the Services.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties and Covenants of OpsMobil Group

Each corporation of the OpsMobil represents, warrants and covenants to Airborne on its own behalf and as it relates to it:

(a) Organization and Standing: it is a corporation, duly formed, organized and existing under the laws of Alberta. It is duly qualified to carry on business in the jurisdiction(s) where its business is carried on and its Assets are located;

(b) Authorization, Execution and Enforceability: The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by any and all requisite actions of it. This Agreement does, and any and all other agreements executed and delivered by it in connection herewith will, constitute valid and binding obligations of it, enforceable against it in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity; and

(c) No Conflict: The execution and delivery of this Agreement are not, and the completion of the transactions contemplated hereby in accordance with the terms of this Agreement will not be, in violation or breach of or in conflict with or require any consent, authorization or approval under:

(i) any term or provision of the constating and governing documents of it;

(ii) any agreement, instrument, license, permit or other governmental authorization to which it is a party or by which it is bound; or

(iii) any judgment, decree, order, statute, regulation, rule, or license applicable to it.

3.2 Representations, Warranties and Covenants of Airborne

Airborne represents and warrants to each corporation of the OpsMobil Group that:

(a) Organization and Standing: Airborne is a corporation duly organized and validly subsisting under the laws of Alberta and is duly qualified to carry on business in the jurisdiction(s) where the Business is carried on and the Assets are located;

(b) Authorization, Execution and Enforceability: The execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby have been duly and validly authorized by any and all requisite corporate actions of Airborne. This Agreement does and any other agreements executed and delivered by Airborne in connection herewith will constitute valid and binding obligations of Airborne enforceable against Airborne in accordance with their terms, subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and (ii) general principles of equity; and

(c) No Conflict: The execution and delivery of this Agreement are not, and the completion of the transactions contemplated hereby in accordance with the terms of this Agreement will not be, in violation or breach of or in conflict with or require any consent, authorization or approval under:

(i) any term or provision of the constating and governing documents of Airborne;

(ii) any agreement, instrument, license, permit or other governmental authorization to which Airborne is a party or by which such Airborne is bound; or

(iii) any judgment, decree, order, statute, regulation, rule, or license applicable to Airborne.

ARTICLE 4
LIABILITIES AND INDEMNITIES

4.1 OpsMobil's Indemnities

Subject to Section 4.5, OpsMobil shall:

(a) be liable to Airborne and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur; and

(b) indemnify and save Airborne and its Related Parties harmless from and against all Claims made against them;

insofar as such Losses, Liabilities and Claims are a direct result of any Default, gross negligence or wilful misconduct of OpsMobil; provided that OpsMobil shall not be liable to, or be required to indemnify and save harmless, Airborne or any of its Related Parties pursuant to this Section 4.1 in respect of any Losses, Liabilities or Claims to the extent they result from an Airborne Default or are caused by or result from the negligence or wilful misconduct of Airborne or its Related Parties.

4.2 Airborne's Indemnities

Subject to Section 4.5, Airborne shall:

(a) be liable to OpsMobil and its Related Parties for all Losses and Liabilities they suffer, sustain, pay or incur; and

(b) indemnify and save harmless OpsMobil and its Related Parties from and against all Claims made against them;

insofar as such Losses, Liabilities and Claims are a direct result of any Default, gross negligence or wilful misconduct of Airborne; provided that Airborne shall not be liable to, or be required to indemnify and save harmless, OpsMobil or any of its Related Parties pursuant to this Section 4.2 in respect of any Losses, Liabilities or Claims to the extent they result from an OpsMobil Default or they are caused by or result from the negligence or wilful misconduct of OpsMobil or its Related Parties.

4.3 Indemnification Procedure – Third Party Claims

The following procedures shall be applicable to any Claim by a Party (the "**Indemnitee**") for indemnification pursuant to this Agreement from the other Party (the "**Indemnitor**") in respect of a Claim by a Third Party:

(a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall promptly provide notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Liabilities and Losses that has been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not give timely notice to the Indemnitor as aforesaid, then such failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

(b) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to do either or both of the following:

(i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and\or

(ii) settle the Third Party Claim provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee:

(c) each Party shall cooperate with the other in the defence of the Third Party Claim, including making available to the other Party, its directors, officers, employees and consultants whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;

(d) the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor, (which consent shall not be unreasonably withheld or delayed) unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;

(e) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and cooperate with the Indemnitor to permit the Indemnitor to pursue such subrogated claims as reasonably requested by it; and

(f) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any other Person, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) to the Indemnitor, net of income taxes required to be paid by the Indemnitee as a result of any such receipt and plus any taxes saved or recovered by the Indemnitee as a result of such payment.

4.4 <u>Claims</u>

No Claim under Sections 4.1 or 4.2 in respect of a covenant, obligation, agreement, representation or warranty of OpsMobil or Airborne, as the case may be, shall be made or sought to be enforceable by a Party, whether by legal proceedings or otherwise, unless written notice of such Claim, with reasonable particulars, is given by such Party to the Party against whom such Claim is to be made within the Survival Period. No Claim shall be made by a Party in respect of an OpsMobil Default or an Airborne Default, as the case may be, except pursuant to this Article 4.

4.5 **Consequential Damages**

In no event shall a Party be liable in respect of the covenants, agreements, representations, warranties and indemnities contained in this Agreement or in any certificate, agreement or other document furnished pursuant to this Agreement for consequential, indirect or punitive damages (including loss of anticipated profits, business interruption or any special or incidental loss of any kind) suffered, sustained, paid or incurred by the other Party or its Related Parties, provided that this Section 4.5 shall not preclude a Party from entitlement to indemnification for such Party's Liability to a Third Party for consequential, indirect or punitive damages which such Third Party suffers, sustains, pays or incurs.

4.6 **Additional Remedies of Airborne**

If an OpsMobil Default occurs, then, without restricting the other legal rights and remedies of Airborne, including terminating this Agreement, to the extent allowable under Applicable Law, OpsMobil shall be deemed to have transferred to Airborne on the date of the Default, without the requirement of any further instrument of transfer other than contained herein, the Helicopter AOC, free and clear of all Encumbrances. In such event, OpsMobil shall fully cooperate, execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the transfer of the Helicopter AOC contemplated herein, failing which Airborne may execute and deliver same on behalf of, in the name and as limited power of attorney of OpsMobil for such purpose.

4.7 **Additional Remedies of OpsMobil**

If an Event of Default of Airborne occurs, then, without restricting the other legal rights and remedies of OpsMobil, OpsMobil may terminate this Agreement.

ARTICLE 5
GENERAL

5.1 **Dispute Resolution**

The Parties will attempt to resolve any dispute arising hereunder through consultation and negotiation in good faith. If those attempts fail, either party may apply to the Court with respect to such disagreement or, alternatively, if the Parties mutually agree to refer the dispute to binding arbitration for final resolution, then the arbitration will be conducted by a single arbitrator in accordance with the provisions of the *Arbitration Act* (Alberta).

5.2 **Costs and Expenses**

Except as specifically provided herein, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party that incurred the same.

5.3 **Further Assurances**

From time to time, as and when reasonably requested by either Party, the other Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the transactions contemplated hereby, provided such documents, instruments or actions are consistent with the provisions of this Agreement. All such further documents, instruments or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

5.4 **No Merger**

There shall not be any merger of any of the covenants, representations, warranties and indemnities contained in this Agreement in any of the or any other document or instruments delivered pursuant hereto, at or after Closing, notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

5.5 **Governing Law**

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta, Judicial Centre of Calgary, and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

5.6 **Assignment**

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns. No Person other than the Parties and their successors and permitted assigns shall be entitled to any rights or benefits hereunder.

5.7 **Time of Essence**

Time shall be of the essence in this Agreement.

5.8 **Notices**

The addresses for service of the Parties shall be as follows:

Any corporation of OpsMobil:

c/o OpsMobil Group Inc.
Suite 1200 – 815 8th Avenue SW
Calgary, AB T2P 3P2

Attention:	Ryan Tobber
Email:	ryan.tobber@opsmobil.com
Fax:	(780) 402-2448

Airborne:

480 Aviation Way N.E.
Calgary, AB T2ME 7G3

Attention:	Kenneth Ian Mizera
Email:	kimm@rilpa.com
Fax:	403-275-3312

Any notice, communication and statement required, permitted or contemplated hereunder shall be in writing and sent by personal service or facsimile and shall be deemed received when delivery or reception of the transmission is complete except that, if such delivery or transmission is sent on a Saturday, Sunday or day when the receiving Party's office is not open for the regular conduct of business, or on or after 4:00 p.m., such notice or communication shall be deemed to be received on the next Business Day that such office is open for the regular conduct of business. A Party may from time to time change its address for service or its fax number or both by giving written notice of such change to the other Party at its above address.

5.9 **Invalidity of Provisions**

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

5.10 **Waiver**

Except as otherwise provided in this Agreement, no failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. Except as otherwise provided in this Agreement, no waiver of any provision of this Agreement, including, this Section 5.10, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

5.11 **Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

5.12 **Counterpart Execution**

This Agreement may be executed by facsimile, pdf and other electronic means and in counterpart, no one copy of which need be executed by all Parties. A valid and binding contract shall arise if and when counterpart execution pages (including as may be delivered by facsimile, pdf and other electronic means) are executed and delivered by all Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

OpsMobil Group Inc.

Per: ______________________
Name: Ryan Tobber
Title: President & CEO

OpsMobil Inc.

Per: ______________________
Name: Ryan Tobber
Title: President & CEO

OpsMobil Energy Services Inc.

Per: ______________________
Name: Ryan Tobber
Title: President & CEO

Airborne Energy Solutions Inc.

Per: ______________________
Name: Kenneth Mizera
Title: President

SCHEDULE A OF TRANSITION SERVICES AGREEMENT BETWEEN OPSMOBIL GROUP INC., OPSMOBIL INC. and OPSMOBIL ENERGY SERVICES INC. and AIRBORNE ENERGY SERVICES INC.

AIRCRAFT

Manufacturer	Model	Registration	Airframe Serial No.	Engine Serial No.
Cessna	172R	C-GDHR	17281007	L-34506-51E
Cessna	172R	C-FIGL	17281270	L-30439-51A
Cessna	172S	C-GAEN	172S8355	L-29536-51A (Rilpa's Property)
Cessna	172S	C-GFXS	172S8358	L-29470-51A
Cessna	U206F	C-GFYK	U206-03350	832536-R
Piper	Piper PA-31	C-FZHG	31-753	L-7260-61A/ L-7379-61A

HELICOPTER

Manufacturer	Model	Registration	Airframe Serial No.	Engine Serial No.
Bell	206B	C-FZGP	940	CAE-822919

LEASED HELICOPTERS

Manufacturer	Model	Registration
Eurocopter	AS350BA+	C-FHAK
Eurocopter	AS350B2 FX2	C-FHAP
Eurocopter	AS350BA FX2	C-FHAU
Eurocopter	AS350BA FX2	C-FXED
Eurocopter	AS350BA FX2	C-FXEJ
Eurocopter	AS350D	C-GVYI
Bell	206B	C-GTYU
Bell	206B	C-GHPO
Bell	206B	C-GZCH

APPENDIX 'D'

Gurofsky, Robyn

From:	David LeGeyt <dlegeyt@bdplaw.com>
Sent:	November 29, 2018 6:43 PM
To:	Gurofsky, Robyn
Cc:	Peter Chisholm; Duncan MacRae (duncan.macrae@ca.ey.com); Neil Narfason; Kruger, Josef G. A.
Subject:	Re: [EXT] OpsMobil - Insurance

Hi Robyn.

Your letter does not set out what was discussed yesterday as it asks my client to agree to a number is terms, conditions, and agreements which were not discussed and which my client did not agree to. In any event, as you know, a hurried and ambiguous discussion standing in the hallway of the court house could not under any circumstances constitute an agreement, particularly concerning the very complex insurance needs of a multi-million dollar aircraft fleet.

You may recall that I first raised this issue last with by letter in early November 2018. We did not receive a response from your office or your client until today, some 3 weeks later and, one only day before the insurance expires. As such the current situations is entirely of your client's making, and may have been avoided by a more timely response from the Receiver. It is surprising that a court officer would allow this to happen.

As a result of your client's inaction my client had no choice but to take care of its own insurance needs, and will do so. I don't see why this would be of any concern to the receiver or the estate. Similarly the receiver can do as it pleases in respect of its own insurance needs, as permitted by the receivership order.

My client is under no obligation to insure the property of the debtors. If you can point me to some agreement it framework to the contrary please do so.

My client categorically denies any bad faith on its part.

Your client has every right to seek relief from the court. However I have a very busy litigation schedule in December and must insist that no hearings be booked without first confirming I am available for same.

David LeGeyt.

Sent from my iPhone

On Nov 29, 2018, at 5:52 PM, Gurofsky, Robyn <RGurofsky@blg.com> wrote:

> David,
>
> I understand Mr. Mizera recently spoke with the Receiver, at which time he advised the Receiver that the letter we provided to you this morning setting out the particulars of insurance would be rejected. I note have still not heard from you in this regard, despite the insurance lapsing in almost 24 hours.
>
> The letter sets out exactly what was discussed yesterday during our meeting regarding insurance coverage. In particular, it was acknowledged by Mr. Mizera, yourself and Mr. Mudie that while the Transition Services Agreement contemplates payment of insurance proceeds to AES, this was clearly in contemplation of the sale transaction closing. Such transaction has not closed. As a result, we all agreed that the Receiver would be the loss payee under the insurance policy and would hold any

insurance proceeds in trust. It was then agreed that the Receiver would retain any insurance proceeds up to the value of the assets as set out in the original purchase and sale agreement, with any excess representing the difference between PSA value and replacement value, being payable to AES. This is more particularly set out in our letter of this morning.

Mr. Mizera's advice that he will not disclose the insurance policy to the Receiver or name the Receiver as loss payee is completely unacceptable to the Receiver. Given the intervening receivership, AES has no right to any insurance proceeds given that it does not own the assets. I think you would have a hard time trying to convince a Court otherwise.

Not only is this evidence of bad faith on Mr. Mizera's part, but taking this position will force the Receiver to take steps which may not be favorable to AES, including obtaining its own insurance to be paid for out of the Segregated Account, obtaining a court order on short notice to ground the Ops fleet and evaluating whether the Receiver wishes to continue down the road with AES altogether.

I trust you will be able to convince your client that what we had discussed yesterday, given the intervening receivership proceedings and the fact that AES has been unable to properly negotiate a commercially reasonable transaction with Third Eye, is commercially reasonable and appropriate in the circumstances.

I look forward to hearing from you this evening.

<image001.jpg>

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