COURT FILE NUMBER	1801-09188	CLERK OF THE COURT FILED NOV 05 2018 CALGARY, ALBERTA
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	SUPPLEMENT TO THE FOURTH REPORT OF THE RECEIVER NOVEMBER 5, 2018	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>RECEIVER</u> 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 <u>RECEIVER'S COUNSEL</u> 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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INTRODUCTION

1. The purpose of this supplement to the fourth report of the Receiver (the "Supplemental Fourth Report") is to provide this Honourable Court with a response to the Reply Brief filed by Predator BC.

TERMS OF REFERENCE

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

3. Capitalized terms not defined in this Supplemental Fourth Report are as defined in the Fourth Report.

COMMENTS ON THE RECEIVER'S CASH FLOW FORECAST

4. On November 2, 2018, Predator BC filed a Reply Brief questioning changes made between the Receiver's cash flow forecast presented in the Second Report ("R2") and the Fourth Report ("R4"). This Supplemental Report provides an explanation for the changes.

Revenue

5. R2's forecast was from September 14, 2018. R4's forecast was from October 22, 2018. Actual volumes and commodity prices changed during those periods. Exhibit 1 demonstrates the variances.

Revenue Variances $000's, CAD	September Revenue			October Revenue		Exhibit 1
	R2	R4	Difference	R2	R4	Difference
Gas Volume (e3m3/day)	701	635		698	650	
AECO Price (GJ) $	1.58	1.07		1.58	1.35	
Oil and gas receipts	1,237	759	(478)	1,232	980	(252)

Transportation Costs

6. R2's forecast had transportation payments made to Tidewater in an unpaid disbursement reserve, as the joint interest billings had not been received at the filing of the report. R4's forecast had Tidewater being paid in the 'transportation costs' category as the joint interest billings had been received. There is no forecast to pay Enbridge as the firm service capacity was disclaimed. Exhibit 2 demonstrates the variances.

Transportation Cost Variances			Exhibit 2
$000's, CAD			
	Transportation Costs		
	R2	R4	Difference
Transportation costs	(505)	(1,019)	(514)
Unpaid disbursement reserve	(1,233)	(718)	515
Total	(1,738)	(1,737)	1

Field Operating Costs

7. The four cost categories (field service truck leases, joint interest billings, fuel expenses and safety & ERP) were included in the ‘field operating costs’ category in R4 for presentation purposes. The additional $275,000 of total field operating costs included winterization and layup costs of the FSJ field and costs associated with a compressor overhaul at Wildboy, which had not been included or contemplated as at September 14, 2018. Exhibit 3 demonstrates the variances.

Field Operating Cost Variances			Exhibit 3
$000's, CAD			
	Field Operating Costs		
	R2	R4	Difference
Field operating costs	(589)	(1,018)	(430)
Field service truck leases	(50)	-	50
Joint interest billings	(40)	-	40
Fuel expense	(50)	-	50
Safety & ERP	(15)	-	15
Total	(744)	(1,018)	(275)

Receiver’s Certificates

8. TEC has funded $6 million including the interim financing during the CCAA period. The Receiver does not anticipate borrowings in excess of $7 million at this time.

Dated at Calgary, this 5th 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