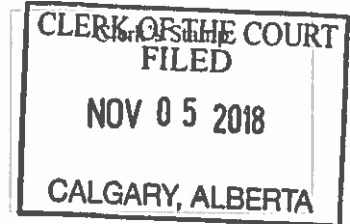


COURT FILE NUMBER 1801-09188
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS THIRD EYE CAPITAL CORPORATION



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 SUPPLEMENT TO THE FOURTH REPORT OF THE
RECEIVER

NOVEMBER 5, 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

TABLE OF CONTENTS

INTRODUCTION.....3

TERMS OF REFERENCE.....3

COMMENTS ON THE RECEIVER’S CASH FLOW FORECAST.....3

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							Exhibit 1
\$000's, CAD							
	September Revenue			October Revenue			
	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

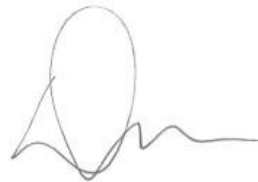
8. TEC has funded \$6 million including the interim financing during the CCAA period. The Receiver does not anticipate borrowings in excess of \$7 million at this time.

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