RCOURT FILE NUMBER	1801-09188	Clerk's Stamp CLERK OF THE COURT FILED JUN - 3 2019 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	**SUPPLEMENT TO THE NINTH REPORT OF THE RECEIVER** **June 3, 2019**	
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TABLE OF CONTENTS OF THE SUPPLEMENTAL NINTH REPORT

INTRODUCTION

1. The purpose of this supplement to the ninth report of the Receiver (the "**Supplemental Ninth Report**") is to provide the Court with the Receiver's comments on:

   a) the proposed distribution from the Receiver to Business Development Bank of Canada ("**BDC**");

   b) the proposal of the Receiver to withhold the Administration Holdback (as discussed below); and

   c) the Receiver's recommendations in respect of the same.

TERMS OF REFERENCE

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

3. Capitalized terms not defined in this Supplemental Ninth Report are as defined in the Ninth Report, the Receivership Order and the prior reports of the Receiver filed in these proceedings.

BDC DISTRIBUTION

4. Business Development Bank of Canada ("**BDC**") registered a mortgage dated September 9, 2009 in the principal amount of $2,500,000.00 against the lands and premises legally described as:

   Plan 0721766
   Block 4
   Lot 1
   Excepting thereout all Mines and Minerals
   Containing 8.34 Hectares (20.61 Acres) More or Less

   (the "**BDC Lands**").

5. The Receiver has obtained an independent security review from its legal counsel indicating that, subject to the customary assumptions and qualifications, the security granted by the Corporations to BDC constitutes a valid and enforceable first charge security over the BDC Lands.

6. The BDC Lands formed part of the assets sold by OMGI to AES under the Second AES PSA.

7. The Receiver is proposing to settle in full the BDC mortgage on the BDC Lands by making a distribution to BDC in the amount of $282,928 plus per diem interest until payout (the "**BDC Distribution**"). The amount of the BDC Distribution represents the entirety of amounts owing by OMGI to BDC pursuant to the mortgage.

ADMINISTRATION HOLDBACK

8. The Receiver is additionally proposing a holdback in respect of the Administration Charge (as defined in paragraph 31 of the Receivership Order), initially granted in the Debtors' *Companies' Creditors Arrangement Act* proceedings and adopted in the Receivership Order (the "**Administration Holdback**"). The Receiver is proposing the Administration Holdback in light of certain claims that have been made to it by counsel to the Debtors since filing the distribution application. While it is not clear what amounts, if any, are properly payable pursuant to the Administration Charge, the Receiver is proposing the Administration Holdback to preserve any rights while the Receiver further investigates these claims.

9. Table 1.0 below identifies the cash balances held by the Receiver as at the date of this Supplemental Ninth Report and the cash balance post-issuance of the CRA Distribution, BDC Distribution and Interim Distribution.

Corporations		**Table 1.0**
Proposed creditor distributions		
CAD $, unaudited		
Cash held by the Receiver	*A*	7,707
Proposed creditor distributions		
Interim Distribution		(6,000)
CRA Distribution		(361)
BDC Distribution		(283)
	B	(6,644)
Cash Post-Distributions	*(A + B)*	1,064

10. Notwithstanding the Administration Holdback and the BDC Distribution, the Receiver believes that it will have sufficient funds available after making the proposed distributions to complete the remaining administration of the receivership of the OpsMobil entities. The Receiver expects to require additional borrowings to fund the operations of Ranch until a transaction is completed in respect of Ranch's assets and notes that there is sufficient availability for the time being under the Receiver's Borrowings Charge to finance these operations.

RECOMMENDATION

11. The Receiver respectfully recommends that the Court approve the:

    a) BDC Distribution; and

b) Administration Holdback.

Dated at Calgary, this 3rd day of June, 2019.

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

Peter Chisholm, CPA, CA, CIRP, LIT
Vice President