

Form 27
[Rule 6.3 and 10.52(1)]

Clerk's stamp:

COURT FILE NO.	1301-06644
COURT	COURT OF QUEEN'S BENCH OF ALBERTA IN THE MATTER OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , R.S.C. 1985, c. B-3, AS AMENDED
JUDICIAL CENTRE	CALGARY
PLAINTIFF	NATIONAL BANK OF CANADA
DEFENDANT	ARGOSY ENERGY INC. and RADIUS RESOURCES CORP.
DOCUMENT	<u>APPLICATION RE: SALE APPROVAL, INTERIM DISTRIBUTION AND PAYMENT OF FUNDS OUT OF COURT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2 nd Street S.W. Calgary, AB T2P 4J8 Attn: Kelly Bourassa Telephone/Facsimile: 403-260-9697/403-260-9700 E-mail: kelly.bourassa @blakes.com File Ref.: 79294/5

NOTICE TO RESPONDENT

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date	<u>Tuesday August 13, 2013</u>
Time	<u>11:30 a.m.</u>
Where	<u>Calgary Courts Centre, Justice Chambers</u>
Before Whom	<u>Honourable Justice B.E. Romaine</u>

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. FTI Consulting Canada Inc., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of Argosy Energy Inc. (“**Argosy**”) and Radius Resources Corp. (“**Radius**”) (collectively, the “**Debtors**”) seeks orders in the forms attached hereto as Schedules “B”, “C” and “D”:
 - (a) abridging the time for service of this application and declaring that this motion is properly returnable today, if necessary, and further service of the Application, other than to those listed on the Service List attached hereto as Schedule “A” is hereby dispensed with;
 - (b) approving the sale of the Assets, as defined in the asset purchase and sale agreement dated August 8, 2013 (the “**Sale Agreement**”), between the Receiver and TORC Oil and Gas Ltd. (the “**Purchaser**”) on the terms set forth in the Sale Agreement, and in accordance with sub-paragraphs 3(l)(ii) and 3(m) of the receivership order granted on May 30, 2013 by the Honourable Justice B.E. Romaine (the “**Receivership Order**”) in these proceedings;
 - (c) vesting in the Purchaser all of the Debtors’ right, title and interest, free and clear of all liens and encumbrances (except the Permitted Encumbrances as defined in the Sale Agreement), in and to the Assets;
 - (d) authorizing and directing the Receiver to make an interim distribution or distributions to National Bank of Canada (the “**Bank**”) upon the closing of the Transaction (as defined in the Sale Agreement);
 - (e) directing the Clerk of the Court of the Queen’s Bench of Alberta to pay certain funds out of Court to the Receiver that are currently being held in Court of Queen’s Bench Action Number 1301-01648; and
 - (f) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

2. The grounds upon which the Receiver relies in making the within Application are as follows:

Sale Approval

- (a) prior to the commencement of these receivership proceedings the Debtors had retained Sayer Energy Advisors (“**Sayer**”) to conduct a marketing and sales process of certain oil and gas assets of the Debtors;
- (b) as a result of these efforts eight offers were made for certain oil and gas assets of the Debtors, which excluded the Assets, the highest and best offer being made by Long Term Asset Management Inc. (“**LTA**”);
- (c) on May 30, 2013, the Debtors became subject to these receivership proceedings and the Honourable Justice B.E. Romaine approved the terms of an asset purchase agreement between the Receiver and LTA which subsequently closed on July 3, 2013;
- (d) as a result of the above marketing and sales process conducted by Sayer, a separate offer was also received from the Purchaser for the Assets;
- (e) the Receiver and the Purchaser executed the Sale Agreement with respect to the Assets subject only to Court approval;
- (f) Sayer's marketing efforts of the Assets prior to the Receivership were lengthy and thorough;
- (g) the Purchase Price (as defined in the Sale Agreement) represents the best realizable value that could reasonably be obtained for the Assets in the present circumstances;

Interim Distribution

- (h) subject to court approval of the Sale Agreement, on August 20, 2013, the Receiver and the Purchaser intend to close the Transaction as defined in the Sale Agreement;
- (i) the Bank holds valid and enforceable security over the Assets and their proceeds;

Payment of Funds out of Court

- (j) judgment was granted against Argosy in Court of Queen's Bench Action Number 1301-01648 (the "**Action**")
- (k) as a result of enforcing on the judgment in the Action, including the issuance of a garnishee summons, certain funds were paid into court in the Action on April 22, 2013 (the "**Funds**");
- (l) Argosy was deemed bankrupt as of May 30, 2013;
- (m) Argosy became the subject of these receivership proceedings prior to the Funds being paid out of court to the judgment creditors;
- (n) the Funds are an asset of the estate of the Debtors' and should properly be paid out to the Receiver for distribution by the Receiver; and
- (o) such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

- 3. The Receiver intends to rely upon the following materials:
 - (a) the Receivership Order, filed;
 - (b) the Receiver's First Report dated July 24, 2013, filed;
 - (c) the Receiver's Second Report dated August 8, 2013, filed; and

- (d) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

4. The Receiver will rely upon and refer to the Alberta *Rules of Court* during the making of the Application.

Applicable Acts and regulations:

5. The Receiver will rely upon and refer to the following during the making of the Application:
- (a) the provisions of the *Bankruptcy & Insolvency Act*, R.S.C. 1985, c. B-3, as amended, including s. 70(1).

Any irregularity complained of or objection relied on:

6. None.

How application is proposed to be heard or considered:

7. Oral submission by counsel at an application in chambers.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

COURT FILE NUMBER 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT ARGOSY ENERGY INC. and RADIUS RESOURCES CORP.

SERVICE LIST
updated July 23, 2013

<i>Counsel</i>	<i>Telephone</i>	<i>Fax</i>	<i>Counsel For</i>
FTI CONSULTING INC. 1000, 888 – 3rd Street SW Calgary, AB T2P 5C5 DERYCK HELKAA E-mail: Deryck.Helkaa@fticonsulting.com DUSTIN OLVER E-mail: dustin.olver@FTIconsulting.com	 (403) 444-5372 (403) 44-5383	(403) 444-6699	Receiver
BLAKE, CASSELS & GRAYDON LLP 3500, 855 – 2nd Street SW Calgary, AB T2P 4J8 KELLY BOURASSA E-mail: kelly.bourassa@blakes.com RYAN ZAHARA E-mail: ryan.zahara@blakes.com	 (403) 260-9697	(403) 260-9700	Receiver
MCCARTHY TÉTRAULT LLP 3300, 421 – 7 th Avenue SW Calgary, AB T2P 4K9 SEAN COLLINS E-mail: scollins@mccarthy.ca WALKER MacLEOD E-mail: wmacleod@mccarthy.ca	 (403) 260-3531 (403) 260-3710	(403) 260-3501	National Bank of Canada
NORTON ROSE CANADA LLP 3700, 400 – 3 rd Avenue SW Calgary, AB T2P 4H2 HOWARD GORMAN E-mail: howard.gorman@nortonrose.com KYLE KASHUBA E-mail: Kyle.Kashuba@nortonrose.com	 (403) 267-8144 (403) 267-8399	(403) 264-5973	Argosy Energy Inc.

<p>DAVIS LLP 1000, 250 – 2nd Street SW Calgary, AB T2P 0C1</p> <p>PETER S. JULL Q.C. E-mail: pjull@davis.ca</p> <p>TREVOR WONG-CHOR E-mail: twong-chor@davis.ca</p> <p>MICHAEL STYCZEN E-mail: mstyczen@davis.ca</p>	<p>(403) 776-8811</p> <p>(403) 698-8711</p> <p>(403) 698-8703</p>	<p>(403) 776-8855</p>	<p>Long Term Asset Management Inc.</p>
<p>FASKEN MARTINEAU 3400, 350 – 7th Avenue SW Calgary, AB T2P 3N9</p> <p>ARIF CHOWDHURY E-mail: achowdhury@fasken.com</p>	<p>(403) 261-5379</p>	<p>(403) 261-5351</p>	<p>Rapid Rod Services Ltd.</p>
<p>FASKEN MARTINEAU DUMOULIN LLP Suite 3400-350 7 Ave SW Calgary, AB T2P 3N9</p> <p>THEODORE FONG E-mail: tfong@fasken.com</p>		<p>(403) 261-5351</p>	<p>Rapid Rod Services Ltd.</p>
<p>CARSCALLEN LLP 1500, 407 – 2nd Street SW Calgary, AB T2P 2Y3</p> <p>GLENN BLACKETT E-mail: blackett@carscallen.com</p>	<p>(403) 298-8474</p>	<p>(403) 262-2952</p>	<p>Ensign Drilling Partners</p>
<p>SAYER ADVISORS</p> <p>TOM PAVIC E-mail: TPavic@sayeradvisors.com</p> <p>RYAN FERGUSON YOUNG E-mail: RfYoung@sayeradvisors.com</p> <p>ALAN TAMBOSSO E-mail: Atambozzo@sayeradvisors.com</p>			
<p>STIKEMAN ELLIOTT LLP 4300, 888 – 3 Street SW Calgary, AB T2P 5C5</p> <p>MICHAEL MESTINSEK E-mail: mmestinsek@stikeman.com</p>	<p>(403) 266-9078</p>		

ALBERTA ENERGY 9945 – 108 Street Edmonton, Alberta T5K 2G6 PETER MITTAL E-mail: peter.mittal@gov.ab.ca	(780) 427-1848		
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JACAR ENERGY SERVICES CASCADE ENERGY SERVICES 600, 333 – 11 Ave. SW Calgary, AB T2R 1L9	(403) 213-4721	(403) 213-3364	
T.C. MOBILE VESSELS LTD. 716 – 2 nd Ave. E. Brooks, AB T1R 0M9	(403) 362-7945	(403) 362-8003	
JUDICIAL CENTRE OF CALGARY Accounting Section Calgary Courts Centre Box 2549 Mai 603N, 601 – 5th Street S.W.	(403) 297-2209	(403) 297-4984	Clerk of the Court

Schedule "B"

Clerk's stamp:

COURT FILE NO. 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT ARGOSY ENERGY INC. and RADIUS RESOURCES
CORP.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa
Telephone/Facsimile: 403-260-9697/403-260-9700
E-mail: kelly.bourassa@blakes.com
File.: 79294/5

DATE ON WHICH ORDER WAS PRONOUNCED: August 13, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: Justice B.E. Romaine

UPON the application of FTI Consulting Canada Inc. ("FTI") in its capacity as court-appointed receiver and manager (the "Receiver") of Argosy Energy Inc. and Radius Resources Corp. (the "Debtors"); AND UPON reading the Receiver's First Report dated July 24, 2013 (the "First Report"), filed; the Receiver's Second Report dated August 8, 2013, (the "Second Report") filed; the Asset Purchase and Sale Agreement dated August 8, 2013 (the "Sale Agreement") between the Receiver and TORC Oil and Gas Ltd. (the "Purchaser"); and, the Affidavit of Service of [•] sworn August [•], 2013, filed; AND UPON hearing counsel for the Receiver, counsel for National Bank of Canada, counsel for the Purchaser, and counsel for other interested parties; AND UPON it appearing that the Sale Agreement represents the best realizable value for the Assets (as defined below) in the present circumstances;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the Application and materials in support thereof be and is hereby abridged to the date of actual service and that service be and is hereby approved, the Application is properly returnable today and all parties entitled to notice of this Application have been properly served, and further service is hereby dispensed with.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report, the Second Report and the Sale Agreement, as applicable.
3. The Sale Agreement and the transaction contemplated therein (the "**Transaction**") pursuant to which the Purchaser has agreed to purchase from the Receiver all of the Debtors' right, title and interest (whether absolute or contingent, legal or beneficial), if any, in and to the Assets, be and is hereby approved.
4. Approval is hereby granted to the Receiver and the Receiver is hereby authorized and directed to proceed with the Transaction and in particular, the sale by the Receiver to the Purchaser of all of the Debtors' right, title and interest in and to the Assets, and to take all steps necessary to complete the Transaction and, for greater certainty, the sale of the Assets is also approved pursuant to paragraphs 3(l)(ii) and 3(m) of the Receivership Order granted on May 30, 2013 in this action.
5. Upon Closing of the Transaction, all of the right, title, interest, estate and equity of redemption of the Debtors, and any parties claiming through them in and to the Assets will be extinguished and all of the Debtors' right, title and interest in and to the Assets, including the legal and beneficial ownership of title to the Assets, shall, without further instrument of transfer or assignment, vest absolutely and forever in the Purchaser in accordance with and as contemplated by the Sale Agreement, free and clear of and from any and all estate, right, title, interest, claims, demands, actions, lawsuits, proceedings, arbitrations, investigations (in any case whether asserted, threatened, pending or existing) hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, pledges, levies, taxes (including any unpaid property taxes in respect of the Assets), judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances, or other rights, limitations or restrictions

of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtors whether or not any of the foregoing have attached or been perfected, registered or filed, whether secured, unsecured or otherwise, whether liquidated, unliquidated or contingent (collectively, the “**Claims**”) and, for greater certainty, this Court orders that all of the Claims, except for Permitted Encumbrances, as set forth in Schedule “A” hereto, affecting or relating to the Debtors’ right, title and interest in the Assets are hereby expunged and discharged as against the Assets.

6. The Purchaser shall, by virtue of the completion of the transaction, have no liability of any kind whatsoever to any persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the “**Claimants**”), in respect of any Claims any of the Claimants may have against the Debtors.
7. Other than a certified copy of this Order and a letter from Blake, Cassels & Graydon LLP, counsel to the Receiver, authorising the use of this Order (the “**Authorisation Letter**”), no further authorisation or approval or other action by any governmental authority or regulatory body exercising jurisdiction over the Assets shall be required for the Closing and post-Closing implementation of the Transaction contemplated in the Sale Agreement.
8. The Receiver is authorised and directed to deliver to the Purchaser at Closing a General Conveyance and post-Closing such specific conveyances, as the Purchaser, acting reasonably, determines necessary to convey the Assets, signed by the Receiver in the manner provided for in Paragraph 10 of this Order, and upon filing of a certified copy of this Order and the Authorisation Letter, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Assets to the Purchaser except for Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of the Alberta Land Registration District (the “**Registrar**”) shall, notwithstanding subsection 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4 (Alberta), as amended, cancel and discharge the Claims registered against the interests of the Debtors in respect of freehold properties located in the Province of Alberta, including but not limited to those identified in Schedule “B” to this Order, and except for those Permitted Encumbrances identified in Schedule “A” to this Order. For further certainty, the Registrar shall not cancel and discharge the registration of any claims registered against estates or interests other than the estate or interest of the Debtors; and
- (b) the Ministry of Energy for Alberta acting pursuant to section 99 of the *Mines and Minerals Act*, R.S.A. 2000, c. M-17, as amended, and sections 36 and 47 of the *Builders’ Lien Act*, R.S.A. 2000, c B-7.1, as amended, is hereby directed to cancel and discharge the Claims registered against the estate or interest of the Debtors in and to the Assets located in the Province of Alberta, including but not limited to those identified in Schedule “C” to this Order, and except for those Permitted Encumbrances identified in Schedule “A” to this Order. For further certainty, the Minister of Energy shall not cancel and discharge the registration of builders’ liens or security notices registered against estates or interests other than the estate or interest of the Debtors.
9. The net proceeds of the sale of the Assets shall stand in the place and stead of the Assets and all Claims not identified as Permitted Encumbrances shall, to the extent that they are not paid from the net sale proceeds or otherwise, cease to be attached to or encumber or otherwise form a lien or a claim against the Assets and shall attach to the net sale proceeds with the same validity, priority and in the same amounts, and subject to the same defences, that existed when the Claims attached to the Assets.
10. Any transfers, assignments, or other conveyances in respect of the Assets to be registered at any Land Titles Office, the Ministry of Energy or any other government agency, shall be deemed to be validly executed if signed in the following manner as applicable:

FTI Consulting Canada Inc., in its capacity as
Receiver and Manager of Argosy Energy
Inc., and not in its personal capacity.

Per: _____

FTI Consulting Canada Inc., in its capacity as
Receiver and Manager of Radius Resources Corp.,
and not in its personal capacity.

Per: _____

11. The Purchase Price represents the best possible and realizable value for the Assets in the present circumstances.
12. All of the interest, right, title, estate and equity of redemption of the Debtors and any persons claiming by, through or under the Debtors or the Receiver in and to the Assets, will upon the closing of the Transaction contemplated in the Sale Agreement, be fully and finally extinguished.
13. Notwithstanding the pendency of these proceedings and the provisions of any federal or provincial statutes neither the Sale Agreement nor the Transaction contemplated thereby will be void or voidable at the instance of creditors and Claimants and do not constitute nor shall they be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
14. In completing the Transaction subject to the terms and conditions of the Sale Agreement, the Receiver is further authorized:
 - (a) to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transaction as the Receiver, in its discretion, may deem reasonably necessary or advisable to conclude the Transaction or in furtherance of this Order;
 - (b) to enter into such amendments to the Sale Agreement which are not material, whereupon any reference in this Order to the Sale Agreement shall be and include a reference to the Sale Agreement as amended; and

- (c) to take such steps as are necessary or incidental to the performance of its obligations pursuant to the Sale Agreement, including to make any necessary post-closing adjustments as may be required.
15. The Receiver shall be at liberty from time to time to apply to this Court for advice and directions with respect to the Sale Agreement and the Transaction. The Receiver shall be authorized and empowered to apply, upon such notice, if any, as it may consider necessary or desirable, to this Court to make such orders and provide such other aid and assistance to the Receiver, as this Court may deem necessary or appropriate.
16. To the extent necessary, this Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order by way of facsimile or electronic transmission and by posting a copy of this Order on the Receiver's website shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

J.C.C.Q.B.A.

Schedule "A"

Permitted Encumbrances

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) the terms and condition of the Leases and the Title and Operating Documents; and
- (i) any other circumstance, matter or thing disclosed in any Schedule attached to the Sale Agreement;

Additionally, the following items must be identified in a Schedule attached to the Sale Agreement to qualify as a Permitted Encumbrance: (A) any Encumbrance, overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Assets because of a payout conversion or farmin, farmout or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

Schedule "B"

Instrument Number	Date of Registration	Type of Registration	Registrant
121 213 358	20/08/2012	Builder's Lien	Ensign Drilling Partnership
131 057 141	08/03/2013	Caveat Re: Agreement Charging Land	National Bank of Canada
131 057 136	08/03/2013	Caveat Re: Agreement Charging Land	National Bank of Canada
121 212 176	17/08/2012	Builder's Lien	Hallmark Tubulars Ltd.
121 311 205	27/11/2012	Builder's Lien	Rapid Rod Service Ltd.

Schedule "C"

Encumbrance ID	Crown Lease Number	Date of Registration	Registrant
1203747	0411020002	2012/12/27	National Bank of Canada
	0411040038		
	0411040039		

Schedule "C"

Clerk's stamp:

COURT FILE NO. 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANTS ARGOSY ENERGY INC. and RADIUS RESOURCES
CORP.

DOCUMENT **INTERIM DISTRIBUTION ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa/Ryan Zahara
Telephone: 403-260-9697/9628
Facsimile: 403-260-9700
E-mail: kelly.bourassa@blakes.com
ryan.zahara@blakes.com
File.: 79294/5

DATE ON WHICH ORDER WAS PRONOUNCED: August 13, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: Justice B.E. Romaine

UPON the application of FTI Consulting Canada Inc. ("FTI") in its capacity as court-appointed receiver and manager (the "**Receiver**") of Argosy Energy Inc. and Radius Resources Corp. (the "**Debtors**"); AND UPON reading the Receiver's First Report dated July 24, 2013 (the "**First Report**"), filed; the Receiver's Second Report dated August 8, 2013 (the "**Second Report**"), filed; and the Affidavit of Service of [•] sworn August [•], 2013, filed; AND UPON hearing counsel for the Receiver, counsel for National Bank of Canada (the "**Bank**"), and counsel for other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Receivership Order granted May 30, 2013 by the Honourable Justice B.E. Romaine (the "**Receivership Order**") the First Report, and the Second Report, as applicable.
2. The Receiver is hereby authorized and directed to make an interim distribution or distributions (the "**Distributions**") to the Bank up to \$1,000,000 after the closing of the Transaction as defined in the asset purchase and sale agreement dated August 8, 2013 between the Receiver and TORC Oil and Gas Ltd., as set out in the Second Report, subject to any necessary reserves as determined by the Receiver.
3. Service of this Order on the Service List by way of facsimile or electronic transmission shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

J.C.C.Q.B.A.

Schedule "D"

Clerk's stamp:

COURT FILE NO. 1301-06644

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT ARGOSY ENERGY INC. and RADIUS RESOURCES
CORP.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
Attn: Kelly Bourassa
Telephone/Facsimile: 403-260-9697/403-260-9700
E-mail: kelly.bourassa@blakes.com
File.: 79294/5

DATE ON WHICH ORDER WAS PRONOUNCED: August 13, 2013

LOCATION WHERE ORDER WAS PRONOUNCED: Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: Justice B.E. Romaine

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1. The time for service of the Application and materials in support thereof be and is hereby abridged to the date of actual service and that service be and is hereby approved, the Application is properly returnable today and all parties entitled to notice of this Application have been properly served, and further service is hereby dispensed with.
2. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report or the Second Report, as applicable.
3. The Clerk of the Court of the Queen's Bench of Alberta shall pay to the Receiver, FTI Consulting Canada Inc., the funds currently being held in Court in Court of Queen's Bench Action Number 1301-01648 totaling, \$4,340.66.
4. Service of this Order by way of facsimile or electronic transmission shall constitute good and sufficient service on all parties entitled to notice of same and further service thereof is hereby dispensed with.

J.C.C.Q.B.A.