



COURT FILE NUMBER 1701-10909
 COURT COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY
 PLAINTIFF RAZOR ENERGY CORP.

DEFENDANTS BLENDFORCE ENERGY SERVICES INC. and
 FORTALEZA ENERGY INC.

AND IN THE MATTER OF THE RECEIVERSHIP OF
 BLENDFORCE ENERGY SERVICES INC.

APPLICANT FTI CONSULTING CANADA INC. in its capacity as
 Court-appointed Receiver and Manager of the assets,
 undertakings and properties of BLENDFORCE ENERGY
 SERVICES INC.

DOCUMENT **APPROVAL AND VESTING ORDER (Sale by
 Receiver)**

ADDRESS FOR SERVICE AND CONTACT
 INFORMATION OF PARTY FILING THIS
 DOCUMENT
 Torys LLP
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Attention: Kyle Kashuba
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 File No. 39586-2001

I hereby certify this to be a true copy of
 the original *Order*
 Dated this *9* day of *Nov* / *17*
 for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: November 9, 2017

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice C.M. Jones

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of BlendForce Energy Services Inc. (“**BlendForce**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**PSA**”)

between the Receiver and the Purchaser, Pure Environmental LP, by its general partner Pure Environmental Waste Management Ltd., dated October 6, 2017 and appended to the First Report of the Receiver dated and filed November 1, 2017 (the “**First Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the PSA (the “**BlendForce Facility**” or the “**Assets**”);

AND UPON HAVING READ the Receivership Order dated August 18, 2017 (the “**Receivership Order**”), the First Report and the Affidavit of Service, to be filed (the “**Affidavit of Service**”); **AND UPON HEARING** the submissions of counsel for the Receiver, counsel for Razor Energy Corp. (“**Razor**”), counsel to the Purchaser, and from any other interested parties who may be present, with no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

RECEIVER’S ACTIVITIES

2. The actions, conduct and activities of the Receiver as reported in the First Report, are hereby authorized and approved.
3. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the First Report.

APPROVAL OF TRANSACTIONS

4. The Transaction is hereby approved, and the execution of the PSA by the Receiver is hereby authorized and approved, and is deemed to be commercially reasonable and in the best interests of the receivership estate and the stakeholders affected thereby, with such minor amendments as the Receiver may deem necessary and as may be agreed upon by the Receiver

and the Purchaser. The Receiver is hereby authorized and directed, subject to the terms and conditions of this Order and the PSA, to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the BlendForce Facility to the Purchaser (or its nominee).

VESTING OF PROPERTY

5. Subject only to approval of the transfer of applicable leases, rights of way or easements, licenses (including, without limitation, licences of occupation), permits, and approvals by the Alberta Energy Regulator under section 23 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), effective immediately upon the delivery by the Receiver of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**") confirming the closing of the Transaction contemplated by the PSA, all of the Debtor's right, title and interest in and to the Assets described in the PSA, including without limitation the lands attached hereto as **Schedule "B"**, shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**", which term shall explicitly not include the Permitted Encumbrances (as defined below)) including, without limiting the generality of the foregoing:
- (a) any encumbrances or charges created by the Receivership Order or any further orders granted in these proceedings; and
 - (b) all charges, security interests or claims evidenced by registration, filing, or publication pursuant to any or all of the following: (a) the *Personal Property Security Act* (Alberta); (b) the *Land Titles Act* (Alberta); (c) the *Mines and Minerals Act* (Alberta); or (d) any other personal property, mineral, or real property registry system (collectively, the "**Registries**");

for greater certainty, this Court orders that all of the Claims, other than the permitted encumbrances described in the PSA and listed on **Schedule "C"** hereto (the "**Permitted**

Encumbrances”), affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

6. Upon the delivery of the Receiver’s Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar or Registrars under the *Land Titles Act* (Alberta), the Department of Energy and the Minister of Energy Alberta, the Registries, and all other government ministries and authorities in Alberta and British Columbia, respectively, exercising jurisdiction with respect to or over the Assets (collectively, the “**Governmental Authorities**”), as applicable, are hereby authorized, requested and directed to (in each case as applicable):
 - (a) enter the Purchaser as the owner, lessee, and/or licensee of the Assets;
 - (b) cancel the existing Certificates of Title to the Assets and issue new Certificates of Title for the Assets, in the name of the Purchaser (or its nominee);
 - (c) cancel, delete or expunge from the existing title documents concerning the Assets all applicable Claims, including all Encumbrances other than the Permitted Encumbrances; and
 - (d) register such transfers, discharge statements, or conveyances, as may be required to convey clear title to the Assets to the Purchaser, subject only to the Permitted Encumbrances.
7. This Order shall be registered and the steps set out in paragraph 6 shall be carried out by the applicable Registrar and/or Governmental Authorities notwithstanding the requirements of section 191(1) of the *Land Titles Act* (Alberta) and the requirements of the *Land Title Act* (British Columbia) and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
8. The Receiver is authorized to discharge from the Registries any claim or encumbrance registered against any of the personal property being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Debtor.

CLOSING OF THE SALE TRANSACTION

9. The closing of the transaction shall be effected in accordance with the terms of the PSA and such amendments to the PSA as may be agreed to in writing between the Purchaser and the Receiver.
10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets shall stand in the place and stead of the Assets, and shall be held by the Receiver in accordance with the terms of the PSA, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Assets, with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
11. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
12. The Debtor and all persons who claim by, through or under the Debtor in respect of the Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Assets and, to the extent that any such persons remains in possession or control of any of the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.
15. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).

16. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the PSA. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

17. Notwithstanding:

- (a) The pendency of these proceedings;
- (b) Any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) Any assignment in bankruptcy made in respect of the Debtor

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

18. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

19. The Receiver's statement of receipts and disbursements, as attached to the First Report, is hereby approved.

MISCELLANEOUS

20. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, 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 as 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.
21. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
22. Service of this Order on any party not attending this Application is hereby dispensed with.

"C.M. Jones"

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER 1701-10909
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF RAZOR ENERGY CORP.
DEFENDANTS BLENDFORCE ENERGY SERVICES INC.
and FORTALEZA ENERGY INC.

Clerk's Stamp

AND IN THE MATTER OF THE
RECEIVERSHIP OF BLENDFORCE
ENERGY SERVICES INC.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
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525 - Eighth Ave SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
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Email: kkashuba@torys.com
File No. 39586-2001

RECITALS

- A. Pursuant to an Order of the Honourable Justice A.D. Macleod of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 18, 2017, FTI Consulting Canada Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of BlendForce Energy Services Inc. ("**BlendForce**" or the "**Debtor**").
- B. Pursuant to an Order of the Court dated November 9, 2017, the Court approved the agreement of purchase and sale made as of October 6, 2017 (the "**PSA**") between the Receiver and Pure Environmental LP, by its general partner Pure Environmental Waste Management

Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in Article 3 of the PSA have been satisfied or waived by the Receiver and the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the PSA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the PSA;
2. The conditions to Closing as set out in Article 3 of the PSA have been satisfied or waived by the Receiver and the Purchaser (or its nominee), as applicable; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver and Manager of the undertaking, property and assets of BlendForce Energy Services Inc., and not in its personal capacity.

Per: _____

Name:

Title:

Schedule "B"

Lands:

Lands include:

- (i) the disposal facility located at 02-14-066-10W5M, municipally known as 5276 Watson Street in Swan Hills, Alberta; and
- (ii) the class 1B disposal well located in Swan Hills, Alberta with unique well identifier 08-14-066-10W5M, including the wellbores and any and all casing and together with all well licences relating thereto.

Schedule “C”

Permitted Encumbrances

“Permitted Encumbrances” means:

- (i) easements, rights of way, servitudes or other similar rights in land including, without limiting the generality of the foregoing, rights of way and servitudes for railways, highways and other roads, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables;
- (ii) the right reserved to or vested in any Governmental Authority or other public authority or by any Applicable Law to terminate any of the Title and Operating Documents, leases, licenses, franchises or grants or to require annual or other periodic payments as a condition of the continuance thereof, which relate to obligations not accrued, due, or delinquent at or prior the Closing Date;
- (iii) rights reserved to or vested in any municipality or Governmental Authority to control or regulate any of the Assets in any manner, and all applicable laws, rules and orders of any Governmental Authority;
- (iv) undetermined or inchoate liens incurred or created as security in favour of the Person with respect to the operation of any of the Assets, as regards BlendForce’s or Vendor’s proportionate share of the costs and expenses of such development or operations of or on the Assets, which relate to obligations not accrued, due, or delinquent at or prior the Closing Date; and
- (v) liens granted in the ordinary course of business to a public utility or Governmental Authority in connection with operations conducted with respect to the Assets, which relate to obligations not accrued, due, or delinquent at or prior the Closing Date.