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File No. 1522-007

October 5, 2018

VIA EMAIL, REGULAR MAIL AND/OR FACSIMILE

To the Service List

Dear Sir/Madam:

Re: In the Matter of the *Companies' Creditors Arrangement Act* (Canada) and a Plan of Compromise or Arrangement of Dundee Oil and Gas Limited (Court File No.: CV-18-591908-00CL)

We are the lawyers for FTI Consulting Canada Inc. in its capacity as the Court-appointed Monitor in these proceedings (the "**Monitor**").

We refer to the Asset Purchase Agreement dated April 4, 2018 (as amended by amending agreements dated May 17, 2018 and July 6, 2018, the "**Purchase Agreement**"), pursuant to which Dundee Oil and Gas Limited ("**DOGL**"), on its behalf and as general partner on behalf of Dundee Energy Limited Partnership ("**DELP**") and, together with DOGL, the "**Seller**") agreed to sell substantially all of their assets to Lagasco Inc. (the "**Buyer**"). The Purchase Agreement was approved by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 11, 2018 (the "**Approval and Vesting Order**"). A copy of the Purchase Agreement, as well as the Approval and Vesting Order, can be accessed on the Monitor's website for this proceeding at: <http://cfcanada.fticonsulting.com/Dundee/>.

The outside date for Closing under the Purchase Agreement is October 12, 2018. As described in the Monitor's Fourth Report to the Court dated September 24, 2018, the Buyer has arranged funding from Pace Credit Union ("**Pace**") for part of the purchase price payable under the Purchase Agreement. The Monitor has learned that Deposit Insurance Corporation of Ontario placed Pace under administration on September 28, 2018. The Monitor is currently reviewing with the Buyer the impact this may have on the Purchase Agreement and will provide further updates to the Service List as appropriate.

We have scheduled a Court attendance before Justice Dunphy on **Wednesday, October 10, 2018 at 8:30 a.m. in Courtroom 2-1, 361 University Avenue, Toronto** to provide an update to the Court regarding the status of the Purchase Agreement and to seek any necessary relief in connection with same. We anticipate filing a brief report to the Court regarding the status of the Purchase Agreement on October 9, 2018.

Yours truly,

Thornton Grout Finnigan LLP

Grant B. Moffat
GBM/bjb