

COURT FILE NUMBER 1401-05131

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANT LEGEND ENERGY CANADA LTD. AND
LEGEND OIL AND GAS LTD.

DOCUMENT **FIRST REPORT OF FTI CONSULTING
CANADA INC., IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER AND
MANAGER OVER CERTAIN ASSETS OF
LEGEND ENERGY CANADA LTD.**

October 27, 2014

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. Pursuant to an order granted by this Honourable Court on May 9, 2014, (“Receivership Order”) FTI Consulting Canada Inc. was appointed Receiver and Manager (“Receiver”) of certain property, assets and undertakings (the “Assets”) of Legend Energy Canada Ltd. (“Legend” or the “Company”). The Assets are outlined in Schedule A of the Receivership Order and described in more detail in paragraph 9 of this report. Subsequent to the Receivership Order, on September 19, 2014, Legend made an assignment into bankruptcy and KPMG Inc. (“KPMG”) was appointed as Trustee. KPMG is entrusted with all of Legend’s assets excluding the Assets that the Receiver has been appointed over.
2. National Bank of Canada (“National Bank”) is the senior secured lender of Legend and is owed approximately \$1.33 million per the affidavit filed by Elizabeth Pineda dated October 23, 2014.
3. The Receivership Order authorized the Receiver, among other things, to carry on the business of the Company as it relates to the Assets, to market and solicit offers to purchase the Assets, and to make such arrangements or agreements as deemed necessary by the Receiver.
4. The purpose of this first report (the “First Report”) of the Receiver, is to advise this Honourable Court with respect to:
 - (a) the activities of the Receiver since its appointment;
 - (b) the Receiver’s statement of receipts and disbursements since its appointment to October 27, 2014;
 - (c) the Receiver’s comments on the marketing efforts to solicit offers to purchase the Assets, as defined below; and
 - (d) offers received to purchase Legend’s Assets.
5. The Receiver is requesting the following relief from this Honourable Court:

- (a) Approval of the sale of the Clarke Lake Property, as defined below to Rockbridge Resources Inc.;
 - (b) Authorization for the Receiver to make a final distribution from the sale of the Assets to National Bank;
 - (c) Approval of the fees and expenses of the Receiver;
 - (d) Discharging the Receiver and terminating the Receivership Proceedings upon the completion of the Receiver's remaining administrative tasks relating to this receivership.
6. All references to currency in the First Report are in Canadian Dollars.
7. Capitalized terms not otherwise defined herein have the meanings set out in the Receivership Order.

BACKGROUND

8. Legend is an oil and gas Company engaged in the production, exploration, development and acquisition of petroleum and natural gas properties in the Provinces of Alberta and British Columbia. Legend's head office is located in Calgary, Alberta and is the wholly owned Canadian subsidiary of Legend Oil and Gas Ltd. ("LOG"). LOG is United States based oil and gas Company registered with the Securities and Exchange Commission.
9. Legend has several oil and gas properties scattered throughout Alberta and British Columbia; however, the Receiver was only appointed over certain assets of the Company. The Assets include:

- (a) a non-operated gas property located in British Columbia, (“Clarke Lake Property”) which includes an interest in 8 petroleum and natural gas leases and 9 wells with varying ownership interests ranging from 9.38% to 25%. The Clarke Lake Property is currently operated by CQ Energy Canada Resources Partnership and is producing approximately 450 thousand cubic feet (“MCF”) of gas per day. The property is currently generating Legend approximately \$15,000 to \$20,000 per month of operating cash flow;
- (b) a royalty interest in 19 oil and gas leases located in the Turin/Retlaw area in Alberta (“Turin Royalty”); and
- (c) all of Legends accounts as defined in the *Personal Property Security Act*, RSA 2000 c. P-7.

ACTIVITIES OF THE RECEIVER SINCE DECEMBER 19, 2012

CUSTODY & CONTROL

- 10. On May 9, 2014, the Receiver attended the leased head office of Legend located at 230, 840 – 6th Ave S.W. in Calgary, Alberta to meet with the Company’s consultants/staff in order to discuss the receivership and collect the books and records related to the Clarke Lake Property and Turin Royalty.

INSURANCE

- 11. The Receiver requested a copy of the current insurance coverage from Energy Insurance Group (“EIG”) in order to review its adequacy and discuss the current status of insurance coverage. The Receiver was advised by EIG that the insurance policy was set to expire due to non-payment on June 9, 2014. The Receiver determined that the current insurance in place was adequate and paid the outstanding premium to ensure the Assets were adequately insured.

EMPLOYEES AND CONTRACTORS

12. On May 9, 2014, the Receiver met with the Company's employees/consultants at head office to advise them of the receivership and discuss the need for assistance gathering books and records, assisting in the sales and marketing process and in the due diligence process of potential purchasers. Two of Legend's employees agreed to assist the Receiver as independent consultants going forward, on an as needed basis.

STATUTORY NOTICES

13. On May 14, 2014 the Receiver mailed the statutory notice ("Statutory Notices") and statement of Receiver in accordance with subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*. Additionally, the Receiver set-up a website <http://cfcanada.fticonsulting.com/legend/> to post information related to the receivership. The Receiver has posted all relevant documents relating to these proceedings to this website.

SUMMARY OF RECEIPTS AND DISBURSEMENTS

14. The table below summarizes the receipts and disbursements of the Receiver from May 9, 2014 to October 27, 2014.

Schedule of Receipts and Disbursements May 9, 2014 to October 27, 2014		Notes
Oil and Gas Revenue Collections	\$ 223,626	a
Sale Proceeds	25,000	b
Opening Cash	10,003	c
GST Collected	12,431	d
Collection of AR	23,209	e
Total Receipts	294,268	
Operating Expenses	41,083	f
Royalty Payments	19,011	g
Contractors	11,595	h
Sales Commission	1,000	i
Other Misc. Expenses	1,009	
GST Paid	960	
Insurance	11,340	j
Total Disbursements	85,998	
Net Cash on Hand	\$ 208,270	

15. The following is a description of the major cash receipts and disbursements in the above table:
- (a) Oil and gas revenues – receipts received by the Receiver from oil and gas sales;
 - (b) Sale Proceeds - proceeds from the sale of the Turin Royalty;
 - (c) Opening cash – upon the Receiver’s appointment, Legend’s bank account had \$10,003 in opening cash;
 - (d) GST collected – relates to GST received on oil and gas revenues;
 - (e) Collection of AR – collection of minor miscellaneous accounts receivables;

- (f) Operating expenses – oil and gas operating expenses relate mainly to the producing Clarke Lake Property. Also includes mineral and surface lease rental payments;
- (g) Royalty Payments – relate to Crown royalties accruing from the producing Clarke Lake Property paid to the Government of British Columbia’s Ministry of Finance;
- (h) Contractors – payments made to former Legend employees who assisted the Receiver as independent contractors through the Receivership Proceedings;
- (i) Sales commission – payment to NRG for their fees related to the Turin Royalty sale; and
- (j) Insurance – insurance premiums paid to insure the Assets.

MARKETING PROCESS

16. The Receiver, in consultation with National Bank, determined that a selling agent should be retained to assist in the marketing of the Assets in order maximize their value. The Receiver discussed potential selling agents with Legend’s management and was advised that NRG Divestitures Inc. (“NRG”) had previously been engaged by Legend to market the Company’s assets. The Receiver determined NRG would be the most effective agent to lead the sale’s process based on the following;

- (a) Familiarity with the Assets and previous work already completed gathering data related to the property, compiling into a data room for potential purchasers and drafting marketing materials;
- (b) Overall marketing process contemplated;
- (c) General experience and knowledge of the industry; and
- (d) Ability to carry on with the sales process that had already been initiated.

17. National Bank agreed with the decision to retain NRG to assist in marketing the Assets.
18. NRG's sales and marketing process is summarized as follows.
 - (a) Engagement - NRG engaged on August 7, 2013 by Legend to solicit offers to purchase all or part of Legend's oil and gas assets. Compiling marketing materials and information for the data-room commenced;
 - (b) Marketing Launch – on September 11, 2013 NRG sent marketing material to over 1,900 oil and gas contacts and placed targeted phone calls to known strategic buyers. Promotional materials placed on NRG's website. A data room was set up and available to interested parties, who then sign confidentiality agreements;
 - (c) Advertisements – on September 17, 19, 25, 2013 and October 2, 2013. NRG placed advertisements in the Daily Oil Bulletin;
 - (d) Interested Parties – a total of 22 confidentiality agreements were signed by interested parties. Two parties expressed interest in Clarke Lake and submitted non-binding offers;
19. The marketing process resulted in a total of 2 non-binding offers for the Clarke Lake Property and 2 non-binding offers for the Turin Royalty.
20. The Receiver reviewed and assessed the non-binding offers received giving consideration to the following:
 - (a) Purchase price;
 - (b) Financing conditions;
 - (c) Due diligence period and timing to close;
 - (d) Initial deposit contemplated; and

- (e) Closing risk.
21. The Receiver considered re-freshing the marketing process; however, since a lengthy and thorough marketing process had already been completed the Receiver determined that the Assets had already been adequately exposed to the market.
22. The Receiver in consultation with NRG and National Bank, concluded that the offer to purchase the Turin Royalty, received from Ursa Polaris Developments Corporation, (“Ursa”) and the offer to purchase the Clarke Lake Property, received from Rockbridge Resources Inc., (“Rockbridge”) were the superior offers that would maximize recoveries for the stakeholders. The Receiver proceeded to advance the non-binding offers to formal purchase agreements. National Bank was in agreement with this decision.

URSA PURCHASE OF THE TURIN ROYALTY

23. The Receiver negotiated a formal purchase agreement with Ursa for the sale of the Turin Royalty (“Ursa APA”). The details of the Ursa APA are as follows:
- (a) Purchase Price - \$25,000 plus GST;
 - (b) Effective date – May 31, 2014;
 - (c) Closing date July 24, 2014;
 - (d) Purchase price due in full at closing;
 - (e) No financing or due diligence provisions; and
 - (f) Assets included – Turin Royalty as outline
24. Pursuant to section 3.(l)(i) of the Receivership Order, the Receiver did not require the approval of this Honourable Court to close the Ursa APA, as the purchase price of this transaction did not exceed \$250,000. As such, the Receiver closed the transaction and collected the proceeds on July 24, 2014. The Receiver’s decision to complete the Ursa APA was based on the following:

- (a) The Turin Royalty had been adequately exposed to the market based on the NRG marketing process outlined above and the length of time (approximately 10 months) that the Turin Royalty has been actively marketed;
- (b) The Ursa APA presents the highest return to Legend's creditors of all offers received for the asset;
- (c) National Bank, the largest secured creditor is in agreement with accepting the Ursa APA.

ROCKBRIDGE OFFER TO PURCHASE THE CLARKE LAKE PROPERTY

25. On June 18, 2014, Rockbridge submitted a non-binding offer to the Receiver to purchase the Clark Lake Property. Subsequent to receiving the non-binding offer, the Receiver and Rockbridge negotiated the Rockbridge APA under substantially the same terms as the non-binding offer. The Rockbridge APA is attached as Appendix A. The details of the Rockbridge APA are as follows:

- a. Purchase price of \$240,000 plus applicable GST;
- b. No due diligence provision;
- c. No financing provision;
- d. Effective date April 1, 2014;
- e. Closing date set for as soon as practical after Court approval;
- f. Subject to Rockbridge receiving regulatory approval and approval of this Honourable Court.

26. Given the substantial amount of time between the effective date of the sale and the closing date, the Receiver expects a material adjustment to take place upon the closing of the Rockbridge APA. The estimated statement of adjustments is included in the realization analysis presented below. The estimated statement of adjustments represents the revenue generated by the Clarke Lake Property, collected by the Receiver, less the costs to operate the Clarke Lake Property from the effective date, April 1, 2014 to the estimated closing date.
27. The Receiver, recommends that the Rockbridge APA be approved by this Honourable Court for the following reasons:
- (a) The Clarke Lake Assets have been adequately exposed to the market based on the NRG marketing process outlined above and the length of time (approximately 10 months) that the Clarke Lake Property has been actively marketed;
 - (b) The Rockbridge APA represents the best realizable value that could reasonably be obtained for the Clarke Lake Property;
 - (c) National Bank, the largest secured creditor is in agreement with accepting the Rockbridge APA.

AMENDMENT TO RECEIVERSHIP ORDER

28. After collecting and reviewing the hard copy books and records related to the Clarke Lake Property, the Receiver noted that there was one petroleum and natural gas lease (“Missing Lease”) in the Clarke Lake area that had been inadvertently missed in Schedule A of the Receivership Order related to the Clarke Lake Property. The Missing Lease should have been included in the original receivership application, as it is part the Clarke Lake Property and was included in the NRG marketing materials. The Rockbridge APA includes the purchase of the missing lease contingent on this Honourable Court amending the Receivership Order to include the missing lease. The Missing Lease is subject to National Bank’s security. The Receiver recommends that the Missing Lease be added to the Assets included in these Receivership Proceedings so that it can complete the sales of the Clarke Lake Property to Rockbridge.

CANADA REVNUUE AGENCY AND OTHER CLAIMS

29. On May 14, 2014, the Receiver caused the Statutory Notices to be mailed to the Canada Revenue Agency (“CRA”). To date, the Receiver has not received any notice asserting a claim or priority claim from the CRA.
30. Although no formal claims process has been run, the Receiver has been in contact with the following creditors throughout the Receivership proceedings;
- (a) CQ Energy Canada Resources Partnership (“CQ”) is the operator of the Clarke Lake Property and has provided a statement of account showing that they have approximately \$150,000 owing to them, related to the pre-receivership period. The Receiver has not verified the validity of this number and no formal claim has been advanced to the Receiver. Based on the evidence provided in the affidavit filed by Elizabeth Pineda dated October 23, 2014, the Receiver understands that CQ has not registered any liens on the Clarke Lake Property and therefore, National Bank is the only secured claim registered on the Clarke Lake Property.

- (b) The Receiver has been in contact with the British Columbia Ministry of Energy, (“B.C. Energy”) who has advised verbally that they were owed approximately \$45,000 for unpaid royalties that accrued prior to the receivership. B.C. Energy has not submitted a formal claim to the Receiver for the unpaid royalties and verbally advised the Receiver that they did not believe they were in priority to the National Bank’s debt.

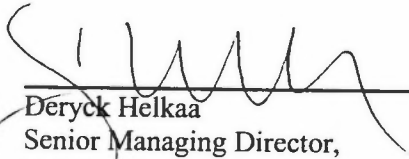
VALIDITY AND ENFORCEABILITY OF NATIONAL BANK’S SECURITY

- 31. The Receiver understands that McCarthy Tétrault LLP has submitted evidence to this Honourable Court in the affidavit filed by Elizabeth Pineda dated October 23, 2014. The Receiver understands that the evidence submitted supports National Bank’s position as senior secured creditor over the proceeds available for distribution. The proceeds available for distribution are less than the \$1.33 million debt owed to National Bank and as such, the Receiver would recommend, subject to this Honourable Courts review of the evidence, that all proceeds available for distribution be distributed to National Bank.

- (c) Approving the request to add the Missing Lease to the Receivership Proceedings;
- (d) Approving the Receiver's schedule of receipts and disbursements;
- (e) Approving the proposed distribution to National Bank based on the evidence submitted in the affidavit filed by Elizabeth Pineda dated October 23, 2014;
- (f) Approval of the Receiver's Fees, the Receiver's Final Fees;
- (g) The discharge of the Receiver.

All of which is respectfully submitted this 27th day of October, 2014.

FTI Consulting Canada Inc.
in its capacity as Receiver of
certain assets, property and undertaking of Legend
Energy Canada Inc.


Name: Deryck Helkaa
Title: Senior Managing Director,
FTI Consulting Canada Inc.

Appendix A

Rockbridge APA

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

LEGEND ENERGY CANADA LTD. by its court appointed receiver and manager FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of Legend Energy Canada Ltd., and not in its personal capacity

(the "Vendor")

AND

ROCKBRIDGE RESOURCES INC., a corporation incorporated pursuant to the laws of the Province of British Columbia

(the "Purchaser")

October 17, 2014

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ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made effective as of the ___ day of October, 2014.

BETWEEN:

LEGEND ENERGY CANADA LTD. by its court appointed receiver and manager **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of Legend Energy Canada Ltd., and not in its personal capacity (the "**Vendor**")

- and -

ROCKBRIDGE RESOURCES INC., a corporation incorporated pursuant to the laws of the Province of British Columbia (the "**Purchaser**")

WHEREAS the Receiver was appointed as receiver and manager of the Property of the Vendor, pursuant to the Receivership Order;

WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements, and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1 and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

- (a) "**Abandonment and Reclamation Liabilities**" means all past, present and future obligations and liabilities to:
 - (i) abandon the Wells and close, decommission, dismantle, and remove all structures, foundations, buildings, pipelines, equipment, tanks, and other facilities comprising the or comprised in the Tangibles that are or were located in or on the Lands or lands used, previously used or useful or intended for use in respect of or in connection with the Lands; and
 - (ii) restore, remediate and reclaim any surface and subsurface locations of the lands on which the Wells, structures, foundations, buildings, pipelines, equipment, tanks, and other facilities described in Section 1.1(a)(i) are or were located and all lands used to gain access to any of them;

all in accordance with generally accepted industry practices in the province where the Assets are located and in compliance with all Applicable Laws and the Title and Operating Documents.

- (b) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **"control"** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise.
- (c) **"Agreement"** means this Asset Purchase and Sale Agreement including the recitals hereto and the Schedules attached hereto.
- (d) **"Amendment Approval"** means the approval and expansion of the definition of Property, as set out in the Receivership Order, by the Court, to include the Contingent Lands.
- (e) **"Applicable Laws"** means, in relation to any Person, asset, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees, and orders of courts of competent jurisdiction;
 - (iii) regulations, orders, ordinances and directives issued by Government Authorities;
 - (iv) the terms and conditions of all permits, licenses, approvals and authorizations; and,
 - (v) common law, equity or any other laws of any nature whatsoever;which are applicable to such Person, asset, transaction, event, or circumstance.
- (f) **"Assets"** means any interest of the Vendor in the Petroleum and Natural Gas Rights, Tangibles and the Miscellaneous Interests, but excludes the Excluded Assets.
- (g) **"Business Day"** means any day other than a Saturday, Sunday, or statutory holiday in Calgary, Alberta.
- (h) **"Claim"** means any claim, demand, lawsuit, proceeding, arbitration, or governmental investigation, in each case, whether asserted, threatened, pending, or existing.
- (i) **"Closing"** means the transfer of possession, beneficial ownership and risks of the Assets from the Vendor to the Purchaser, and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date pursuant hereto.

- (j) “**Closing Date**” has the meaning provided in Section 4.1.
- (k) “**Closing Payment**” has the meaning provided in Section 3.3.
- (l) “**Contingent Lands**” means the entire interest of Debtor as set out in Schedule “B” under the heading “Contingent Lands” and any Petroleum Substances therein, but only in respect of those zones and formations set out in Schedule “B”.
- (m) “**Court**” means the Court of Queen’s Bench of Alberta.
- (n) “**Court Approval**” means both the Amendment Approval and the Sale Approval.
- (o) “**Data Room Information**” means all information provided to the Purchaser in relation to the Debtor, or its Affiliates and/or the Assets.
- (p) “**Debtor**” means Legend Energy Canada Ltd..
- (q) “**Dollar**” and “**\$**” mean a dollar of the lawful money of Canada.
- (r) “**Effective Date**” means May 9, 2014.
- (s) “**Encumbrance**” means all liens, charges, security interests, royalties, pledges, options, net profit interests, rights of pre-emption, mortgages, adverse claims and other encumbrances on ownership rights of any kind or character or agreements to create the same.
- (t) “**Environment**” means the components of the earth and includes ambient air, land, surface, and sub-surface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning.
- (u) “**Environmental Law**” means all Applicable Laws respecting the protection of, or the control, remediation or reclamation of contamination or pollution of, the Environment or any part thereof.
- (v) “**Environmental Liabilities**” means all past, present and future obligations and liabilities of whatsoever nature or kind arising from or relating to, directly or indirectly:
 - (i) Environmental Matters;
 - (ii) past, present and future non-compliance with, violation of or liability under Environmental Laws applicable to or otherwise involving the Assets; or
 - (iii) Abandonment and Reclamation Liabilities,whenever occurring or arising.

(w) **“Environmental Matters”** means any activity, event, or circumstance in respect of or relating to:

- (i) the storage, use, holding, collection, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation, or Release of Hazardous Substances;
- (ii) the protection of the Environment; or
- (iii) pollution, reclamation, remediation, or restoration of the Environment;

in each case relating to the Lands or the Assets or that has or have arisen or hereafter arise from or in respect of past, present, or future Operations, activities or omissions in or on the Lands, or in respect of or otherwise involving the Assets, including obligations to compensate Third Parties for Losses and Liabilities pertaining thereto.

(x) **“Excluded Assets”** means:

- (i) geological and geophysical interpretations related to the Assets;
- (ii) all other interpretations, evaluations, valuations, forecasts, analyses, and similar items relating to the Assets, including any economic valuations or reserve forecasts prepared or acquired by or on behalf of the Debtor, or its Affiliates or a Third Party with respect to the Assets or the Transaction;
- (iii) any computer software, computer networks and other technology systems;
- (iv) advances and deposits to operators, Government Authorities or other Persons prior to the Effective Date to secure obligations or as prepayment of costs or expenses;
- (v) legal and title opinions;
- (vi) documents prepared by or on behalf of the Debtor in contemplation of litigation and any other documents within the possession of the Debtor which are subject to solicitor-client privilege under the laws of the Province of Alberta, or any other jurisdiction; and
- (vii) records, policies, manuals and other proprietary, confidential business or technical information not used exclusively in the operation of the Assets.

(y) **“General Conveyance”** means a general conveyance in the form attached as Schedule “B”.

(z) **“Government Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets, or the Transaction.

- (aa) "**GST**" the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 3.4(a).
- (bb) "**Hazardous Substances**" means hazardous or toxic substances, hazardous wastes, radioactive substances, asbestos, dangerous goods and Petroleum Substances, including any and all substances and wastes regulated under Environmental Law.
- (cc) "**Insider**" has the meaning given to that term in the *Securities Act* (Alberta).
- (dd) "**Lands**" means: (i) the entire interest of Debtor as set out in Schedule "A" under the heading "Lands" and all Petroleum Substances therein; and, (ii) subject to the Receiver successfully obtaining the Amendment Approval, the entire interest of the Debtor, as set out in Schedule "B" under the heading "Contingent Lands" and any Petroleum Substances therein.
- (ee) "**Leases**" means the Leases, reservations, permits, licenses, or other Title Documents related to the Vendor's interest in any of the Lands or Wells and any documents of title issued in substitution for, amendment of, or in addition to any of the Title Documents.
- (ff) "**Losses and Liabilities**" means, in relation to a matter, any and all:
 - (i) losses, costs, damages, expenses, and charges (including all penalties, assessments and fines) which the Vendor suffers, sustains, pays or incurs, directly or indirectly, in connection with such matter and includes costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable costs of investigating and defending Claims arising from the matter, regardless of whether such Claims are sustained and includes taxes payable on any settlement payment or damage award in respect of such matter; and
 - (ii) liabilities and obligations (whether under common law, in equity, under Applicable Laws or otherwise; whether tortious, contractual, vicarious, statutory or otherwise; whether absolute or contingent; and whether based on fault, strict liability, or otherwise) which the Vendor suffers, sustains, pays or incurs as a result of or in connection with such matter;but excluding indirect, incidental, consequential, exemplary, special, or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by the Vendor, but including any such indirect, incidental, consequential, exemplary, special or punitive losses or damages or loss of profits suffered, sustained, paid or incurred by a Third Party entitled to recovery or indemnification from the Vendor.
- (gg) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, all property, assets, interests, and rights of the Vendor pertaining to the Assets, but only to the extent that such property, assets, interests, and rights pertain to the Assets and are currently held by the Vendor, including without limitation any and all of the following:

- (i) contracts and agreements relating to the Assets, including without limitation forward sales contracts, gas purchase contracts, processing agreements, transportation agreements, and agreements for the construction, ownership, and operation of facilities;
- (ii) all records, books, documents, licences, reports, and data which relate to the Assets, excluding any of the foregoing that pertain to seismic, geological, or geophysical, matters; and
- (iii) any and all rights of the Vendor which may be conveyed or assigned, to enter upon, use, and occupy the surface of any of the Lands;

but specifically excluding the Excluded Assets.

- (hh) **"Operations"** means any and all work, activities and operations of any kind whatsoever conducted on or with respect to the Assets.
- (ii) **"Party"** means the Vendor or the Purchaser, and **"Parties"** means the Vendor and the Purchaser.
- (jj) **"Permitted Encumbrances"** means, as of a particular time, any of the following:
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
 - (iv) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
 - (v) 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;
 - (vi) 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;

- (vii) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Form of Court Order, attached hereto as Schedule "D";
- (viii) the terms and conditions of the Leases and the Title and Operating Documents, as of and from the Effective Date; and
- (ix) any other circumstance, matter, or thing disclosed in any Schedule hereto;
- (kk) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority or any other entity capable of entering into a binding legal contract.
- (ll) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate, and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", which the Vendor may have in the Lands, Wells, and Leases, subject in all events to the Permitted Encumbrances and the Title and Operating Documents.
- (mm) **"Petroleum Substances"** means any of crude oil, crude bitumen, and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to or produced in conjunction with any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and hydrogen sulphide.
- (nn) **"Property"** has the meaning given to it in the Receivership Order.
- (oo) **"Purchase Price"** has the meaning given in Section 3.1.
- (pp) **"Receiver"** means FTI Consulting Canada Inc., in its capacity as receiver and manager in accordance with the Receivership Order.
- (qq) **"Receivership Order"** means the order issued by the Court in the Receivership Proceedings on May 9, 2014, as amended, modified, or supplemented from time to time;
- (rr) **"Receivership Proceedings"** means the proceedings before the Court and identified as Court File No. 1401-05131;
- (ss) **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into or through the Environment or into or out of any lands, including the movement of a Hazardous Substance through or in any part of the Environment.
- (tt) **"Representatives"** means, with respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party and its Affiliates.
- (uu) **"Sale Approval"** means the approval of the Transaction by the Court and the vesting of the Assets in the name of the Purchaser free and clear of any Encumbrances other than the Permitted Encumbrances, substantially in the Form of

Court Order attached hereto as Schedule "D", but does not include the Amendment Approval.

- (vv) "**Specific Conveyances**" means any and all conveyances, assignments, transfers, novations, and any other documents or instruments in respect of the Assets or the Transaction, but does not include the General Conveyance.
- (ww) "**Tangibles**" means, collectively, any and all right, title, interest and estate of the Debtor, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within or upon the Lands, and which are used or are intended to be used to produce, process, gather, treat, measure, dispose, or make marketable Petroleum Substances or in connection with water condensate, injection or removal operations that pertain to the Petroleum and Natural Gas Rights.
- (xx) "**Third Party**" means any Person other than the Parties or their Representatives.
- (yy) "**Title and Operating Documents**" means all agreements, contracts, instruments, and other documents that govern the ownership, operation, or use of the Assets or relate to Permitted Encumbrances, including: (i) the Leases and other agreements and instruments pursuant to which the Petroleum and Natural Gas Rights were issued, granted, or created; (ii) permits, licenses, approvals and authorizations; (iii) operating agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, farmin agreements, farmout agreements, and royalty agreements, (iv) agreements that create or relate to Surface Interests; (v) agreements for the construction, ownership and/or operation of the Tangibles; (vi) trust declarations and other documents and instruments that evidence the Debtor's interests in the Assets; and, (vii) trust declarations pursuant to which the Debtor holds interests in the Lands in trust for other Persons.
- (zz) "**Transaction**" means the transaction(s) for the purchase and sale of the Assets as provided for in or as contemplated by this Agreement.
- (aaa) "**Wells**" means all wells located on the Lands, including all producing, shut in, suspended, capped, water source, service, observation, delineation, or injection wells, and includes any wells, as set out in Schedule "A" under the heading "Wells".

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation, or construction of this Agreement;
- (b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;

- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;
- (d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;
- (e) the words "hereto", "herein", "hereof", "hereby", "hereunder", and similar expressions refer to this Agreement and not to any particular provision of this Agreement;
- (f) reference to any Article, Section, or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified;
- (g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict; and
- (h) "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule "A"	Lands and Wells
Schedule "C"	Contingent Lands
Schedule "C"	Form of General Conveyance
Schedule "D"	Form of Sale Approval Order

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey, and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Asset's from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk, and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Effective Date.

**ARTICLE 3
PURCHASE PRICE AND PAYMENT**

3.1 Purchase Price

The purchase price to be paid by the Purchaser to the Vendor for the Assets shall be two hundred and forty thousand dollars (\$240,000) (the "Purchase Price").

3.2 Allocation of the Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

Petroleum and Natural Gas Rights	\$191,999.00
Tangibles	<u>\$ 48,000.00</u>
Miscellaneous Interests	<u>\$ 1.00</u>
 Total	 <u>\$240,000.00</u>

3.3 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, or bank draft, the Purchase Price as set forth in this Agreement plus any taxes and fees (including GST) payable under Section 3.4 (collectively, the "Closing Payment").

3.4 Taxes and Fees

- (a) The Purchase Price does not include GST. At Closing, the Purchaser shall pay to the Vendor an amount equal to the statutory rate of GST on the portion of the Purchase Price allocated to Tangibles and Miscellaneous Interests pursuant to Section 3.2 and on the amount attributable to any other Assets or expenses to which GST may apply. The Purchaser shall be liable for the payment and remittance of any additional amount of GST, not paid to the Vendor at Closing and as determined as owing by a Government Authority having jurisdiction, payable in respect of the purchase of the Assets pursuant hereto, including any interest, penalties, or any other costs payable in respect of such additional GST, and shall indemnify and save harmless the Vendor in respect thereof. The GST Registration Number of the Vendor is 845469881 RT0002. The GST Registration Number of the Purchaser is 833471914 RT0001.
- (b) The Purchaser shall also be liable for and shall pay any and all land transfer taxes, federal or provincial sales taxes and all other taxes, duties, costs or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for any and all recording charges, registration fees or any other costs payable in connection therewith.

ARTICLE 4 CLOSING

4.1 Closing

The Closing of the Transaction shall take place on the later of:

- (a) the Business Day following the day Sale Approval is obtained; or
- (b) on such other Business Day as the Parties may agree in writing;

(the "Closing Date").

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchaser that, subject to Section 5.2(b):

- (a) It has been appointed by the Court as receiver and manager of certain assets, properties, and undertakings of the Debtor as described in the Receivership Order and such appointment is valid and subsists;
- (b) It has good right, full power, and absolute authority to sell, assign, transfer, convey, and set over the interest of the Debtor in and to the Assets, but subject to Section 5.2(b), and as described in and subject to the terms and conditions of the Receivership Order and the Court Approval; and
- (c) It is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 No Additional Representations and Warranties by the Vendor

- (a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 5.1 and subject to 5.2(b), and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty, express or implied, of any kind, under Applicable Laws, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or its Representatives in connection with the Assets or in relation to the Transaction or this Agreement. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:
 - (i) the accuracy or completeness of the Data Room Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Assets or this Agreement;

- (ii) the quality, quantity, or recoverability of any Petroleum Substances with or under the Lands;
- (iii) the value of the Assets or any estimates of prices or future cash flows arising from the sale of any Petroleum Substances produced from or allocated to the Assets or the Lands or any estimates of other revenues or expenses attributable to the Assets;
- (iv) the Receivers ability to convey, sell, transfer, or assign any Assets not comprising part of the Property, as set out in the Receivership Order;
- (v) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
- (vi) the quality, condition, fitness, suitability, serviceability or merchantability of any of the Tangibles; or
- (vii) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor or any of its Representatives with respect to the matters specifically enumerated in the immediately preceding paragraphs or in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an "as is, where is" basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as expressly contained in Section 5.1 of this Agreement.

- (b) The Purchaser hereby waives all rights, remedies, and claims (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor and its Representatives in respect of the Vendor's ability to sell, assign, transfer, convey, and set over the interest of the Debtor in and to the Contingent Lands and expressly acknowledges that the Contingent Lands do not currently comprise any portion of the Assets and are expressly removed from such definition; and the Parties hereto agree that the Contingent Lands will form part of and be incorporated within the definition of Assets only, when, and if, the Receiver is able to obtain the Amendment Approval and subject to the terms and conditions of the Amendment Approval and the Receivership Order.
- (c) Except as otherwise expressed under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor and its Representatives in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection

herewith (whether made or furnished orally or by electronic, faxed, written or other means).

5.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

- (a) **Standing:** It is and at the Closing Date shall continue to be a corporation duly organized and validly existing under the laws of the jurisdiction of incorporation of the Purchaser, is authorized to carry on business in the Province in which the Lands are located, and now has good right, full power, and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (b) **Requisite Authority:** Except for the Court Approval and regulatory approval, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder;
- (c) **Execution and Enforceability:** Provided the Sale Approval is obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences;
- (d) **No Further Authorization Required:** To its knowledge after due inquiry, and provided that Sale Approval and regulatory approval, as required under Applicable Law, are obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement;
- (e) **No Conflicts:** Provided the Sale Approval and any regulatory approval, as required under Applicable Law, are obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order, or ruling applicable to it;
- (f) **Finder's Fee:** It has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the Transaction for which the Vendor or the Debtor shall have any obligations or liability;
- (g) **Purchaser as Principal:** It is acquiring the Assets in its capacity as a principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party;

- (h) **Availability of Funds:** It has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement; and
- (i) **Insiders:** To the Purchaser's knowledge, having made due enquiry, no Insider of the Purchaser is also an Insider of the Vendor or the Debtor.

5.4 Enforcement of Representations and Warranties

- (a) Vendor shall be liable to Purchaser for and shall, in addition, indemnify Purchaser from and against, all losses, costs, claims, damages, expenses, and liabilities suffered, sustained, paid, or incurred by Purchaser which would not have been suffered, sustained, paid, or incurred had all of the representations and warranties contained in Section 5.1, but subject to 5.2(b), been accurate and truthful, provided however that nothing in this Subsection 5.4(a) shall be construed so as to cause Vendor to be liable to or indemnify Purchaser in connection with any representation or warranty contained in Section 5.1 if and to the extent that Purchaser did not rely upon such representation or warranty.
- (b) Purchaser shall be liable to the Vendor and each of the Vendor's Representatives for and shall, in addition, indemnify the Vendor and each of the Vendor's Representatives from and against, all losses, costs, claims, damages, expenses, and liabilities suffered, sustained, paid, or incurred by Vendor or any of the Vendor's Representatives which would not have been suffered, sustained, paid, or incurred had all of the representations and warranties contained in Section 5.3 been accurate and truthful, provided however, that nothing in this Subsection 5.4(b) shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in Section 5.3 if and to the extent that Vendor did not rely upon such representation or warranty.
- (c) No claim under this Article 5 shall be made or be enforceable by a Party unless written notice of such claim, with reasonable particulars, is given by such Party to the Party against whom the claim is made within a period of 6 months from the date hereof.

ARTICLE 6 CONDITIONS PRECEDENT TO CLOSING

6.1 Vendor's Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

- (a) **Purchaser's Obligations:** the Purchase shall have, in all material respects, timely preformed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date;
- (b) **Payment:** the Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement;

- (c) **Conveyance:** the Purchaser shall have executed and delivered to the Vendor the General Conveyance at the time of or before Closing;
- (d) **Judicial Orders:** there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction;
- (e) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained by the Purchaser without conditions; and
- (f) **Sale Approval:** the Sale Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, by the Vendor, provided that the Vendor is not entitled to waive the requirement to obtain the necessary Sale Approval as contained in Section 6.1(f). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. If any of the foregoing conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

- (a) **Conveyance:** the Vendor shall have executed and delivered to the Purchaser and the General Conveyance at the time of or before Closing;
- (b) **Restrictions:** all necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained by the Purchaser without conditions; and,
- (c) **Sale Approval:** the Sale Approval shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the requirement to obtaining the necessary Sale Approval as contained in Section 6.2(c). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. If any of the foregoing conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

**ARTICLE 7
CLOSING DELIVERIES**

7.1 Vendor Closing Deliveries

At Closing, the Vendor or Receiver shall table the following:

- (a) a certified copy of the Sale Approval;
- (b) a receipt for the Closing Payment;
- (c) the General Conveyance, executed by the Vendor; and,
- (d) any previously circulated and agreed upon Specific Conveyances, executed by the Vendor; and,
- (e) an copy of the Receivership Order.

7.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the following:

- (a) the Closing Payment; and,
- (b) the General Conveyance, fully executed by Purchaser.

7.3 Deliveries

The Receiver shall deliver or cause to be delivered to Purchaser within a reasonable period of time following Closing, the original copies of the Title and Operating Documents and any other agreements and documents in its possession related to the Assets and any copies of contracts, agreements, records, books, documents, licenses, reports, and data included in the Miscellaneous Interests which are in the possession of Vendor.

**ARTICLE 8
LIABILITIES AND INDEMNITIES**

8.1 General Indemnity

If Closing occurs the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:

- (a) assume, perform, pay, discharge, and be liable to the Vendor for; and
- (b) as a separate covenant, save and hold harmless and indemnify the Vendor from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to the extent arising or accruing on or after the Effective Date and which relate to the Transaction, the Assets, or the terms and conditions of the Title and Operating Documents, including but not limited to all Losses and Liabilities attributable to the operation, ownership, use, construction, or maintenance of the Assets

arising or accruing on or after the Effective Date. The Purchaser's indemnity obligation set forth in this Section Article 8 shall survive the Closing Date indefinitely.

8.2 Environmental Indemnity

- (a) The Purchaser acknowledges that it:
 - (i) is familiar with the condition of the Assets, including the past and present use of the Assets, and it has been provided with the right and the opportunity to conduct due diligence investigations with respect to existing or potential Environmental Liabilities pertaining to the Assets; and
 - (ii) is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets.
- (b) The Purchaser agrees that once Closing has occurred the Vendor shall have no liability whatsoever for any Environmental Liabilities. In this regard, once Closing has occurred, the Purchaser shall, without any further necessary action on the part of the Vendor or the Purchaser:
 - (i) be solely liable and responsible for all of the Vendor's Losses and Liabilities arising out of or relating to the Assets; and
 - (ii) as a separate covenant, indemnify, save and hold the Vendor harmless from and against all Losses and Liabilities that may be brought against or which they or any one of them may suffer, sustain, pay or incur;

as a result of any act, omission, matter or thing related to any Environmental Liabilities arising, however and whenever arising or occurring, and the Purchaser shall assume, perform, pay, and discharge all Environmental Liabilities. This liability and indemnity shall apply without limit and without regard to cause or causes, including the negligence, whether sole, concurrent, gross, active, passive, primary or secondary, or the wilful or wanton misconduct of the Vendor or the Purchaser or any other person or otherwise. The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor under the Applicable Laws pertaining to any Environmental Liabilities, including the right to name the Vendor as a 'third party' to any action commenced by any Person against the Purchaser.
- (c) The Purchaser agrees to be solely responsible for the timely performance of any and all Abandonment and Reclamation Liabilities pertaining to the Assets, if any, which in the absence of this Agreement would be the responsibility of Vendor. Purchaser shall be liable to Vendor and each of the Vendor's Representatives for and shall, in addition, indemnify Vendor and each of the Vendor's Representatives from and against, all losses, costs, claims, damages, expenses, and liabilities suffered, sustained, paid, or incurred by Vendor or any of the Vendor's Representatives should Purchaser fail to timely perform such obligations.
- (d) The Purchaser's indemnity obligation set forth in this Section 8.2(b) shall survive the Closing Date indefinitely.

8.3 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer, or document delivered pursuant hereto notwithstanding any rule of law, equity, or statute to the contrary and all such rules are hereby waived.

**ARTICLE 9
TERMINATION**

9.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

- (a) by mutual written agreement of the Vendor and the Purchaser; or
- (b) by the Vendor or the Purchaser pursuant to the provisions of Sections 6.1 or 6.2, respectively, as applicable; or
- (c) by either the Vendor or the Purchaser if Closing has not occurred on or before November 21, 2014, or as otherwise agreed to by the Parties in writing.

**ARTICLE 10
NOTICES**

10.1 Service of Notices

The addresses for service of the Parties shall be as follows:

<u>Vendor</u> -	FTI Consulting Canada Inc., in its capacity as court appointed receiver and manager of certain of the assets, properties and undertakings of Legend Energy Canada Ltd., and not in its personal capacity Suite 1016, 888 3 rd Street SW 10 th Floor Bankers Hall, West Tower Calgary, Alberta T2P 5C5 Attention: Dustin Olver Email: Dustin.olver@fticonsulting.com
With a copy to	McCarthy Tétrault LLP 4000, 421 7 th Avenue SW Calgary, Alberta T2P 4K9 Attention: Sean Collins/Pantelis Kyriakakis Email: scollins@mccarthy.ca/ pkyriakakis@mccarthy.ca
<u>Purchaser</u> -	RockBridge Resource Inc. 200 - 24 East 4 th Avenue Vancouver BC V5T 1E8

Attention: Steve Mathiesen, President
Email: steve.mathiesen@sashman.ca

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party, by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder, or by email or facsimile to such Party at the email address or facsimile number specified hereunder. Any notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email or facsimile shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout, or other causes.

ARTICLE 11 MISCELLANEOUS

11.1 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

11.2 Entire Agreement

This Agreement, the General Conveyance and the Specific Conveyances constitute the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

11.3 Further Assurances

Each Party will, from time to time and at all times hereafter upon request, without further consideration, do such further acts and deliver all such further assurances, deeds, and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

11.4 Agency

Until Purchaser is novated, with respect to the interest of Vendor in and to the Assets, the Title and Operating Documents and any other agreements and documents to which the Assets are subject to, the Vendor shall act as Purchaser's agent (including without limitation to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs. Purchaser shall be liable to Vendor and shall, in addition, indemnify Vendor from and against, all losses, costs, claims, damages, expenses, and liabilities suffered, sustained, paid, or incurred by Vendor arising in connection with all acts or omissions of Vendor in its capacity as agent of Purchaser, as of the date hereof and to the extent such acts and omissions were expressly or impliedly authorized by

Purchaser or to the extent necessary, or as a result of costs associated with the transfer or conveyance of the Assets.

11.5 Time of the Essence

Time shall be of the essence in this Agreement.

11.6 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors and permitted assigns.

11.7 Severability

In the case any of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11.8 Adjustments

The Purchaser is entitled to all revenues and benefits from the operation and development of the Assets incurred or accrued from and after the Effective Date. Subject to all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets, or the Assets, and the Transaction conveyed pursuant to this Agreement, excluding income taxes but otherwise including without limitation maintenance, development, operating and capital costs, government incentives and administration fees, royalties (paid and received), and other burdens, and proceeds from the sale of production, whether accruing, payable or paid and received or receivable, shall be adjusted between the Parties as of and from the Effective Date in accordance with generally accepted accounting principles. The Parties hereto agree and acknowledge that there shall be no adjustments, of any kind, with respect to any costs, expenses, royalties, or any other form of obligation, of any kind whatsoever, of the Debtor that relate to the Assets and arose prior to the Effective Date. For greater clarity, there shall be no adjustments of any kind, whatsoever, between the Parties for any and all obligations of the Debtor prior to the Effective Date. Adjustments not settled or incorrectly settled on the Closing Date shall be settled by payment to or by the Receiver and Purchaser, as the case may be, as soon as practicable. The intention of the Parties is that final settlement, if any, shall occur within 60 days following the Closing Date, but it is recognized that adjustments may be made after that time, provided that no adjustments shall be made after 90 days from the Closing Date unless written notice of the requested adjustment, with reasonable particulars, is given within 90 days from the Closing Date.

11.9 Registration or Specific Conveyances

The Purchaser shall, at its sole cost and expense, prepare, circulate and register, as the case may be, any and all necessary Specific Conveyances related to the Assets or the Transaction and that by their nature may be circulated or registered.

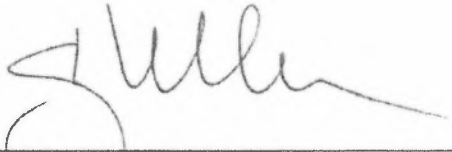
11.10 Governing Law

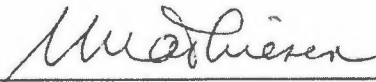
This Agreement shall, in all respects, be subject to, interpreted, construed, and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada therein and shall, in all respects, be treated as a contract made in the Province of Alberta. The


IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written

FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of Legend Energy Canada Ltd., and not in its personal capacity

ROCKBRIDGE RESOURCES INC.

Per: 
Name: Deryck Helkaa
Title: Senior Managing Director

Per: 
Name: Steve Mathiesen
Title: President

Per: 
Name: Dustin Olver
Title: Senior Director

This is the execution page to the Purchase and Sale Agreement dated October 17, 2014 between FTI Consulting Canada Inc., in its capacity as court appointed receiver and manager of certain of the assets, properties and undertakings of Legend Energy Canada Ltd., and not in its personal capacity, as Vendor, and RockBridge Resources Inc., as Purchaser.

SCHEDULE "A"

THIS PAGE COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT MADE AS OF THE ___ DAY OF OCTOBER, 2014 BETWEEN FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF CERTAIN OF THE ASSETS, PROPERTIES AND UNDERTAKINGS OF LEGEND ENERGY CANADA LTD., AND NOT IN ITS PERSONAL CAPACITY, AND ROCKBRIDGE RESOURCES INC.

ASSETSLANDS

NTS	Section	Rights
94-J-10	BLK G 56, 57, 66, 67	PNG from Surface to Base Slave Point
94-J-10	BLK F 51, 61	PNG from Surface to Base Slave Point
94-J-10	BLK G 60, 70	PNG from Surface to Base Slave Point
94-J-10	BLK G 58, 59, 68, 69, 76, 77, 86, 87	PNG from Surface to Base Slave Point
94-J-10	BLK G 74, 75, 84	PNG from Surface to Base Slave Point
94-J-10	BLK F 52, 53, 62, 63	PNG from Surface to Base Slave Point
94-J-10	BLK G 54, 55, 64, 65	PNG from Surface to Base Slave Point
94-J-10	BLK G 85	PNG from Surface to Base Slave Point

WELLS

Well Location	Zone
200/C-052-F/094-J-10/0	Slave Point
200/C-054-F/094-J-10/0	Slave Point
200/A-061-F/094-J-10/0	Slave Point
200/D-054-G/094-J-10/2	Slave Point
200/A-065-G/094-J-10/0	Slave Point
200/D-066-G/094-J-10/0	Slave Point
200/A-074-G/094-J-10/0	Slave Point
200/B-074-G/094-J-10/2	Slave Point
200/B-076-G/094-J-10/0	Slave Point

SCHEDULE "B"

THIS PAGE COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT MADE AS OF THE ___ DAY OF OCTOBER, 2014 BETWEEN FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF CERTAIN OF THE ASSETS, PROPERTIES AND UNDERTAKINGS OF LEGEND ENERGY CANADA LTD., AND NOT IN ITS PERSONAL CAPACITY, AND ROCKBRIDGE RESOURCES INC.

CONTINGENT LANDSCONTINGENT LANDS

NTS	Section	Rights
94-J-10	BLK F 54, 55, 64, 65	PNG from Surface to Base Slave Point

SCHEDULE "C"

GENERAL CONVEYANCE

THIS PAGE COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT MADE AS OF THE ___ DAY OF OCTOBER, 2014 BETWEEN FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF CERTAIN OF THE ASSETS, PROPERTIES AND UNDERTAKINGS OF LEGEND ENERGY CANADA LTD., AND NOT IN ITS PERSONAL CAPACITY, AND ROCKBRIDGE RESOURCES INC.

GENERAL CONVEYANCE

This General Conveyance made this ____ day of _____, 2014.

BETWEEN:

LEGEND ENERGY CANADA LTD. by its court appointed receiver and manager **FTI CONSULTING CANADA INC.**, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of Legend Energy Canada Ltd., and not in its personal capacity ("**Vendor**")

- and -

ROCKBRIDGE RESOURCES INC., a corporation incorporated pursuant to the laws of the Province of British Columbia (the "**Purchaser**")

WHEREAS the Vendor has agreed to sell and convey the Debtor's entire right, title, estate, and interest in the Assets to the Purchaser and the Purchaser has agreed to purchase and accept all of the Debtor's rights, title, estate, and interest in and to the Assets.

THE PARTIES AGREE AS FOLLOWS:

1. Definitions

In this General Conveyance, including its recitals, "Agreement" means the Asset Purchase and Sale Agreement dated October ____, 2014 between the Vendor and the Purchaser and, in addition, the definitions provided for in the Agreement are adopted in this General Conveyance.

2. Closing

The Vendor and the Purchaser each hereby certify that it has performed and satisfied all agreements and obligations that it was required to perform or satisfy pursuant to the Agreement on or prior to the date hereof, that the representations and warranties made by it as contained in the Agreement are true in all material respects at and as of the Effective Date, the Closing Date, and the date hereof, that all closing conditions in its favour have either been satisfied or are hereby waived, and Closing as the term is defined in the Agreement, is hereby completed.

3. "As is, Where is" Basis

The Assets are being purchased by the Purchaser on an "as is, where is" basis and without representation or warranty of any nature, kind, or description by the Vendor or its directors, officers, employees, agents, or counsel. Without limiting the generality of the foregoing, the Vendor makes no representation or warranty with respect to (a) the value of the Assets, (b) the quality or condition of the Assets, or (c) the Debtor's compliance with any Applicable Laws pertaining to the Assets.

4. Conveyance

The Vendor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Vendor, hereby sells, assigns, transfers, and conveys the entire right, title, benefit, and interest of the Debtor in and to the Assets to the Purchaser, its successors and assigns, and the Purchaser purchases and accepts such interests from the Vendor, TO HAVE AND TO HOLD the same absolutely, subject to the terms of the Agreement, the Permitted Encumbrances, and compliance with the terms of the Leases and all other Title and Operating Documents.

5. Effective Date

This General Conveyance and the transfer of title to and possession of the Debtor's interest in and to the Assets will, subject to the terms of the Agreement, be effective as of the Closing Date.

6. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Agreement for the purposes of the provisions of the Agreement, and the terms hereof shall be read on conjunction with the terms of the Agreement. If there is a conflict between the provisions of the Agreement and this General Conveyance, the provisions of the Agreement shall prevail to the extent of the conflict.

7. Enurement

This General Conveyance enures to the benefit of and is binding; upon the Parties and their respective successors and permitted assigns.

8. Further Assurances

Each Party shall, after the date of this General Conveyance, at the request of the other Party and without further consideration, do all further acts and execute and deliver all further documents which are reasonably required to perform and carry out the terms of this General Conveyance.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance, as of the date first written above.

FTI CONSULTING CANADA INC., in its capacity as court appointed receiver and manager of certain of the assets, properties and undertakings of Legend Energy Canada Ltd., and not in its personal capacity

ROCKBRIDGE RESOURCES INC.

Name:
Title:

Per: _____
Name: Steve Mathiesen
Title: President

Name:
Title:

SCHEDULE "D"

FORM OF COURT ORDER

THIS PAGE COMPRISES SCHEDULE "D" ATTACHED TO AND FORMING PART OF A PURCHASE AND SALE AGREEMENT MADE AS OF THE 17 DAY OF OCTOBER, 2014 BETWEEN FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF CERTAIN OF THE ASSETS, PROPERTIES AND UNDERTAKINGS OF LEGEND ENERGY CANADA LTD., AND NOT IN ITS PERSONAL CAPACITY, AND ROCKBRIDGE RESOURCES INC.

FORM OF SALE APPROVAL

COURT FILE NUMBER	1401-05131	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT(S)	NATIONAL BANK OF CANADA	
RESPONDENT(S)	LEGEND ENERGY CANADA LTD. AND LEGEND OIL AND GAS, LTD.	
DOCUMENT	APPLICATION	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	McCARTHY TÉTRAULT LLP Barristers & Solicitors Sean F. Collins/Pantelis Kyriakakis Suite 4000, 421 - 7 Avenue S.W. Calgary, AB T2P 4K9 Phone: 403-260-3500 Fax: 403-260-3501 Email: scollins@mccarthy.ca pkyriakakis@mccarthy.ca File: 065094/455000	

NOTICE TO RESPONDENT(S)

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

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

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

Date	October ●, 2014
Time	●
Where	Calgary Courts Center
Before Whom	The Honourable Justice ●

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

Remedy claimed or sought: The National Bank of Canada (the "**NBC**"), in its capacity as senior secured creditor of Legend Energy Canada Ltd. (the "**Debtor**") applies for various orders, substantially in the form attached as Schedules "**A**", "**B**", and "**C**" hereto:

1. Declaring that this application (the "**Application**") is properly returnable on October ●, 2014, that service of the Application and the first report (the "**First Receiver's Report**") of FTI Consulting

Canada Inc. (the "Receiver"), dated October ●, 2014, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of the Debtor, pursuant to the Order issued by the Honourable Justice K.M. Horner on May 9, 2014 (the "Receivership Order"), on the persons listed in Appendix "A" to the Application (the "Service List") is good and sufficient and that no persons other than those on the Service List are entitled to service of the First Receiver's Report or the Application.

2. Sealing the confidential supplement to the First Receiver's Report (collectively, the "Confidential Supplement") on the court file for a period of ninety (90) days from the date of any order granted on the Application.

3. Amending the definition of Property under the Receivership Order to include the Contingent Lands, (as defined within purchase and sale between RockBridge Resources Inc., as purchaser, and the Debtor, as vendor, attached as Appendix "●" to the Confidential Supplement) and granting the Receiver the same rights, abilities, and powers, with respect to the Contingent Lands as are contained in the Receivership Order.

4. Approving the transaction of purchase and sale between RockBridge Resources Inc. ("RockBridge"), as purchaser, and the Debtor, as vendor, attached as Appendix "●" to the Confidential Supplement (the "PSA") and approving the sale and transfer of the Assets (as that term is defined in the PSA) and the vesting of title in the Assets in RockBridge, free and clear of all encumbrances other than the permitted encumbrances, upon the Receiver filling a certificate (the "Certificate of Closing") certifying that the Closing (as defined in the PSA) has occurred, and directing and authorizing the Receiver, *nunc pro tunc*, to execute and deliver the PSA to RockBridge and to take any and all such steps as the Receiver determines necessary or advisable to close the transaction for the purchase and sale of the Assets, as contemplated by the PSA.

5. Declaring that the security interest granted by the Debtor to NBC over the Property is valid, enforceable, and has the first ranking priority, subject to the charges created in the Receivership Order.

6. Authorizing the Receiver to make the final distributions of any and all proceeds received from the disposition of the Property to NBC, in accordance with paragraph ● of the First Receiver's Report.

7. Approving the Receiver's final statement of receipts and disbursements, as described in paragraph • of the First Receiver's Report (the "**Final Statement of Receipts and Disbursements**").

8. Authorizing and empowering the Receiver to destroy any and all any documents, accounting records, and other papers, records, and information related to the business or affairs of the Debtor if not collected by any of the current directors of the Debtor by January 5, 2015.

9. Declaring that, as of the date of the First Receiver's Report and based on the evidence that is currently before the Court:

- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
- (b) the actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver and manager of the Property;
- (c) the Receiver shall not be liable for any act or omission including, without limitation, any act or omission pertaining to the discharge of the Receiver's duties as receiver and manager of the Property, save and except for any liability arising out of fraud or wilful misconduct on the part of the Receiver; and,
- (d) any and all claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of the Property, save and except for claims based on fraud or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.

10. Ordering that, upon the Certificate of Closing being filed with this Honourable Court, the Receiver shall be discharged as receiver and manager of the Property and relieved of all further duties and obligations in respect of the Debtor and the Property.

11. Declaring that, notwithstanding the discharge of the Receiver, the Receiver remains empowered with residual jurisdiction to perform any act necessary or incidental to the conclusion of the receivership of the Debtor or the Property.

12. Declaring that no action or proceeding arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of the Property may be commenced, or continued, without the prior leave of this Honourable Court, on notice to the Receiver, and on such terms as this Honourable Court may direct.

13. Ordering and declaring that service of any orders arising from the Application by email, facsimile, registered mail, courier, regular mail, or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of such orders and that no persons other than those on the Service List are entitled to be served with a copy of such orders.

14. Such further and other relief as counsel for the Receiver may advise.

Grounds for making this application: The grounds for the Application are as follows:

15. The Receiver was appointed as receiver and manager of the Property pursuant to the Receivership Order.

16. The Contingent Lands are located in the same geographic area as the Property. NBC has a perfected security interest over the Debtor's interest in the Contingent Lands.

17. The Receiver is empowered and authorized to sell the Property (excluding the Contingent Lands) with the approval of this Honourable Court.

18. The Receiver and RockBridge have entered into the PSA. The PSA is conditional upon the approval of this Honourable Court.

19. The Assets being conveyed pursuant to the PSA were sufficiently exposed to the relevant market in a commercially reasonable and fair marketing process. The price to be paid for the Assets being sold pursuant to the PSA represents the highest and best price that can be obtained for the Assets in the circumstances. The Receiver has provided information on the Sales and Marketing Process for the Assets in the Confidential Supplement.

20. The public disclosure and dissemination of the information in the Confidential Supplement would cause serious and irreparable harm to the estate of the Debtor and its stakeholders in the event that the PSA failed to close and the Receiver was forced to remarket the assets to the general public. The limited, ninety day sealing provision that the Receiver seeks on the Application

in respect of the Confidential Supplement is a fair and reasonable method of addressing the serious and irreparable harm that would result if the Confidential Supplement was publically disseminated.

21. In accordance with the First Receiver's Report, the sale of the assets, as proposed, is in the best interests of the estate of the stakeholders of the Debtor.

22. NBC holds a perfected security interest in the Assets. The Receiver has not identified any other claims which would have priority over NBC. Therefore, it is appropriate to authorize the distribution to NBC, as outlined in the First Receiver's Report, subject only to the charges in priority to the NBC security, as set out in the Receivership Order.

23. All of the Debtor's Property has been dealt with. As such, the administration of the Property of the Debtor, in accordance with the Receivership Order, is complete and it is appropriate for a distribution to be made and for the Receiver to be discharged on the terms set forth herein.

24. Such further and other grounds as counsel for the Receiver may advise.

Material or Evidence to be relied On: The Receiver will rely on the following material:

25. The First Receiver's Report and the Confidential Supplement.

26. The Affidavit of Elizabeth Pineda, sworn October ●, 2014.

27. Such further and other material as counsel for the Receiver may advise.

Applicable rules:

28. Rule 6.3(1) and 6.9(1) of Rules.

29. Such further and other rules as counsel for the Receiver may advise.

Applicable Acts and Regulations:

30. Section 243 of the BIA.

31. Such further and other acts and regulations as counsel for the Receiver may advise.

Any irregularity complained of or objection relied on:

32. There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

33. The Receiver proposes that the Application be heard in person with one, some, or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 1401-05131

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT: NATIONAL BANK OF CANADA

RESPONDENT: LEGEND ENERGY CANADA LTD. AND LEGEND OIL AND GAS,
LTD.

DOCUMENT **ORDER (Service, Sealing, and Amendment of Receivership
Order)**

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Sean F. Collins/Pantelis Kyriakakis
McCarthy Tétrault LLP
3300, 421 – 7th Ave. S.W.
Calgary, AB T2P 4K9
Telephone: 403-260-3500
Facsimile: (403) 260-3501
Email: scollins@mccarthy.ca
pkiriakakis@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: October ●, 2014

NAME OF JUDGE WHO MADE THIS ORDER: Justice ●

LOCATION OF HEARING: Calgary, Alberta

UPON the application of the National Bank of Canada, in its capacity as the senior secured creditor of Legend Energy Canada Ltd. (the "**Debtor**"); **AND UPON** having read the Application and the first report (the "**First Receiver's Report**") of FTI Consulting Canada Inc. (the "**Receiver**"), dated October ●, 2014, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of the Debtor, pursuant to the Order issued by the Honourable Justice K.M. Horner on May 9, 2014 (the "**Receivership Order**"); **AND UPON** having read the confidential supplement to the First Receiver's Report (the "**Confidential Supplement**"); **AND UPON** having read the Affidavit of Elizabeth Pineda, sworn October ●, 2014 (the "**Affidavit**"); **AND UPON** having read the Affidavit of Service of ●, sworn ●, 2014 (the "**Service Affidavit**"); **AND UPON** hearing counsel for NBC and any other counsel present;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the form of agreement of purchase and sale between the Debtor, as vendor, and RockBridge Resources Inc., as purchaser, and attached as Appendix "●" to the Confidential Supplement (the "PSA") or the Receivership Order, as the context may require.

SERVICE

2. Service of the Notice of Application relating to of this Order (the "Application"), the First Receiver's Report, and the Affidavit is abridged, the Application is properly returnable today, service of the Application, the First Receiver's Report, and the Affidavit on the Service List, in the manner described in the Affidavit of Service, is good and sufficient and no other persons are entitled to service of the First Receiver's Report, the Application or the Affidavit.

SEALING

3. Division 4 of Part 6 of the Rules does not apply to the Application. The Confidential Supplement shall be sealed on the Court file and shall not be made publically accessible until after January ●, 2015. The Clerk of the Court be and is hereby directed to seal the Confidential Supplement on the court file in an envelope containing the following:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL SUPPLEMENT TO THE FIRST RECEIVER'S REPORT. THE CONFIDENTIAL SUPPLEMENT TO THE FIRST RECEIVER'S REPORT HAS BEEN SEALED UNTIL JANUARY ●, 2015 (UNLESS EXTENDED BY FURTHER ORDER OF THIS COURT) AND NO PERSON IS TO HAVE ACCESS TO THE CONFIDENTIAL SUPPLEMENT UNTIL AFTER JANUARY ●, 2015.

4. Any interested person may apply, on notice to the Receiver and any other interested parties, to vary, amend or modify paragraph 3 of this Order.

AMENDMENT OF RECEIVERSHIP ORDER

5. The Receivership Order is hereby amended by deleting Schedule "A" of the Receivership Order, in its entirety, and replacing it with Schedule "A", as attached hereto.

6. Service of this Order on the Service List by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient service of this Order, and no Persons other than those on the Service List are entitled to be served with a copy of this Order.

J.C.Q.B.A.

SCHEDULE "A" – ORDER (Service, Sealing, and Amendment of Receivership Order)

THE PROPERTY

All of the Debtor's accounts (as such term is defined in the *Personal Property Security Act*, RSA 2000, c. P-7)

Alberta Lands

Title Documents	Lands	Petroleum and Natural Gas	Legend Interest
Certificate of Title No. 111 144 118	Twp 11 Rge 18 W4: Sec 1	All Mines and Minerals (as to an undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 140 749	Twp 11 Rge 18 W4: Sec 6	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 141 235	Twp 11 Rge 18 W4: Sec 7	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 148 844	Twp 11 Rge 18 W4: N/2 18	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 141 221	Twp 11 Rge 18 W4: S/2 18	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 144 124	Twp 11 Rge 18 W4: Sec 20	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 144 123	Twp 11 Rge 18 W4: Sec 29	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%

Certificate of Title No. 111 144 125	Twp 11 Rge 18 W4: Sec 30	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 143 186	Twp 11 Rge 18 W4: S/2 31	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 134 518	Twp 11 Rge 19 W4: Ptn. NW 1 and Ptn. NE 1	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 144 119	Twp 11 Rge 19 W4: Ptn. NE 2	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 143 185	Twp 11 Rge 19 W4: Sec 12	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 144 122	Twp 11 Rge 19 W4: Sec 14	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 143 188	Twp 11 Rge 19 W4: S/2 14	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 143 187	Twp 11 Rge 19 W4: N&SE 15	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 144 120	Twp 11 Rge 19 W4: Sec 24	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%

Certificate of Title No. 111 144 121	Twp 11 Rge 19 W4: NE 26	All Mines and Minerals (as to undivided 100%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 111 141 260	Twp 11 Rge 19 W4: Sec 36	All Mines and Minerals (as to undivided 81.667%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%
Certificate of Title No. 831 164 074	Twp 11 Rge 19 W4: Sec 36	All Mines and Minerals (as to undivided 18.333%)	33-1/3% share of 25% (net 8.3325% or 1/12) of any Lessor Royalty reserved out of the Lands in excess of 12.5%

BC Lands

NTS	Section	Rights	Gross Area (ha)	Lease Type	Legend Interest
94-J-10	BLK G 56, 57, 66, 67	PNG from Surface to Base Slave Point	270	Crown	9.375%
94-J-10	BLK F 51, 61	PNG from Surface to Base Slave Point	135	Crown	18.75%
94-J-10	BLK G 60, 70	PNG from Surface to Base Slave Point	135	Crown	18.75%
94-J-10	BLK G 58, 59, 68, 69, 76, 77, 86, 87	PNG from Surface to Base Slave Point	538	Crown	9.375%
94-J-10	BLK G 74, 75, 84	PNG from Surface to Base Slave Point	202	Crown	16.66%
94-J-10	BLK F 52, 53, 62, 63	PNG from Surface to Base Slave Point	270	Crown	25.00%
94-J-10	BLK G 54, 55, 64, 65	PNG from Surface to Base Slave Point	270	Crown	16.66%
94-J-10	BLK G 85	PNG from Surface to Base Slave Point	67	Crown	16.66%
94-J-10	BLK f 54, 55, 64, 65	PNG from Surface to Base Slave Point	270	Crown	18.75%

BC Wells

Well Location	Zone	Legend Interest	Operator	Status
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200/C-052-F/094-J-10/0	Slave Point	25.00%	Centrica	Producing Gas
200/C-054-F/094-J-10/0	Slave Point	18.75%	Centrica	Shut In
200/A-061-F/094-J-10/0	Slave Point	18.75%	Centrica	Abandoned
200/D-054-G/094-J-10/2	Slave Point	16.66%	Centrica	Listed as Producing but effectively Shut In
200/A-065-G/094-J-10/0	Slave Point	16.66%	Centrica	Disposal
200/D-066-G/094-J-10/0	Slave Point	9.38%	Centrica	Producing Gas
200/A-074-G/094-J-10/0	Slave Point	16.66%	Centrica	Abandoned
200/B-074-G/094-J-10/2	Slave Point	16.66%	Centrica	Injection
200/B-076-G/094-J-10/0	Slave Point	9.38%	Centrica	Abandoned

SCHEDULE "B"

COURT FILE NUMBER 1401-05131
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT: NATIONAL BANK OF CANADA
RESPONDENT: LEGEND ENERGY CANADA LTD. AND LEGEND OIL AND GAS, LTD.
DOCUMENT **SALE APPROVAL AND VESTING ORDER**

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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DATE ON WHICH ORDER WAS PRONOUNCED: October ●, 2014
NAME OF JUDGE WHO MADE THIS ORDER: Justice ●
LOCATION OF HEARING: Calgary, Alberta

UPON the application of the National Bank of Canada, in its capacity as the senior secured creditor of Legend Energy Canada Ltd. (the "**Debtor**"); **AND UPON** having read the Application and the first report (the "**First Receiver's Report**") of FTI Consulting Canada Inc. (the "**Receiver**"), dated October ●, 2014, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of the Debtor, pursuant to the Order issued by the Honourable Justice K.M. Horner on May 9, 2014 (the "**Receivership Order**"); **AND UPON** having read the confidential supplement to the First Receiver's Report (the "**Confidential Supplement**"); **AND UPON** having read the Affidavit of Elizabeth Pineda, sworn October ●, 2014 (the "**Affidavit**"); **AND UPON** having read the Affidavit of Service of ●, sworn ●, 2014 (the "**Service Affidavit**"); **AND UPON** hearing counsel for NBC and any other counsel present;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the form of agreement of purchase and sale between the Debtor, as vendor, and RockBridge Resources Inc., (the "**Purchaser**") as purchaser, and attached as Appendix "●" to Confidential Supplement (the "**PSA**") and the First Receiver's Report, as the context may require.

APPROVAL OF THE PSA AND THE TRANSACTION

2. The Receiver, for and on behalf of the Vendor, is authorized and directed, *nunc pro tunc*, to execute and deliver the PSA to the Purchaser, conclude the transactions contemplated by the PSA (the "**Transactions**"), and to take all such steps and execute all such deeds, documents, and instruments as may reasonably be necessary to consummate the Transaction contemplated therein substantially in accordance with its terms. Following execution and delivery of the PSA the Parties may agree to any amendments to the PSA which do not materially and adversely alter the Transaction or the PSA.

3. The Transaction is hereby approved and ratified and it is hereby declared that the Transaction is commercially reasonable.

VESTING OF PROPERTY

4. Upon the Receiver filing a certificate (the "**Certificate of Closing**") certifying that the Transaction has closed, substantially in accordance with the terms of the PSA, and the Closing Payment due and owing in respect of such has been tendered to the Receiver then:

- (a) the Assets shall be vested in the name of the Purchaser or its permitted nominee, free of all estate, right, title, interest, royalty, rental, and equity of redemption of the Debtor and all Persons who claim by, through, or under the Debtor and subject only to the permitted encumbrances identified in the PSA or as expressly listed in Schedule "A" hereto (collectively, the "**Permitted Encumbrances**");
- (b) the Debtor and all Persons who claim by, through, or under the Debtor in respect of the Assets, save and except 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 Person remains in

possession or control of any of the Assets, they shall forthwith deliver possession of same to the Purchaser or its permitted nominee;

- (c) the Purchaser or its nominee shall be entitled to enter into, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtor, or any Person claiming by, through or under the Debtor.

5. Upon closing of the Transaction, subject only to the Permitted Encumbrances, all of the Debtor's right, title, and interest in the Assets shall vest in the Purchaser free and clear from all security interests, claim, estate, security, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever, against the Debtor including without limitation any rights or interests of any of the stakeholders or creditors of the Debtor, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "Claims"), whether such claims against the Debtor came into existence prior to, subsequent to or as a result of any previous Order of this Court, by or of all Persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, co-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 agents, trustees, executives, administrators or other legal representatives (collectively, the "Claimants"), including for greater certainty and without limiting the generality of the foregoing: (i) any Claims held by or in favour of the Persons served (either directly or through their solicitors) with the Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order in these proceedings including, without limitation, the Receivership Order.

6. The receiver is authorized to deliver to the Purchaser at the closing of the Transaction, as contemplated by the PSA one or more general conveyances and/or specific conveyances signed by the Receiver and, upon the filing of this Order, together with any applicable registration fees, all appropriate government authorities are hereby directed to register all transfers or conveyances, as

may be required to convey clear title to the Assets to the Purchaser, except for Permitted Encumbrances.

7. For greater certainty, subject only to the Permitted Encumbrances, the Purchaser shall, by virtue of the completion of the Transactions, have no liability of any kind whatsoever to any Claimants.

8. 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 that from and after the delivery of the Receiver's Certificate of Closing all Claims and other 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.

9. The Transactions shall not be void or voidable at the instance of the Claimants and shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended or any other applicable federal or provincial legislation, and the Transactions or any actions taken therewith, shall not constitute conduct meriting an oppression remedy.

FURTHER ASSISTANCE AND SERVICE

10. The Receiver is at liberty to reapply for further advice, assistance, and direction as may be necessary to give full force and effect to the terms of this Order.

11. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body, having jurisdiction in Canada 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.

12. Service of this Order on the Service List (as such term is defined in the Application) by email, facsimile, registered mail, courier, or personal delivery shall constitute good and sufficient

service of this Order, and no Persons other than those on the Service List are entitled to be served with a copy of this Order.

J.C.Q.B.A.

SCHEDULE "A" – PERMITTED ENCUMBRANCES

CROWN MINERAL TITLES

<u>Encumbrance No.</u>	<u>Encumbrance Type</u>	<u>Party</u>
None.		

SCHEDULE "C"

Clerk's Stamp

COURT FILE NUMBER 1401-05131

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT: NATIONAL BANK OF CANADA

RESPONDENT: LEGEND ENERGY CANADA LTD. AND LEGEND OIL AND GAS, LTD.

DOCUMENT **ORDER (Approving Distribution and Discharging Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Sean F. Collins/Pantelis Kyriakakis
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pkiriakakis@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: October ●, 2014

JUDICIAL DISTRICT WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Justice ●

ORDER

UPON the application of the National Bank of Canada, in its capacity as the senior secured creditor of Legend Energy Canada Ltd. (the "**Debtor**"); **AND UPON** having read the Application and the first report (the "**First Receiver's Report**") of FTI Consulting Canada Inc. (the "**Receiver**"), dated October ●, 2014, in its capacity as court appointed receiver and manager of certain of the assets, properties, and undertakings of the Debtor, pursuant to the Order issued by the Honourable Justice K.M. Horner on May 9, 2014 (the "**Receivership Order**"); **AND UPON** having read the confidential supplement to the First Receiver's Report (the "**Confidential Supplement**"); **AND UPON** having read the Affidavit of Elizabeth Pineda, sworn October ●, 2014 (the "**Affidavit**"); **AND UPON** having read the Affidavit of Service of ●, sworn ●, 2014 (the "**Service Affidavit**"); **AND UPON** hearing counsel for NBC and any other counsel present;

IT IS HEREBY ORDERED AND DECLARED THAT

DEFINED TERMS

1. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the form of agreement of purchase and sale between the Debtor, as vendor, and RockBridge Resources Inc., (the "**Purchaser**") as purchaser, and attached as Appendix "●" to the Confidential Supplement (the "**PSA**") and the First Receiver's Report, as the context may require.

DECLARATION OF VALIDITY, ENFORCEABILITY AND PRIORITY SECURITY INTEREST

2. Based upon the evidence currently before this Honourable Court with respect to the security interest granted by the Debtor to NBC over the Property, it is ordered and declared that the security interest granted by the Debtor to NBC over the Property is valid and enforceable and, subject to the charges created in the Receivership Order, holds priority over any and all claims, estates, rights, title, interests, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, writs of execution, options, agreements, disputes, debts, encumbrances, or other rights, limitations or restrictions of any nature whatsoever, or any other contractual, financial or monetary claims of any nature whatsoever, whether or not any of the foregoing have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise.

APPROVAL OF DISTRIBUTION

3. The Receiver's Final Statement of Receipts and Disbursements, as outlined in paragraph ● of the First Receiver's Report, be and is hereby approved.

4. The interim and final accounts of the Receiver, as summarized in paragraph ● of the First Receiver's Report, be and are hereby approved.

5. The Receiver's Final Distribution, as set out in paragraph ● of the First Receiver's Report, be and is hereby approved, and the Receiver is expressly authorized and empowered to distribute the funds as set out in the First Receiver's Report.

6. The Receiver is authorized and empowered to destroy any and all any documents, accounting records and other papers, records, and information related to the business or affairs of the Debtor if not collected by any of the current directors of the Debtor by January 5, 2015.

7. Upon the filing of a certificate by the Receiver certifying that the PSA has closed, in accordance with all Orders granted as part of the Application (the "**Certificate of Closing**") the

Receiver shall be discharged as receiver and manager of the Property and relieved of all further duties and obligations with respect to the Debtor and the Property.

8. As of the date of the First Receiver's Report and based on the evidence that is currently before this Honourable Court:

- (a) the Receiver has acted honestly and in good faith, and has dealt with the Property in a commercially reasonable manner;
- (b) the actions and conduct of the Receiver are approved and the Receiver has satisfied all of its duties and obligations as receiver and manager of the Property;
- (c) the Receiver shall not be liable for any act or omission including, without limitation, any act or omission pertaining to the discharge of the Receiver's duties as receiver and manager of the Property, save and except for any liability arising out of fraud or wilful misconduct on the part of the Receiver; and,
- (d) any and all claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of the Property, save and except for claims based on fraud or wilful misconduct on the part of the Receiver, shall be forever barred and extinguished.

9. Notwithstanding anything contained in this Order, the Receiver is expressly authorized and empowered to perform any further action after the filing of the Certificate of Closing to perform any act necessary or incidental to the conclusion of the receivership of the Debtor or the Property.

10. No action or proceeding arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as receiver and manager of the Property may be commenced or continued without the prior leave of this Honourable Court, on notice to the Receiver, and on such terms as this Honourable Court may direct.

11. Service of this Order on the persons listed on the Service List shall be by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are entitled to be served with a copy of this Order.

J.C.Q.B.A.

APPENDIX "A"
SERVICE LIST

COURT FILE NUMBER	1401-05131
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	NATIONAL BANK OF CANADA
RESPONDENT	LEGEND ENERGY CANADA LTD. AND LEGEND OIL AND GAS, LTD.

SERVICE LIST

<i>Party</i>	<i>Telephone</i>	<i>Representing</i>
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McCarthy Tetrault Suite 4000 421 - 7 th Avenue S.W. Calgary AB T2P 4K9 Sean Collins scollins@mccarthy.ca Walker MacLeod wmacleod@mccarthy.ca Pantelis Kyriakakis pkyriakakis@mccarthy.ca	403 260-3531 403 260-3710 403 260-3536	Counsel for National Bank of Canada
Norton Rose Fulbright Canada LLP 400 - 3 rd Avenue S.W., Suite 3700 Calgary, AB T2P 4H2 Fax: 403-264-5973 Kevin Barr Kevin.barr@nortonrosefulbright.com	403-267-8142	Counsel for Legend Energy Canada Ltd.

<i>Party</i>	<i>Telephone</i>	<i>Representing</i>
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<p>KPMG 777 Dunsmuir Street Vancouver, British Columbia V7Y 1K3 Fax: (604) 691-3031</p> <p>Anthony Tillman atillman@kpmg.ca</p> <p>Jennifer Kwok jgkwok@kpmg.ca</p>	<p>604 646-6332</p> <p>604 691-3260</p>	<p>Trustee in Bankruptcy for Legend Energy Canada Ltd.</p>
<p>Demiantschuk Lequier Burke & Hoffinger LLP 1200, 1015 – 4th Street SW Calgary, AB T2R 1J4</p> <p>Derek Nash dnash@legalsolutions.ca</p>	<p>403-252-9937</p>	<p>Counsel for Ravenwood Energy Corp.</p>
<p>Borden Ladner Gervais LLP 1900, 520 – 3rd Avenue SW Calgary, AB T2P 0R3</p>		<p>Range Royalty Limited Partnership</p>
<p>Range Royalty Limited Partnership 700, 215 – 9th Avenue SW Calgary, AB T2P 1K3</p>		
<p>AltaGas Processing Partnership 1700, 355 – 4th Avenue SW Calgary, AB T2P 0J1</p>		
<p>Sage Energy Corp. 261122 Wagon Wheel Crescent Rocky View County, AB T4A 0E2</p>		
<p>White Cap Resources Inc. c/o Burnet, Duckworth & Palmer LLP (Ref #: 66508-0047 MRS) 2400, 525 – 8th Avenue SW Calgary, AB T2P 1G1</p>		<p>Counsel for White Cap Resources Inc.</p>

<i>Party</i>	<i>Telephone</i>	<i>Representing</i>
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CQ Energy Karen Miller Karen.miller@directenergy.com Ravi Dhillon Ravi.dhillon@centricaenergy.com		
RockBridge Resource Inc. 200 – 24 East 4 th Avenue Vancouver, BC V5T 1E8 Steve Mathiesen, President steve.mathiesen@sashman.ca		
Burstall Winger Zammit Suite 1600 Dome Tower 333 7th Avenue S.W. Calgary, Alberta T2P 2Z1 Fax: 403 266-6016 Attention: Cliff Johnson johnston@burstall.com	403 234-3342	Counsel for RockBridge Resource Inc.
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Regional Intake Centre for Insolvency Revenue Collections Division Edmonton Tax Services Office Suite 10, 9700 Jasper Ave N.W. Edmonton, AB T5J 4C8		Canada Revenue Agency

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Miles Davison LLP 900, 517 – 10th Avenue S.W Calgary, AB T2R 0A8 Terry L. Czechowskyj tczech@milesdavison.com	(403) 298-0326	Counsel for the Alberta Energy Regulator