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JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LIGHTSTREAM RESOURCES LTD, 1863359 ALBERTA LTD, LTS RESOURCES PARTNERSHIP, 1863360 ALBERTA LTD AND BAKKEN RESOURCES PARTNERSHIP

APPLICANTS

LIGHTSTREAM RESOURCES LTD, 1863359 ALBERTA LTD AND 1863360 ALBERTA LTD

PARTIES IN INTEREST

LTS RESOURCES PARTNERSHIP AND BAKKEN RESOURCES PARTNERSHIP

DOCUMENT

**AFFIDAVIT (CLAIMS PROCESS)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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**AFFIDAVIT OF PETER D. SCOTT**

**Sworn on October 31, 2016**

I, PETER D. SCOTT, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Senior Vice President and Chief Financial Officer of Lightstream Resources Ltd. ("**Lightstream**" or "**LTS**"). Lightstream is the parent company to 1863359 Alberta Ltd. ("**1863359**"), 1863360 Alberta Ltd. ("**1863360**" and together with LTS and 1863359, collectively, the "**Applicants**"), LTS Resources Partnership ("**LTS Partnership**") and Bakken Resources Partnership (the "**Bakken Partnership**" and together with LTS Partnership, the "**CCAA Parties**"). I am also a director of 1863359 and 1863360. As such, I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.
2. I have previously sworn two affidavits in these proceedings and one supplemental affidavit, including on September 21, 2016 (the "**Initial Order Affidavit**") in support of an Initial Order pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**").
3. This Affidavit is sworn in support of the Applicants' and CCAA Parties' application (the "**Application**") for approval of an Order, attached as Schedule "A" to the Application (the "**Claims Process Order**") establishing a process for the determination of claims and potential claims against the Applicants, the CCAA Parties and the directors and officers of the Applicants (the "**Claims Process**").
4. Capitalized terms used herein but not otherwise defined have the meaning ascribed to them in the Initial Order Affidavit or the proposed Claims Process Order.

**I. BACKGROUND**

5. On September 26, 2016, the Applicants sought and obtained protection under the CCAA pursuant to an order of the Honourable Mr. Justice A.D. Macleod (the "**Initial Order**"). Further background details regarding these CCAA proceedings are set out in the Initial Order Affidavit.

6. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of the Applicants and the CCAA Parties (in such capacity, the "**Monitor**") and a stay of proceedings was granted.
7. The Initial Order also, among other things, approved the Sale Procedures (as defined in the Initial Order) and authorized and directed the Monitor, the Applicants, the CCAA Parties and the Sale Advisor (as defined in the Sale Procedures) to perform their obligations thereunder.
8. As a result of the marketing and sales efforts of the Sale Advisor pursuant to the Sale Procedures, numerous non-binding indications of interest were received by the Phase I Bid Deadline either by way of *en bloc* offers for all of the Lightstream Property or for certain Parcels (as each term is defined in the Sale Procedures).
9. As a result, the Applicants and CCAA Parties, with the assistance of the Sale Advisor and the Monitor, are moving into Phase II of the Sale Procedures.

## **II. CLAIMS PROCESS**

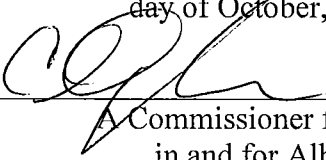
10. It is appropriate as the Lightstream Group enters into Phase II of the Sale Procedures to commence a process with the assistance of the Monitor, to determine potential claims against the Applicants, CCAA Parties and Directors and Officers, including claims against the Directors' Charge and Priority Claims. The quantum and priority of certain of these claims will be required for the implementation of the Credit Bid (as defined in the Sale Procedures), should it be the Successful Bid (as defined in the Sale Procedures), or may be required for distribution purposes, in a plan or otherwise, if the Successful Bid is other than the Credit Bid and, therefore, provides for consideration in excess of the indebtedness owing to the holders of 9.875% second lien secured notes due June 15, 2019 pursuant to the Second Lien Note Indenture.
11. The proposed Claims Process sets out a process to be administered by the Monitor that calls for all Prefiling Claims, Priority Claims and Directors' Charge Claims, except the Excluded Claims, to be submitted on or before a claims bar date of December 7, 2016 (the "**Claims Bar Date**").

- 12. The Claims Process also sets a bar date for any post-filing claims against the Lightstream Group directly related to their restructuring efforts in these CCAA Proceedings, which is the later of (i) 15 days after the date on which the Monitor sends a claims package to the holder of such claim; and (ii) the Claims Bar Date.
- 13. The Claims Process also establishes a process for dealing with disputed claims. The Claims Process allows for a Notice of Dispute to be heard either by the Court of Queen's Bench of Alberta or by a claims officer where one is appointed pursuant to paragraph 31(b) of the Claims Process Order.
- 14. I understand that further comment on the Claims Process will be included in the Second Report of the Monitor.

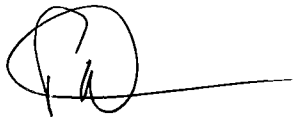
**III. CONCLUSION**

- 15. I swear this Affidavit in support of an Order approving the Claims Process pursuant to the Claims Process Order and for no other purpose.

SWORN (OR AFFIRMED) BEFORE ME )  
 at Calgary, Alberta this 31<sup>st</sup> )  
 day of October, 2016. )  
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 \_\_\_\_\_  
 A Commissioner for Oaths  
 in and for Alberta

**Christopher A. Nyberg**  
 Barrister & Solicitor

  
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**PETER D. SCOTT**