TAB 6(L)

This is Exhibit "L" referred to in the Affidavit

of **DAVID KIRSCH** sworn before me

this 29th day of July, 2015

Notary Public

TREVOR WIESSMANN, ESQ.
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02WI6198048
Qualified in Kings County
Commission Expires Dec. 15, 2016

STATE OF NEW YORK TREVOR WIESSMANN NOTARY PUBLIC

DORSEY™
DORSEY & WHITNEY LLP

KENT J. SCHMIDT
Partner
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July 17, 2015

VIA E-MAIL

Daniel A. Fliman
Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, NY 10019-6799

Re: Lightstream Resources Ltd.

Dear Mr. Fliman:

This firm is counsel to Lightstream Resources Ltd. (the "Company") with respect to certain purported claims and contentions outlined in your letter dated July 9, 2015 of which we are in receipt. Your letter relates to a certain transaction announced by the Company on July 2, 2015 (the "Transaction"). The Transaction was permitted under an indenture entered into by the Company and dated January 30, 2012 ("2012 Indenture"). The Transaction complied with the 2012 Indenture and all applicable law.

Notwithstanding the variety of U.S. and Canadian statutory provisions you have cited (further discussed below), it is clear that the starting point for the analysis is the terms of the contract, here, the 2012 Indenture, which permits the Transaction.

We note that your letter omits any reference to the most relevant provisions in the 2012 Indenture which are Sections 4.06 and 4.08. Specifically, Section 4.06(b) provides a variety of ways in which the Company may properly incur debt ("Permitted Debt Baskets") which includes a "credit facility basket" in Section 4.06(b)(i) that may take the form of notes, debentures, bonds or similar securities or instruments, up to a specific amount. Section 4.08 permits indebtedness incurred under the Credit Facility Basket to be secured. The Transaction did not proceed under the "Permitted Refinancing Basket" as set forth in Section 4.06(b)(v).

The Transaction fully complied with the terms of the 2012 Indenture. The Transaction does not violate or trigger any rights under Section 3.04(a) (the only provision of the 2012 Indenture referenced in your letter) because it is not a redemption or partial redemption.

We turn now to the first, third and fourth points in your letter, each of which is statutory. Contrary to the contentions in your letter, none of the statutes you have cited afford your client any rights or relief.

We do not believe that the Transaction comes close to violating the Alberta Business Corporation Act. To contravene Section 242, an act must be both contrary to the claimant's reasonable expectations, and oppressive, unfairly prejudicial or unfairly disregarding of a relevant interest. The Transaction is neither. The law is clear that the primary source of the reasonable expectations of noteholders in this context is the contractual terms governing those notes. As indicated above, the Transaction was fully authorized and permitted under the 2012 Indenture, and is furthermore in the best interest of the Company. Your client, as a sophisticated market participant, is aware that instruments such as the 2012 Indenture are variable in the protections they provide. As recently noted by the Supreme Court of Canada in *BCE Inc. v. 1976 Debentureholders*, 2008 SCC 69, the fact that different contractual protections could have been negotiated, but were not, is highly relevant. Indeed, the provisions including the Credit Facility Basket and related permitted liens were clearly intended to provide to the Company the flexibility to engage in a transaction such as this.

For similar and additional reasons, the Transaction did not violate Alberta's Fraudulent Preferences Act (the "FPA"). Put simply, the Transaction cannot be a "fraudulent preference" under the FPA because there was no "fraud." To be subject to the Act, a debtor must intend to defeat, hinder, delay or prejudice its creditors or to give a creditor a preference over other creditors in an attempt to immunize its property from its creditors. The Canadian authorities are clear that if a transaction has some other motive, it cannot be regarded as a preference. In this case, the Transaction was considered to be in the best interests of the Company. Your letter also completely ignores section 9 of the FPA. As you would have seen, this section provides that a transaction that substitutes in good faith one security for another will not constitute a preference if the debtor's estate is not lessened in value for the other creditors. That, of course, is the case here. Indeed, the Transaction enhanced the value of Lightstream, reduced its overall debt and increased its credit availability. Finally, there is no evidence that Lightstream was in insolvent circumstances, was unable to pay its debts in full or was on the eve of insolvency at the time of the Transaction as would be required for the FPA to have any application. To the contrary, as you are aware, Lightstream has made and continues to make all interest payments due to your client.

The Transaction did not violate Section 316(b) of the Trust Indenture Act (15 U.S.C. § 77ppp(b)). The TIA is not a "catch all" statute permitting courts to rewrite the substantive rights and obligations of the parties that were contractually negotiated. Furthermore, no actions by the Company have in any way impaired your client's right to receive payments of principal and interest on its notes.

Finally, your reliance on *Whitebox Convertible Arbitrage Partners, L.P.,* 2006 WL 358270 *2 (N.D. Ga. Feb. 15, 2006), is misplaced. That case, which merely denied a defense motion for summary judgment, involved very different facts.

For the foregoing reasons, we disagree with the position that you have outlined in your letter. Should you wish to discuss this matter further, please direct your communications to me.

Sincerely,

Kent J. Schmidt

TAB 6(M)

This is Exhibit "M" referred to in the Affidavit

of **DAVID KIRSCH** sworn before me

this 29th day of July, 2015

Notary Public

TREVOR WIESSMANN, ESQ.
NOTARY PUBLIC, STATE OF NEW YORK
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Commission Expires Dec. 15, 2016


300
LIGHTSTREAM
RESOURCES
2015 ANNUAL GENERAL MEETING
MAY 14, 2015

CAUTIONARY STATEMENTS

LIGHTSTREAM RESOURCES

TSX: LTS

Certain information regarding the Company contained in this presentation, including statements regarding our business strategies, plans and objectives; our guidance for 2015 including our capital budget, production targets and anticipated product type weighting; expectations regarding our realized oil and natural gas prices; proposed exploration and development activities (including the number of wells to be drilled, completed and put on production); our drilling inventory; the timing of certain projects; future finding and development costs; asset disposition strategy; sources of capital, debt repayment, the sufficiency of our financial resources to fund our operations may constitute forward-looking statements under applicable securities laws. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, without limitation: that Lightstream will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes, the accuracy of the estimates of Lightstream' s reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate financing and cash flow to fund its planned expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, commodity price and exchange rate fluctuations, the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, reliance on industry partners; risks that asset dispositions cannot be completed; and health, safety and environmental risks), changes in the regulatory regime applicable to the Company and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in the Company's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this presentation are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This presentation contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), which are considered to be generally accepted accounting principles ("GAAP"), such as EBITDA, funds flow from operations, total debt and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders. Specifically, EBITDA is defined as earnings before interest, taxes, depletion and depreciation, and other non-cash items. This measure is used to evaluate compliance with certain financial covenants. Funds flow from operations reflects cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations important as it helps evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities, pay dividends and repay debt. Total debt includes credit facility outstanding plus accounts payable less accounts receivable and prepaid expense plus the full value outstanding on the senior unsecured notes and convertible debentures converted to Canadian dollars at the exchange rate on the period end date less the value of long-term investments and is used to evaluate Lightstream's financial leverage. Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties, transportation costs, and production expenses divided by production for the period. EDITDA, funds flow from operations, net debt and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations or other measures of financial performance calculated in accordance with IFRS.

Natural gas volumes have been converted to barrels of oil equivalent ("boe"). Six thousand cubic feet ("mcf") of natural gas is equal to one barrel based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation. Discovered Petroleum Initially-In-Place ("DPIIP") is defined in the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for volumes of DPIIP disclosed in this presentation at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

OUR ASSET BASE

LIGHTSTREAM RESOURCES

TSX: LTS

Business Units	Q1 Production (boepd)	Drilling Inventory (locations)
Bakken	13,811	>1,050
Cardium	17,661	>460
AB / BC	3,707	>295
Total	35,179	>1,865

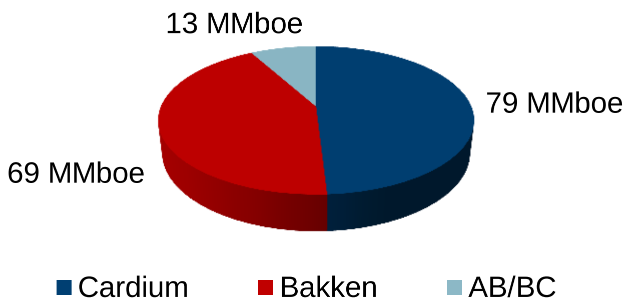
Q1 2015 Production:
35,179 boepd;
76% liquids weighted

BUSINESS UNIT RESERVES

LIGHTSTREAM RESOURCES

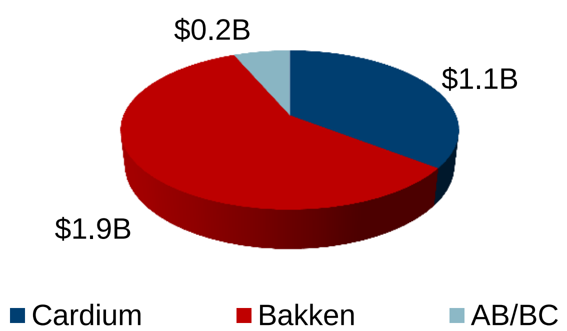
TSX: LTS

BU Proved + Probable Reserves Mix
(161 MMboe)



2014 Year-end Valuation (millions)	
2P Reserves (NPV 10%)	$3,150
Total Debt	(1,647)
Hedges	67
Decommissioning Liability	(198)
Valuation before unbooked upside	$1,372

BU Proved + Probable Reserves NPV 10%
($3.2 billion before tax)



Unbooked Upside Locations[1]	
Bakken	775
Cardium	275
AB/BC	250
Total	1,300

1. *Undeveloped net locations not recognized in the reserve report*

2015 CORPORATE STRATEGY

LIGHTSTREAM RESOURCES

TSX: LTS

Retain long-term value and preserve financial flexibility in current low commodity price environment

- Operational Plan
  - Suspension of monthly dividend
  - Capital program of $100 - $120 million, funded by internally generated cash flow
    - Spending target for the first half is $80 million ($60 million spent in Q1)
    - Second half drilling program on hold
  - Annual average production of 30,500 – 32,500 boepd
  - Funds flow from operations of $145 – $165 million at WTI of US$52.50/bbl[1]
  - Surplus cash to be applied to debt
- Strategy to sell our Bakken business unit within the next 12-24 months
  - Proceeds would be used to transform our balance sheet and refocus LTS into an Alberta–based company with a growth platform

1. Oil price assumption is $50/bbl WTI for first half of 2015 and $55/bbl WTI for second half

2015 CAPITAL & DRILLING PROGRAM

LIGHTSTREAM RESOURCES

TSX: LTS

Our 2015 capital & drilling program is $110 million[1] with a suspended second half operated drilling program given low commodity prices and current capital costs

2015 Planned Capital Activity					
Business Unit	**Net Wells** 2015(e) Wells	Inventory Wells[2]	**DCET** (million)	**Facilities** (million)	**Workovers, Optimization & Other** (million)
Bakken	7	6	$17	$9	$16
Cardium	8	7	44	9	8
AB/BC	0	0	0	2	5
TOTAL	15	13	$61	$20	$29

- In Q1 we drilled 14 net wells, brought 20 wells on production with 7 wells in inventory

1. Mid-point of guidance
2. Wells drilled in 2014 being completed and brought on production in 2015

GUIDANCE

LIGHTSTREAM RESOURCES

TSX: LTS

Our 2015 guidance reflects the current low commodity price environment; we do not intend to invest in an operated, new well drilling program in the second half of 2015

	2015 Guidance	Q1 Actual
Average Production (boe/d)	30,500 – 32,500	35,179
Exit Production (boe/d)	26,500 – 28,500	
Liquids Weighting	74%	76%
EBITDA	$255,000 – 275,000	$79,455
Funds Flow [1]		
Funds Flow from Operations (000)	$145,000 – $165,000	$51,928
Funds Flow per share	$0.74 - $0.84	$0.26
Annual Dividend per share	$0.00	$0.00
Capital Expenditures (000) [2]	$100,000 - $120,000	$60,254
Economic Parameters		
WTI oil price[3]	US$52.50/bbl	US$48.56/bbl
Light oil wellhead price differential	15%	18%
AECO gas price	$3.00/mcf	$2.79/mcf
Foreign exchange rate (US$/Cdn$)	0.80	0.81

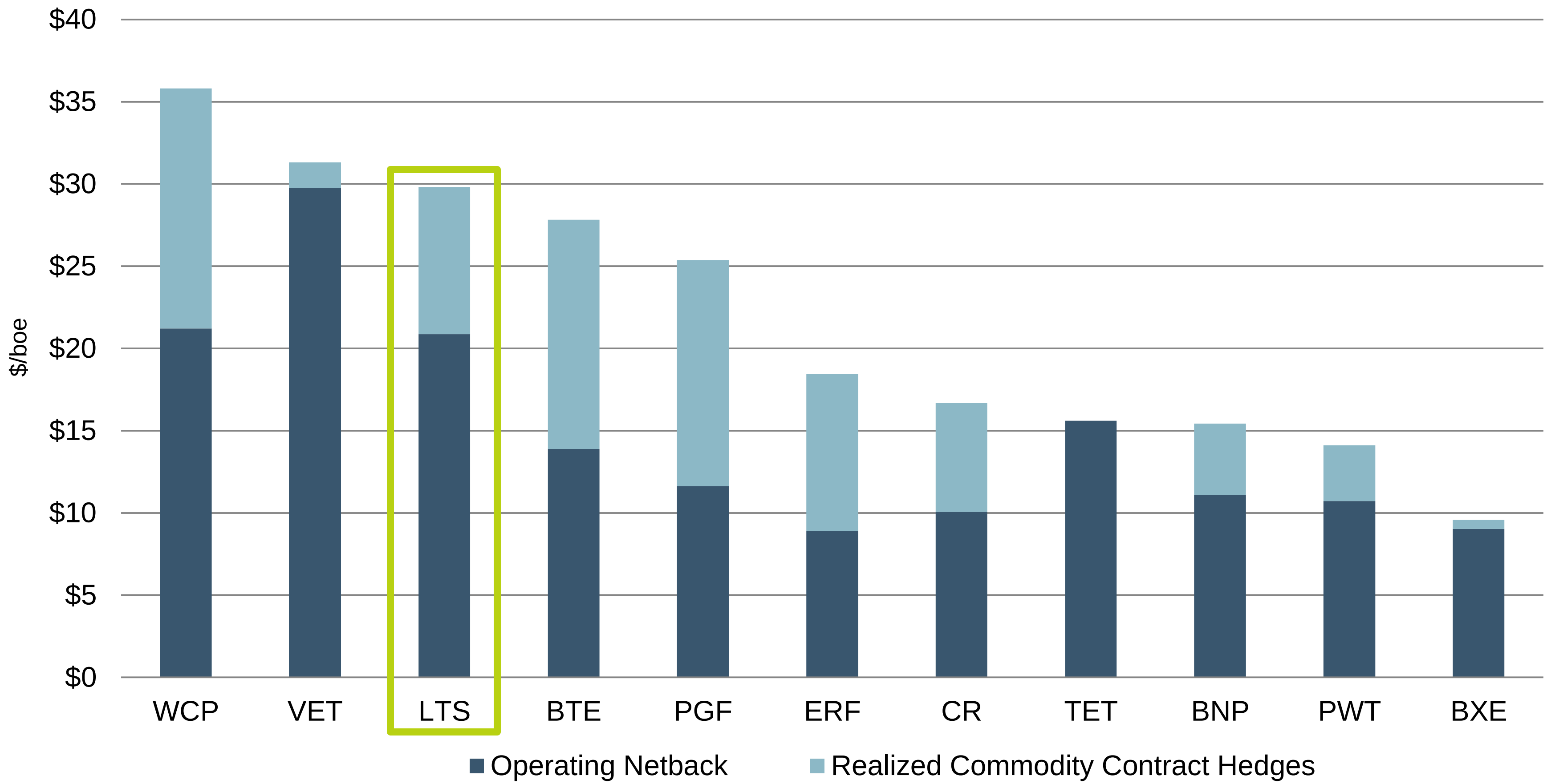
1. Funds Flow per share calculation based on 197 million weighted average shares outstanding
2. Projected capital expenditures exclude acquisitions and divestitures, which are evaluated separately
3. Oil price assumption is $50/bbl WTI for first half 2015 and $55/bbl WTI for second half 2015

HEDGING EFFECTS

LIGHTSTREAM RESOURCES
TSX: LTS

In Q1 2015 we realized gains of $28 million on crude oil contracts, resulting in a netback of $29.83/boe

Q1 Operating Netback Plus Commodity Hedges



**Data from peer Q1 financial reports and is calculated using operating netback and realized commodity derivative contracts.*

DEBT AND LIQUIDITY

LIGHTSTREAM RESOURCES

TSX: LTS

Our amended credit facility contains a single financial covenant and the revised borrowing base provides ongoing financial flexibility for 2015 and beyond, given our commitment to spend within cash flow.

DEBT CAPITAL COMPOSITION

Term Secured Debt

$750 million Credit Facility[1]

~$110 million of available liquidity

~$640 million drawn (Q1 2015)

Term subject to further extensions

Term Unsecured Debt

US $800 million High Yield Notes[2]

Senior Unsecured Notes (8.625% interest)

MATURITY DATE

2015

2017

2020

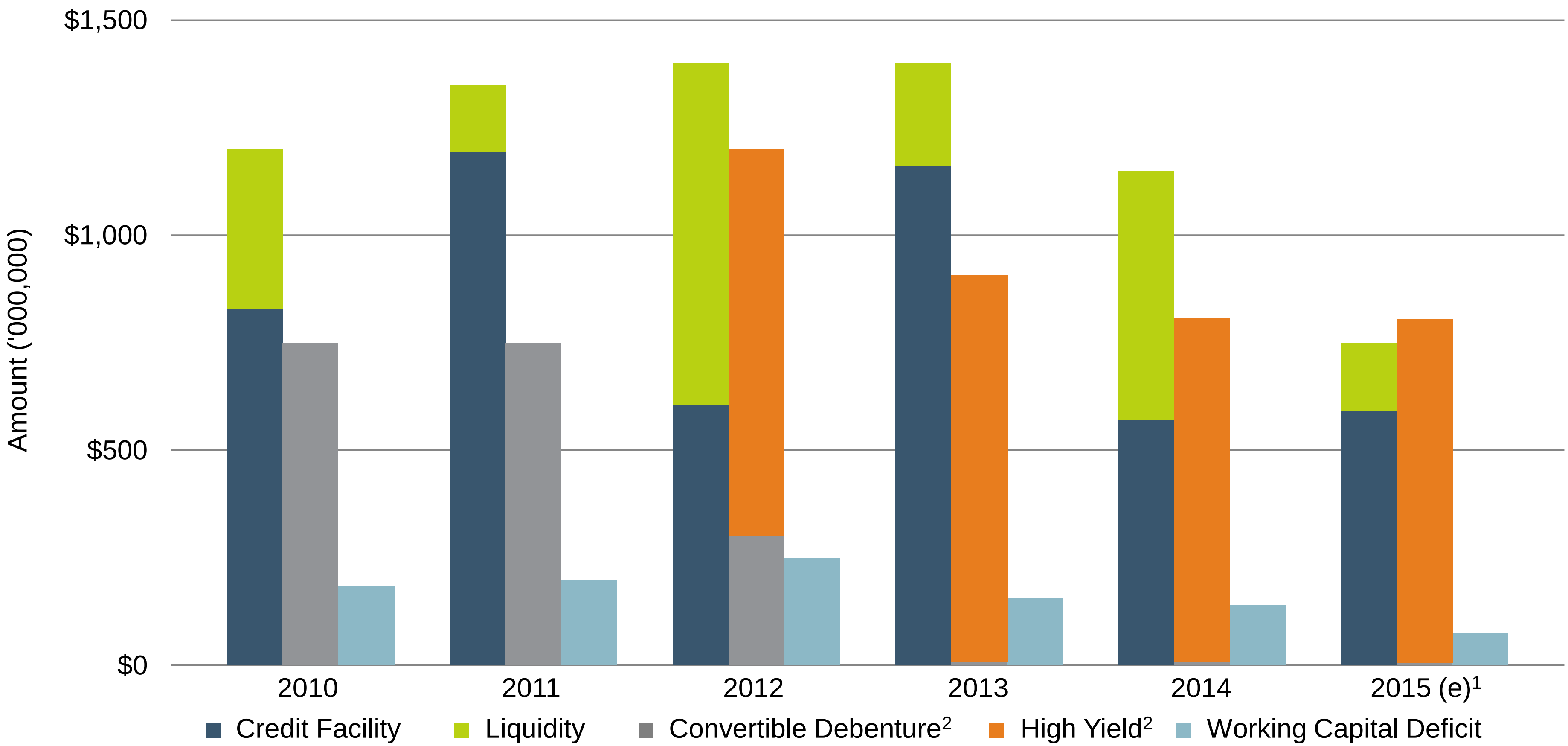
1. *Represents renegotiated credit facility terms based on signed commitments from lending syndicate, subject to execution of a definitive agreement. The borrowing base is subject to re-determinations on a semi-annual basis and the amended credit facility contains a single financial covenant as described in our May 21, 2015 press release.*
2. *Original high yield issue of US $900 million. Current balance reflects total repurchases of US $100 million.*

DEBT POSITION

TSX: LTS

We have decreased our overall debt positon since 2012, with continuous access to an appropriate level of liquidity

Total Debt Outstanding



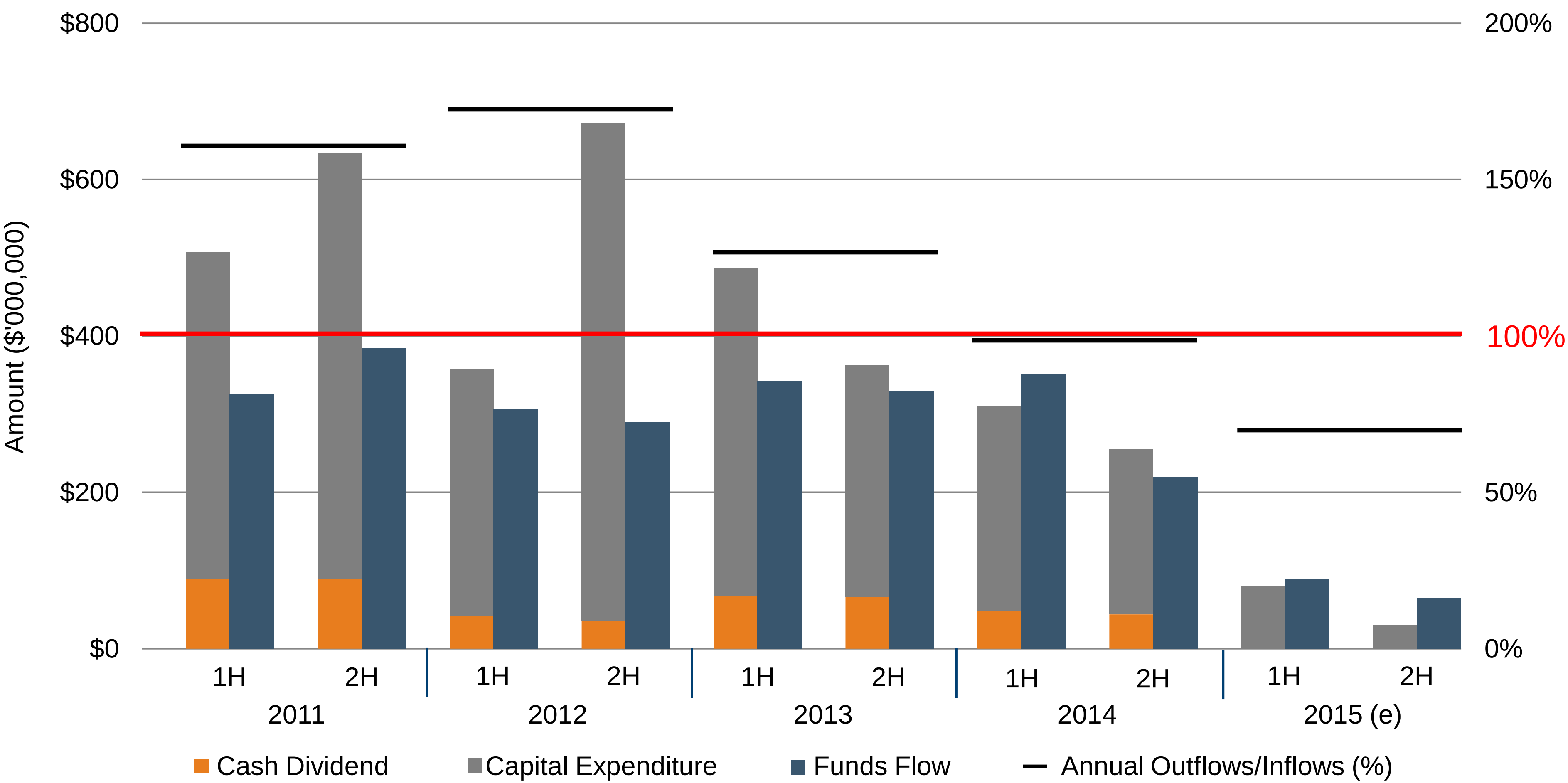
1. Based on our amended $750 million credit facility in place subsequent to March 31, 2015
2.Stated in $USD

CAPITAL & FUNDS FLOW

LIGHTSTREAM RESOURCES

TSX: LTS

We expect to generate funds flow well above our capital spending in 2015

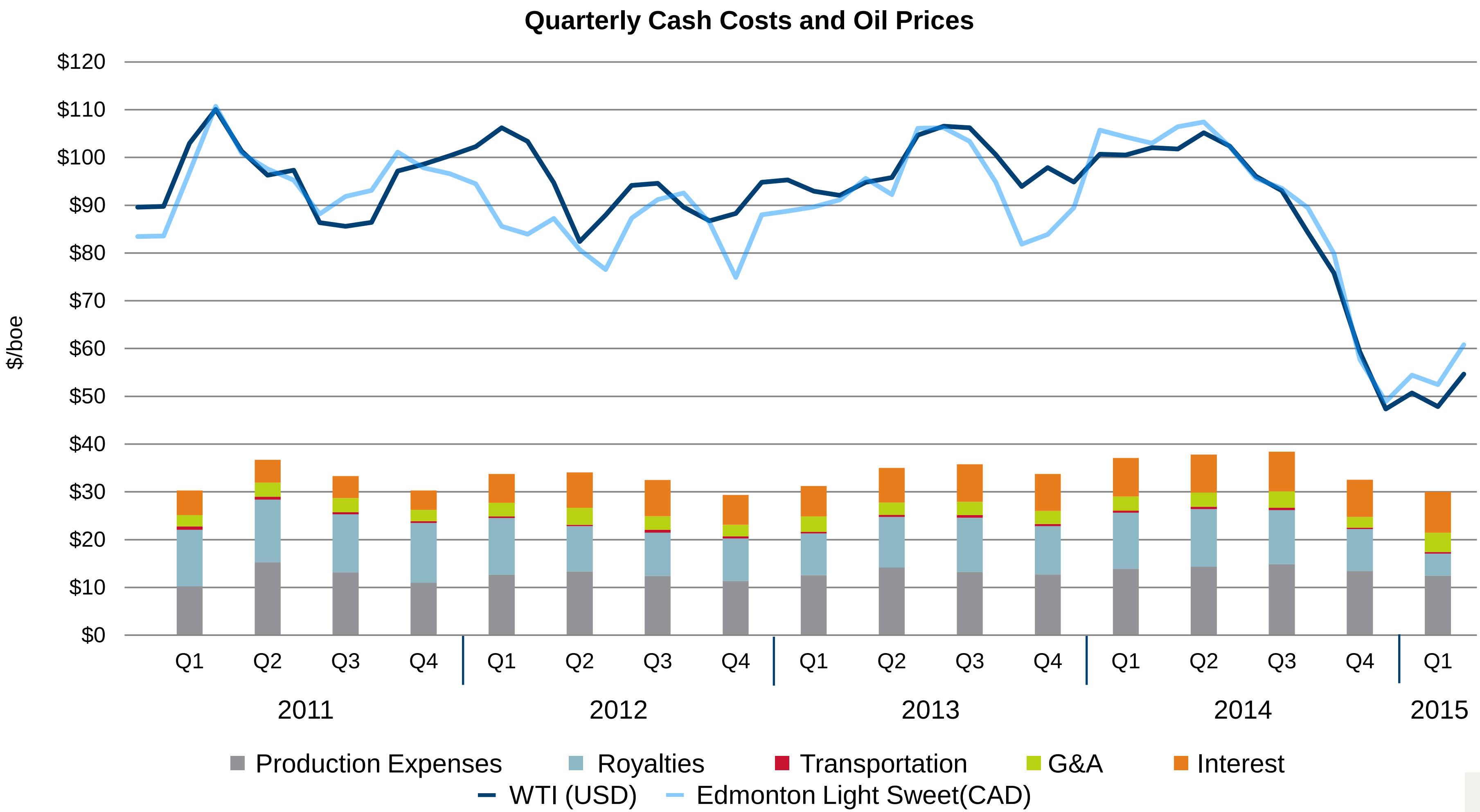


Does not include A&D

CASH COSTS

TSX: LTS

In this low commodity price environment, we continue to generate positive funds flow from operations



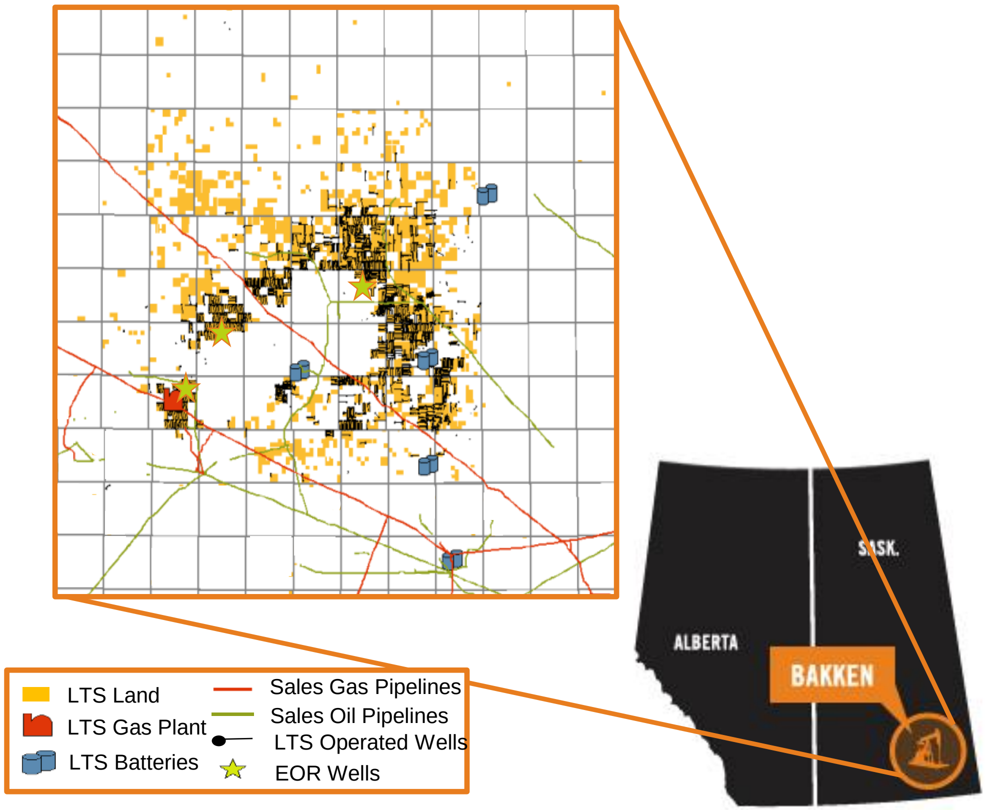
BAKKEN ASSETS

LIGHTSTREAM RESOURCES

TSX: LTS

Focus on EOR expansion in 2015

Our assets produce light oil from the Bakken and the conventional Mississippian formations with a relatively low decline rate. In 2015 we are continuing to focus on expanding our natural gas EOR projects in the Bakken. We have an extensive network of facilities that allows us to control operating costs.



Business Unit	Bakken	
Results	**Q1 2015**	**YE 2014**
Average Production (boepd)	13,811	14,585
Oil/Liquids Weighting	92%	93%
Operating Income ($ million)	27	282
Capex ($ million)	19	118
Free Cash Flow ($ million)	8	164
2014 2P Reserves (mmboe)	69	69
Upside Opportunities		
Undeveloped Land (sections)	275	
Drilling Inventory (net locations)	> 1,050	

CARDIUM ASSETS

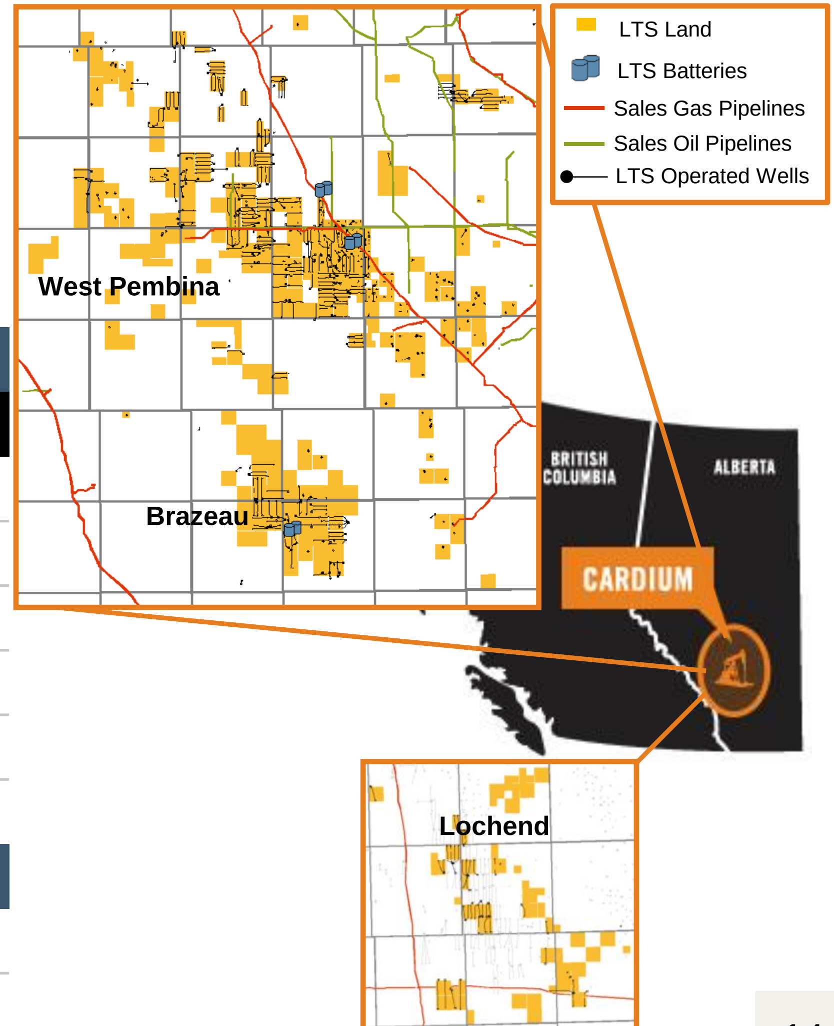
TSX: LTS

Generating positive operating cash flow

Our extensive land base stretches from southwest of Calgary to northwest of Edmonton and our assets primarily produce light oil from the Cardium formation. We are continuously evolving our drilling and completion techniques and we initiated water injection for EOR in July 2014. This is an active area for industry, with multi-zone potential.

Business Unit	Cardium	
Results	**Q1 2015**	**YE 2014**
Average Production (boepd)	17,661	18,606
Oil/Liquids Weighting	64%	64%
Operating Income ($ million)	34	322
Capex ($ million)	42	237
Free Cash Flow ($ million)	(8)	85
2014 2P Reserves (mmboe)	79	79
Upside Opportunities		
Undeveloped Land (sections)	134	
Drilling Inventory (net locations)	> 460	

[1] *Post 2014 divestitures*



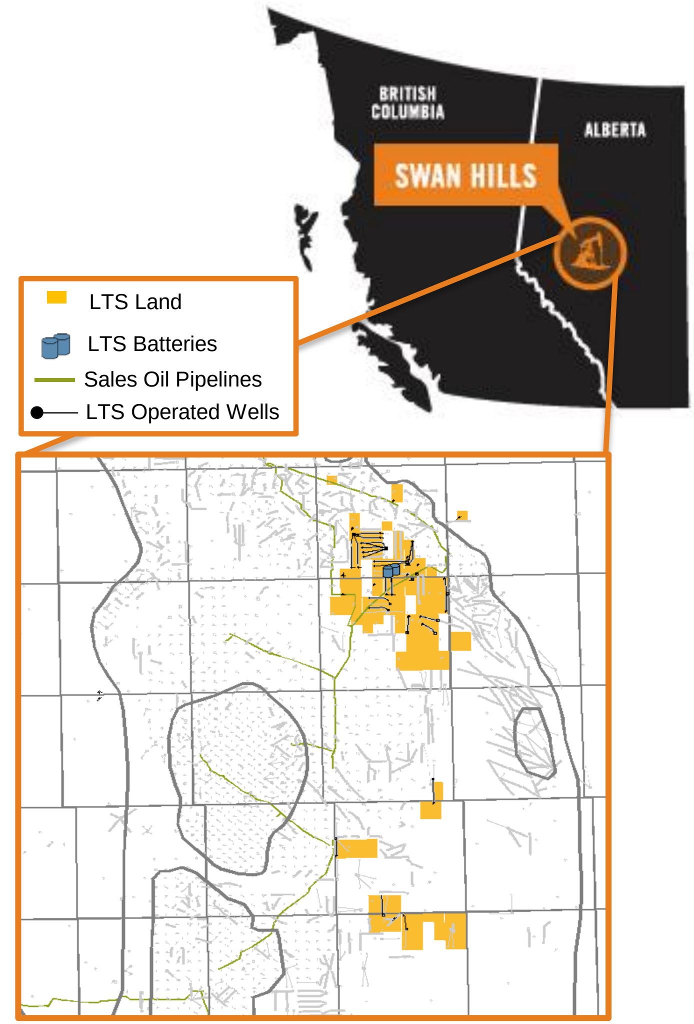
AB / BC ASSETS

TSX: LTS

The Swan Hills is our next growth target

- Production has grown to >2,500 boepd
- New 3,500 bopd battery operational in Q2 2014
- Future Operations
  - Reserve bookings confirm long-term prospectivity
  - Drilling is not expected to resume before 2016 given the current economic environment
  - Capital expenditures reduced due to accrual reversals on seismic, drilling and equipping activities

Business Unit	AB / BC[1]	Swan Hills
Results	**Q1 2015**	
Average Production (boepd)	3,707	2,549
Oil/Liquids Weighting	68%	92%
Operating Income ($ million)	4	4
Capex ($ million)	-	-
2014 2P Reserves (mmboe)	13	8
Upside Opportunities		
Undeveloped Land (sections)	469	145
Drilling Inventory (net locations)	>295	95



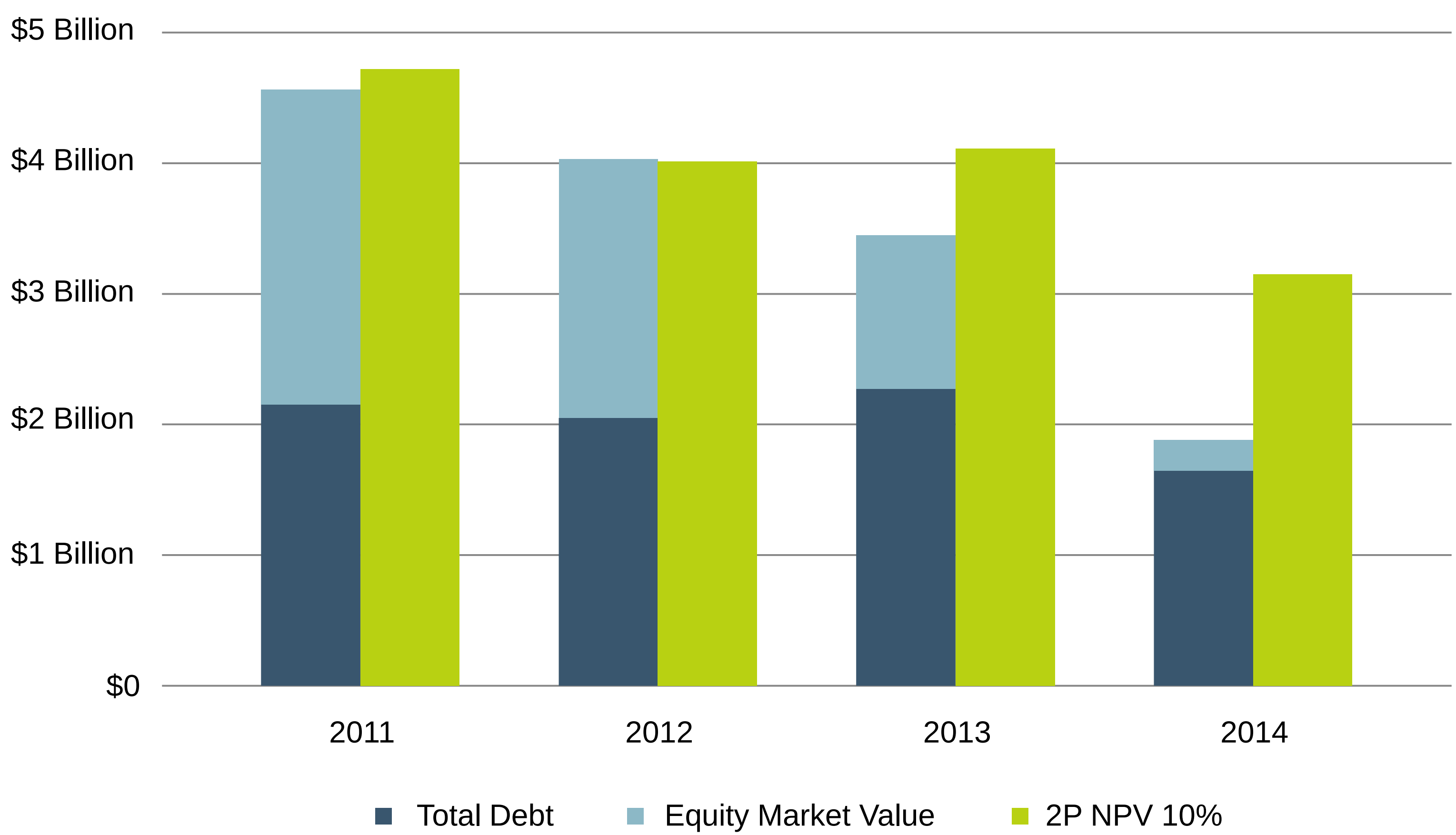
[1] *AB/BC includes Swan Hills*

VALUATION

LIGHTSTREAM RESOURCES

TSX: LTS

Our inherent asset value provides upside to our share value



LONG-TERM OPPORTUNITY

LIGHTSTREAM RESOURCES

TSX: LTS

We are an upstream energy company focused on light oil development in western Canada

EXTENSIVE PORTFOLIO OF ASSETS

- Drilling inventory of 10+ years and ~ 570,000 acres of undeveloped land
- 161 million boe of 2014 2P reserves with a NPV 10% of $3.2 billion
- Unbooked upside of 1,300 locations

SUSTAINABLE BUSINESS MODEL

- Flexible 2015 capital program can be revised to respond to changing market conditions
- Continue to generate positive funds flow in this low price environment
- 2015 hedging program in place to protect downside

PRESERVE LONG TERM VALUE

- Defer drilling of our inventory until economic conditions improve
- Forecasted funds flow from operations exceeds our capital spending, allowing us to further reduce debt
- Bakken monetization, but only if transformational

LIGHTSTREAM
RESOURCES

THANK YOU

EIGHTH AVENUE PLACE • 2800, 525 - 8TH AVENUE SW • CALGARY, ALBERTA • T2P 1G1 • (403) 268-7800

WWW.LIGHTSTREAMRESOURCES.COM

TAB 6(N)

This is Exhibit "N" referred to in the Affidavit

of **DAVID KIRSCH** sworn before me

this 29th day of July, 2015

Notary Public

TREVOR WIESSMANN, ESQ.
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02WI6198048
Qualified in Kings County
Commission Expires Dec. 15, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS:

The following Management's Discussion and Analysis ("MD&A") is dated May 4, 2015 and should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes of Lightstream Resources Ltd. ("Lightstream", "we" or "our" or the "Company") as at and for the three months ended March 31, 2015 and 2014, MD&A for the year ended December 31, 2014, and the audited consolidated financial statements for the years ended December 31, 2014 and 2013. All amounts are in Canadian dollars, unless otherwise stated and all tabular amounts are in thousands of Canadian dollars, except per share amounts or as otherwise noted. Natural gas volumes have been converted to barrels of oil equivalent ("boe"). Six thousand cubic feet ("Mcf") of natural gas is equal to one barrel of oil equivalent based on an energy equivalency conversion method primarily attributable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation.

This MD&A contains financial measures that have no standardized meaning under International Financial Reporting Standards ("IFRS") and forward-looking statements. As such, the MD&A should be read in conjunction with Lightstream's disclosure under the headings "Non-GAAP Measures" and "Forward-Looking Information" at the end of this MD&A.

SUMMARY FIRST QUARTER HIGHLIGHTS:

- First quarter average production was 35,179 boepd (76% light oil and liquids weighted), a decrease of 4% from the fourth quarter of 2014 attributed to our reduced 2015 capital program that resulted in fewer new wells coming on-stream during the quarter. First quarter 2015 production was 20% lower than first quarter 2014 production of 43,959 boepd, primarily reflecting dispositions throughout 2014.
- Our operating netback was $20.87/boe, a 63% decrease from the first quarter of 2014, due to lower commodity prices. Benchmark oil prices reached five year lows during the first quarter of 2015, which resulted in a realized oil price of $49.16/bbl in Q1 2015 down from $96.66/bbl in Q1 2014.
- Funds flow from operations was $52 million ($0.26 per basic share), a 70% decrease from Q1 2014, primarily due to lower commodity prices.
- Capital expenditures of $60 million (before asset acquisitions and dispositions) in first quarter 2015 were 50% lower than fourth quarter 2014 expenditures of $121 million and 70% lower than first quarter 2014 expenditures. Lower spending levels are consistent with our reduced capital program and commitment in 2015 to spend within cash flow with the objective of maintaining our inventory of opportunities until the commodity price/cost environment improves. In the quarter, we drilled 14 wells, placed 20 wells on production and exited the quarter with seven wells in inventory.
- In the first quarter of 2015, we funded capital expenditures through funds flow from operations and a $12.4 million asset disposition. With approximately half of our planned 2015 capital program completed, we maintained debt at a level consistent with year end 2014, prior to the foreign currency translation impact of a weaker Canadian dollar on our U.S. denominated debt.
- We continue to be proactive in managing our debt and, as of the date of this MD&A, are in advanced stages of negotiating the debt terms within our credit facility to avoid potential covenant issues through the downside of this commodity cycle and provide a borrowing base that offers sufficient liquidity for 2015 and beyond.

SELECTED QUARTERLY RESULTS

	Three months ended March 31, 2015	2014	% Change
Financial ($000s, except where noted)			
Oil and natural gas sales	**121,131**	325,234	(63)
Funds flow from operations [1]	**51,928**	174,970	(70)
Per share - basic ($)[1]	**0.26**	0.88	(70)
- diluted ($)[1] [2]	**0.26**	0.86	(70)
Adjusted Net Income (loss)[1]	**(127,162)**	14,399	(983)
Per share - basic ($)[1]	**(0.64)**	0.07	(1,014)
- diluted ($)[1] [2]	**(0.64)**	0.07	(1,014)
Dividends[1]	**—**	24,298	(100)
Per share ($)[1]	**—**	0.12	(100)
Capital expenditures [3]	**60,254**	199,283	(70)
Net capital expenditures[1]	**48,931**	85,603	(43)
Total debt[1] [4]	**1,731,248**	2,248,702	(23)
Basic common shares, end of period (000)	**197,388**	200,001	(1)
Operations			
Operating netback ($/boe except where noted) [1] [5]			
Oil, NGL and natural gas revenue [6]	**37.96**	81.77	(54)
Royalties	**4.61**	11.76	(61)
Production expenses	**12.48**	13.90	(10)
Operating netback	**20.87**	56.11	(63)
Average daily production (boe/d)			
Oil and NGL (bbl/d)	**26,607**	35,209	(24)
Natural gas (mcf/d)	**51,429**	52,503	(2)
Total (boe/d) [5]	**35,179**	43,959	(20)

(1) Non-GAAP measure. See “*Non-GAAP Measures*” section within this document.

(2) Consists of common shares, stock options, deferred common shares, incentive shares and convertible debentures as at the period end date.

(3) Prior to asset acquisitions and dispositions.

(4) Total debt is calculated as secured credit facility outstanding plus accounts payable less accounts receivable, prepaid expense and long-term investments plus the full value outstanding on the senior unsecured notes and convertible debentures converted to Canadian dollars at the exchange rate on the period end date.

(5) Six Mcf of natural gas is equivalent to one barrel of oil equivalent (“boe”).

(6) Net of transportation expenses.

2015 GUIDANCE

($000s, except where noted and per share amounts)	2015 Guidance (Mar 6, 2015)	Q1 2015 Actual
Production (annual average)		
Total (boe/d)	**30,500 - 32,500**	**35,179**
Natural Gas Weighting	**26%**	**24%**
Exit Production (boe/d)	**26,500 - 28,500**	**-**
EBITDA	**$255,000 - $275,000**	**$79,455**
Funds Flow from Operations[(1)]	**$145,000 - $165,000**	**$51,928**
Funds Flow per share[(1)]	**$0.74 - $0.84**	**$0.26**
Dividends per share	**$0.00**	**$0.00**
Capital Expenditures[(2)]	**$100,000 - $120,000**	**$60,254**
Pricing Assumptions:		
Crude oil - WTI (US$/bbl)[(3)]	**52.50**	**48.56**
Crude oil - WTI (Cdn$/bbl)	**65.63**	**60.26**
Corporate oil differential (%)	**15**	**18**
Natural gas - AECO (Cdn$/mcf)	**3.00**	**2.79**
Exchange rate (US$/Cdn$)	**0.80**	**0.81**

(1) Funds flow per share calculation based on 197 million weighted average basic shares outstanding.
(2) Projected capital expenditures exclude acquisitions and divestitures, which are evaluated separately.
(3) Oil pricing assumption is $50/bbl WTI for first half of 2015 and $55/bbl WTI for second half.

First quarter 2015 production of 35,179 boepd was above our annual average guidance, in line with expectation. We anticipate that production levels will decrease over the remainder of the year consistent with our plan not to drill any new operated wells in the current commodity price environment.

Funds flow from operations of $52 million in the first quarter of 2015 is also in-line with expectations despite prices being lower than our annual average price assumption. We continue to expect full year 2015 funds flow to exceed capital expenditures with the excess being directed toward reducing debt.

First quarter 2015 is expected to be our highest spending quarter, with capital expenditures of $60 million representing over half of anticipated spending for the year. Second quarter spending is estimated to be $20 million in order to bring five of our remaining inventory of seven wells on production. Capital spending will be significantly lower during the second half of the year with no new operated well drilling program as we remain focused on preserving our balance sheet and long term asset value until we are in a more positive economic environment with higher commodity prices and/or lower capital costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL AND OPERATING REVIEW

(Comparisons presented in this MD&A are first quarter of 2015 compared to the first quarter of 2014 unless otherwise noted. All references to well counts are on a net basis unless otherwise noted.)

Average Daily Production

	Three months ended March 31,		
	2015	2014	Change
Oil and NGL (bbls)	**26,607**	35,209	(24%)
Natural gas (Mcf)	**51,429**	52,503	(2%)
Total (boe)	**35,179**	43,959	(20%)

Production for the three months ended March 31, 2015 decreased 20% from 2014, due primarily to the disposition of assets representing approximately 6,315 boepd of production during 2014 combined with the reduction in our capital program starting in early 2014, which has resulted in natural well declines exceeding new well production. In the first quarter of 2015, we drilled 14 wells compared to 50 wells a year ago and brought 20 wells on production compared to 25 wells during the same period in 2014. At March 31, 2015, there were seven wells waiting to be completed and/or brought on production, five of which are expected to be brought on-stream during the second quarter, with the remaining two wells in the third quarter.

In southeast Saskatchewan, our Bakken business unit averaged 13,811 boepd of production during the first quarter of 2015, representing a 12% decrease from Q1 2014 volumes of 15,614 boepd, due to attenuation of investment in the Bakken as we continued to maximize the free cash flow generated from this resource play. During the first quarter of 2015, we brought ten wells on production, leaving two wells remaining in inventory at March 31, 2015.

In the Cardium, production for the first quarter of 2015 averaged 17,661 boepd, representing a 7% decrease from Q1 2014 production of 18,893 boepd. This decrease was impacted by the disposition of assets representing 1,200 boepd of production in the latter part of Q1 2014 and a reduction in new well program spending compared to 2014. During the first quarter, we brought ten wells on-stream, leaving an inventory of five wells at March 31, 2015.

In our Alberta/BC business unit, production in the first quarter of 2015 averaged 3,707 boepd, representing a 14% decrease from Q1 2014 production of 4,324 boepd. This decrease is attributed to the disposition of assets representing 500 boepd of production during the first quarter of 2014 combined with limited new well activity in the area.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Average Benchmark and Realized Prices

	Three months ended March 31,		
	2015	2014	Chang
WTI (US$/bbl)	**48.56**	98.68	(51%)
WTI ($/bbl)	**60.26**	108.91	(45%)
Edmonton Par	**51.84**	100.22	(48%)
Differential % of WTI	**(14%)**	(8%)	—
AECO natural gas ($/Mcf)	**2.79**	5.80	(52%)
US$ per Cdn$1	**0.81**	0.91	(11%)
Oil and NGL			
Realized price per bbl ($/bbl)	**45.18**	93.87	(52%)
Differential % of Edm. Par	**(13%)**	(6%)	117
Differential % of WTI	**(25%)**	(14%)	—
Natural gas			
Realized price per Mcf ($/Mcf)	**2.80**	5.88	(52%)

Realized oil and NGL prices decreased for the three months ended March 31, 2015, due to lower WTI oil prices, which significantly declined over the latter half of 2014 and the first quarter of 2015. Light oil differentials widened in the first quarter of 2015, in part due to higher transportation costs, representing a larger percentage of price and due to the decrease in demand for Canadian sourced light crude oil. A weaker Canadian dollar versus the U.S. dollar offset part of the impact of lower WTI oil prices. The decrease in realized natural gas prices from the prior year is due to lower AECO spot pricing from higher natural gas supply and storage levels.

Revenue

	Three months ended March 31,		
	2015	2014	Change
Oil and natural gas sales	**121,131**	325,234	(63%)
Royalties	**(14,586)**	(46,517)	(69%)
Revenue	**106,545**	278,717	(62%)

The decrease in sales for the three months ended March 31, 2015 is primarily due to lower realized commodity prices plus decreased volumes. The table below summarizes these changes:

Reconciliation of Changes in Sales

Three months ended March 31, 2014	325,234
Sales volumes	(30,235)
Realized prices	(173,868)
Three months ended March 31, 2015	**121,131**
$ change in sales	(204,103)
% change in sales	(63%)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Realized Prices

	Three months ended March 31,		
	2015	2014	Change
Oil and natural gas sales	**121,131**	325,234	(63%)
Transportation expense	**934**	1,745	(46%)
Total sales, net of transportation expense	**120,197**	323,489	(63%)
Gross sales ($/boe)	**38.26**	82.21	(53%)
Transportation expense ($/boe)	**0.30**	0.44	(32%)
Realized price, net of transportation expense ($/boe)	**37.96**	81.77	(54%)

Net realized price decreased for the three months ended March 31, 2015 primarily due to lower liquids pricing. Transportation expense decreased for the three months and year ended March 31, 2015, both on a unit of production and total basis, as a result of lower oil production and the disposition of southeast Saskatchewan conventional oil producing assets in Q3 2014.

Royalties

	Three months ended March 31,		
	2015	2014	Change
Royalties (1)	**14,586**	46,517	(69%)
$ per boe	**4.61**	11.76	(61%)
Royalties % (2)	**12%**	14%	—

(1) Royalties include the Saskatchewan Resource Surcharge determined as a percentage of sales from our Saskatchewan lands.

(2) Royalties % is shown as a % of our realized price, net of transportation costs.

Royalties decreased for the three months ended March 31, 2015, on both a total and unit of production basis, commensurate with the decrease in revenues and a lower royalty rate. The decrease in royalty rate is primarily driven by lower pricing offset somewhat by the expiry of royalty incentives on Cardium wells that have exceeded the number of new wells qualifying for the royalty incentive. On Crown lands in Saskatchewan, the first 37,740 boe of production from horizontal wells receive a royalty incentive but incur the Saskatchewan Resource Surcharge of 1.7%. On Crown lands in Alberta, horizontal oil wells are subject to a maximum 5% royalty rate for 12 to 48 months or 50,000 to 100,000 boe of production, whichever comes first, depending on well length.

Gain (Loss) on Risk Management Contracts

Lightstream enters into commodity price derivative contracts to limit exposure to declining commodity prices, thereby protecting project economics and providing increased stability of cash flows and capital expenditure programs. Commodity prices fluctuate for a number of reasons, including changes in economic conditions, political events, weather conditions and changes in supply or demand. The Company’s risk management activities are conducted pursuant to the Company’s risk management policies that have been approved by the Board of Directors.

Lightstream enters into foreign exchange contracts to limit exposure to variability in exchange rates on U.S. dollar interest payments on the senior unsecured notes and convertible debentures, thereby providing increased stability of cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our financial commodity derivative contracts that are option-based contracts have their fair value, at a particular point in time, impacted by underlying commodity prices, expected commodity price volatility and the duration of the contract. The fair value of our fixed price derivative contracts at a particular point in time is determined by the expected future settlements of the underlying commodity. The fair value of these contracts represents the estimated amount that would be received for settling Lightstream's outstanding contracts on March 31, 2015, and will be different than what will eventually be realized.

The gain or loss on risk management contracts is comprised of two components; the realized component reflects actual settlements that occurred during the period, and the unrealized component represents the change in the fair value of contracts during the period. The realized gain on risk management contracts for the three months ended March 31, 2015 was primarily driven by settlements on our WTI oil derivative contracts. The unrealized loss on risk management contracts for the three months ended March 31, 2015 was primarily the result of the increase in expected future WTI oil prices as compared to December 31, 2014.

	Three months ended March 31,		
	2015	2014	Change
Realized gain (loss):			
Crude oil derivative contracts	**28,353**	(420)	—
Natural gas derivative contracts	**—**	(1,398)	—
Foreign exchange contracts	**1,489**	923	61%
	29,842	(895)	—
Unrealized gain (loss):			
Crude oil derivative contracts	**(8,502)**	(4,956)	72%
Natural gas derivative contracts	**—**	(2,273)	—
Foreign exchange contracts	**33**	(168)	—
	(8,469)	(7,397)	14%
Gain (loss) on risk management contracts	**21,373**	(8,292)	—

Commodity Contracts

At March 31, 2015, Lightstream recorded a $58.2 million asset (December 31, 2014 - $66.7 million asset) related to its crude oil price risk management contracts. The following is a summary of crude oil derivatives as of the date of this MD&A:

Crude Oil Price Risk Management Contracts – WTI[(1)]

Remaining Term	Volume (bopd)	Average Price ($/bbl)	Type
Apr. 2015 – Jun. 2015	7,750	US$80.81 floor/US$103.75 ceiling	Costless Collar
Jul. 2015 – Dec. 2015	4,796	US$80.52 floor/US$103.35 ceiling	Costless Collar
Apr. 2015 - Dec. 2015	1,364	US$56.45	Fixed Price Swap

(1) Prices are the volume weighted average prices for the period.

Foreign Exchange Contracts

At March 31, 2015, Lightstream recorded no asset or liability (December 31, 2014 - $nil) related to foreign exchange risk management contracts. The following is a summary of foreign exchange contracts entered into as of the date of this MD&A:

Foreign Exchange Risk Management Contracts

Settlement	Type	Amount (US$)	Rate (US$/CDN$)
Jul. 2015	Forward	$21,000	$0.81[1]

[1] Weighted average exchange rate of multiple contracts.

Production Expenses

	Three months ended March 31,		
	2015	2014	Change
Production expenses	**39,523**	54,983	(28%)
$ per boe	**12.48**	13.90	(10%)

Production expenses decreased on a total basis for the three months ended March 31, 2015 due primarily to lower variable production costs associated with decreased production levels. The decrease in production expenses per boe was largely due to the disposition of relatively higher cost production in our southeast Saskatchewan Conventional business unit that was sold in Q3 2014.

Netbacks ($/boe)

	Three months ended March 31,		
	2015	2014	Change
Oil, NGL and natural gas sales [1]	**37.96**	81.77	(54%)
Royalties	**4.61**	11.76	(61%)
Production expenses	**12.48**	13.90	(10%)
Operating netback [2]	**20.87**	56.11	(63%)

[1] Net of transportation expenses.

[2] Non-GAAP measure. See “Non-GAAP Measures” section within this document.

The decrease in operating netback for the three months ended March 31, 2015 was primarily due to lower realized oil prices, partially offset by lower royalties and production expenses.

General and Administrative Expenses

	Three months ended March 31, 2015	2014	Change
General and administrative expenses	**12,947**	11,642	11%
$ per boe	**4.09**	2.94	39%

General and administrative expenses increased for the three months ended March 31, 2015, on both a total and unit of production basis, due to additional non-recurring personnel costs of $2.5 million resulting from staff reductions in the first quarter of 2015.

Share-based Compensation

	Three months ended March 31, 2015	2014	Change
Share-based compensation	**1,411**	4,652	(70%)

Share-based compensation expense relates to stock options, deferred common shares and incentive shares granted. The calculation of this non-cash expense is based on the fair value of the share-based compensation issued, amortized over the vesting period of the option and incentive share or immediately upon grant of the deferred common share.

The decrease in share-based compensation for the three months ended March 31, 2015 is due to fewer new option, incentive share and deferred common share grants, an increased number of older share-based awards that have fully vested and the reversal of previously recognized compensation expense upon cancellation of share-based awards as a result of staff reductions.

Gain (Loss) on Dispositions

	Three months ended March 31, 2015	2014	Change
Gain (loss) on dispositions	**(1,888)**	27,778	—

The loss on dispositions for the three months ended March 31, 2015 includes $1.0 million from the disposition of royalty and fee title assets in our Alberta/BC business unit in Q1 2015 for gross proceeds of $12.4 million and $0.9 million from adjustments to dispositions that occurred in 2014. The gain on dispositions for the three months ended March 31, 2014 related to the disposition of primarily gas weighted assets sold within our Cardium and Alberta/BC business units for gross proceeds of $112 million.

Loss on Long-term Investments

	Three months ended March 31,		
	2015	2014	Change
Loss on long-term investments	**(166)**	(1,245)	(87%)

Long-term investments are held at fair value and the loss represents the change in value based on the quoted market share price. The loss on long-term investments for the three months ended March 31, 2015 reflects a lower average market closing price of the investments at March 31, 2015 as compared to December 31, 2014.

Interest and Other Expense

	Three months ended March 31,		
	2015	2014	Change
Interest on unsecured termed debt	**21,481**	21,113	2%
Interest on secured termed credit facility and other	**5,505**	10,651	(48%)
Cash Interest and other	**26,986**	31,764	(15%)
Accretion on unsecured termed debt	**848**	772	10%
Accretion of decommissioning liability	**1,148**	1,705	(33%)
Amortization of deferred financing costs	**393**	411	(4%)
Other	**(421)**	(3)	13933%
Interest and other expense	**28,954**	34,649	(16%)

Unsecured termed debt includes both the senior unsecured notes and convertible debentures which are denominated in U.S. dollars. Interest and accretion are translated to Canadian dollars using the average foreign exchange rate for the period. Interest expense on unsecured termed debt was essentially unchanged for the three months ended March 31, 2015 as the reduction in interest costs from the repurchase of US$100 million principal amount of senior unsecured notes during 2014 was offset by the impact of a weaker Canadian dollar relative to the U.S. dollar.

Interest expense on the secured termed credit facility (“credit facility”) includes interest on debt, stand-by fees, and fees on letters of credit. Interest expense on the credit facility decreased for the three months ended March 31, 2015 as the credit facility was paid down throughout 2014 using proceeds from our 2014 asset disposition program. The average credit facility balance outstanding for Q1 2015 was $618.4 million compared to $1,147.5 million in Q1 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Foreign Exchange Loss

	Three months ended March 31, 2015	2014	Change
Unrealized foreign exchange loss	**85,479**	36,914	132%
Realized foreign exchange loss	**3,528**	2,430	45%
Foreign exchange loss	**89,007**	39,344	126%

The Company recognizes foreign exchange gains/losses primarily due to the appreciation/depreciation of the Canadian dollar relative to the U.S. dollar. Our senior unsecured notes and convertible debentures are denominated in U.S. dollars and, as a result, the majority of unrealized foreign exchange gains or losses relate to the change in the foreign exchange rate compared to the rate at the end of the previous period. A weaker Canadian dollar at March 31, 2015 compared to December 31, 2014 resulted in an unrealized foreign exchange loss during the first quarter of 2015. The realized foreign exchange loss in Q1 2015 resulted from settlement of the U.S. denominated interest obligations on the senior unsecured notes and convertible debentures and was partially mitigated by a $1.5 million realized gain on foreign exchange hedges.

Depletion and Depreciation (“D&D”)

	Three months ended March 31, 2015	2014	Change
Depletion and depreciation	**93,326**	121,751	(23%)
$ per boe	**29.48**	30.77	(4%)

D&D expense decreased for the three months ended March 31, 2015, on both a total and unit of production basis, due to lower production volumes and a lower cost base from asset dispositions and impairment in 2014.

Income Tax Expense (Recovery)

	Three months ended March 31, 2015	2014	Change
Income tax expense (recovery)	**(13,497)**	13,790	—

Income tax recovery for the three months ended March 31, 2015 relates to the change in the Company’s deferred tax liabilities. No current tax expense has been realized in the period. The income tax recovery for Q1 2015 resulted from a net loss compared to an income tax expense on net income in the comparative period and the increased impact of non-deductible unrealized foreign exchange gains/losses. The Company’s normalized effective tax rate for the first quarter of 2015 is 26% (Q1 2014 - 26%), after excluding non-deductible permanent differences such as unrealized foreign exchange gains/losses and share based compensation.

Net Income (Loss)

As summarized in the table below, the net loss in Q1 2015 compared to net income in Q1 2014 is primarily due to lower realized prices, lower sales volumes, a larger foreign exchange loss and a loss on dispositions compared to a gain previously, partially offset by lower royalties, lower production expenses, a larger gain on risk management contracts, an income tax recovery and lower depletion and depreciation.

Reconciliation of Changes in Net Loss

	Three months ended March 31,
Net income: March 31, 2014	14,402
Increase (decrease) due to:	
Sales volumes	(30,235)
Realized prices	(173,868)
Royalties	31,931
Gain on risk management contracts	28,593
Production expenses	15,460
Loss on disposition of assets	(29,666)
Interest and other	5,695
Foreign exchange loss	(49,663)
Depletion and depreciation	28,425
Income taxes	27,287
Other [1]	4,898
Net loss: March 31, 2015	**(126,741)**

[1] Includes transportation expense, share-based compensation, general and administrative expense, gain (loss) on long-term investments, and gain (loss) on derivative financial liability.

Funds Flow from Operations

The decrease in funds flow from operations for Q1 2015 from Q1 2014 is due to lower realized prices and sales volumes, partially offset by a gain on realized risk management contracts, lower royalties and production expenses.

Reconciliation of Changes in Funds Flow From Operations

	Three months ended March 31,
Funds flow from operations: March 31, 2014	174,970
Increase (decrease) due to:	
Sales volumes	(30,235)
Realized prices	(173,868)
Royalties	31,931
Production expenses	15,460
Cash interest expense	4,778
Realized gain on risk management contracts	30,737
Other [1]	(1,845)
Funds flow from operations: March 31, 2015	**51,928**

[1] Includes transportation expenses, cash general and administrative expense, realized FX gain (loss), and decommissioning liabilities settled.

Capital Expenditures

	Three months ended March 31, 2015	2014	Change
Drilling, completions, equipping and recompletions	**51,189**	169,507	(70%)
Land	**522**	1,207	(57%)
Facilities	**7,189**	22,776	(68%)
Seismic	**(1,044)**	371	(381%)
Other	**2,398**	5,422	(56%)
Capital expenditures before acquisitions[1]	**60,254**	199,283	(70%)
Asset acquisitions[2] [3]	**—**	3,461	(100%)
Proceeds from dispositions[3]	**(11,323)**	(117,141)	(90%)
Net capital expenditures	**48,931**	85,603	(43%)

(1) Includes exploration and evaluation expenditures for the three months ended March 31, 2015 of $0.1 million (2014 - $0.5 million).
(2) Includes exploration and evaluation expenditures for the three months ended March 31, 2015 of $nil (2014 - $1.2 million).
(3) Includes non-cash acquisitions/dispositions for the three months ended March 31, 2015 of $nil (2014 - $3.4 million).

Drilling Activity (Net), for the three months ended March 31,

	Net wells drilled		Net wells pending completion and/or tie-in		Dry and abandoned wells		Success Rate	
Business Unit	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Bakken	**6**	14	**2**	6	**—**	—	**100%**	100%
Cardium	**8**	25	**5**	19	**—**	—	**100%**	100%
Alberta/BC	**—**	7	**—**	7	**—**	—	**—**	100%
Total	**14**	46[1]	**7**	32	**—**	—	**100%**	100%

(1) Excludes four wells drilled in the disposed Conventional Business Unit during the three months ended March 31, 2014.

Our strategy for 2015 was to adopt a conservative capital plan given the current low oil price environment with the objective of preserving our long-term value while not incurring additional debt prior to any foreign exchange translation adjustments. First quarter 2015 spending reflects this strategy as capital expenditures of $60 million, before asset acquisitions and dispositions, were 70% lower than the $199 million spent in Q1 2014. The majority of first quarter 2015 capital spending was focused on drilling, completions and equipping activities within our core areas in the Bakken and Cardium. We successfully completed our 2015 operated drilling program on time and within budget. During the first quarter of 2015, we drilled 14 wells and brought 20 wells on production, leaving an inventory of seven wells at March 31, 2015.

Divestiture activity during the first quarter of 2015 included the sale of royalty and fee title assets in our Alberta/ BC business unit for gross proceeds of $12.4 million. All proceeds from this disposition were directed towards reducing our outstanding debt. We continue to look for further opportunities to divest non-core assets and remain committed to monetizing all or a portion of our Bakken business unit at an appropriate valuation.

Decommissioning Liabilities

Decommissioning liabilities increased by $23.4 million in Q1 2015, primarily as a result of a change in the risk free discount rate to 2.0% from 2.5% in Q4 2014 and, to a lesser extent from new obligations from wells drilled in the quarter and accretion expense. The discount rate as at March 31, 2015 was 2.0% (December 31, 2014 - 2.5%). At March 31, 2015, the decommissioning liabilities were $221.8 million (December 31, 2014 - $198.4 million).

SUMMARY OF QUARTERLY RESULTS

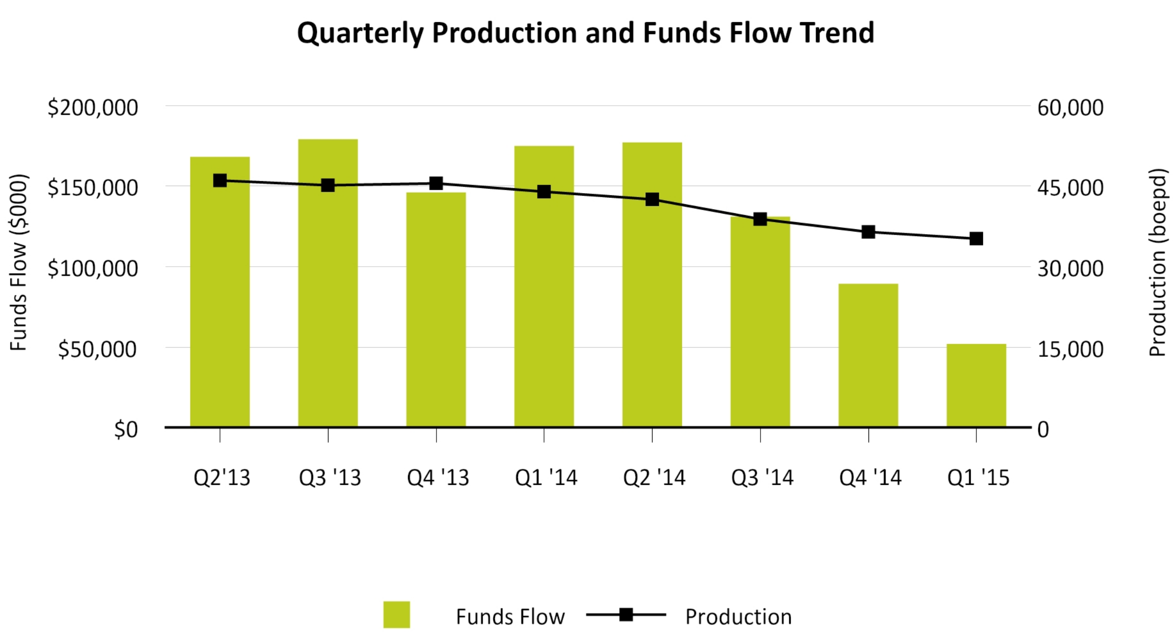
	2015	2014				2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial ($000s except where noted)								
Total debt [1]	**1,731,248**	**1,646,862**	**1,557,817**	**1,985,342**	**2,248,702**	2,274,122	2,195,808	2,232,656
Capital expenditures[2]	**60,254**	**121,124**	**90,164**	**61,249**	**199,283**	155,933	141,124	116,871
Net capital expenditures [1]	**48,931**	**123,194**	**(372,259)**	**(77,174)**	**85,603**	154,487	139,212	116,982
Dividends [1]	**—**	**19,247**	**24,370**	**24,351**	**24,298**	40,320	47,876	47,313
Per share [1]	**—**	**0.10**	**0.12**	**0.12**	**0.12**	0.20	0.24	0.24
Cash dividends [1]	**—**	**19,247**	**24,370**	**24,351**	**24,298**	33,983	32,189	34,759
Per share [1]	**—**	**0.10**	**0.12**	**0.12**	**0.12**	0.17	0.16	0.18
Payout ratio (%)[1]	**—**	**22**	**19**	**14**	**14**	28	27	28
Cash payout ratio (%) [1]	**—**	**22**	**19**	**14**	**14**	23	18	21
Oil and natural gas sales	**121,131**	**186,861**	**269,177**	**326,552**	**325,234**	287,727	331,814	315,417
Adjusted net income (loss)	**(127,162)**	**160,386**	**6,935**	**68,202**	**14,399**	(45,598)	52,031	(50,597)
Per share – basic[1]	**(0.64)**	**0.81**	**0.03**	**0.34**	**0.07**	(0.23)	0.26	(0.26)
Per share – diluted[1][3]	**(0.64)**	**0.80**	**0.03**	**0.34**	**0.07**	(0.23)	0.26	(0.26)
Funds flow from operations	**51,928**	**89,278**	**130,950**	**177,034**	**174,970**	146,017	179,713	168,212
Per share – basic[1]	**0.26**	**0.45**	**0.65**	**0.88**	**0.88**	0.73	0.91	0.86
Per share – diluted[1][3]	**0.26**	**0.44**	**0.64**	**0.87**	**0.86**	0.72	0.90	0.85
Operations								
Oil equivalent sales price ($/boe)[4]	**37.96**	**55.38**	**74.84**	**83.92**	**81.77**	68.29	79.36	74.81
Royalties	**4.61**	**8.76**	**11.32**	**12.12**	**11.76**	10.11	11.36	10.54
Production expenses	**12.48**	**13.47**	**14.85**	**14.31**	**13.90**	12.75	13.25	14.19
Operating netback[1][4]	**20.87**	**33.15**	**48.67**	**57.49**	**56.11**	45.43	54.75	50.08
Average daily production								
Crude oil and NGL's (bbls)	**26,607**	**27,299**	**30,203**	**34,128**	**35,209**	36,421	35,445	37,582
Natural gas (Mcf)	**51,429**	**55,037**	**51,802**	**50,309**	**52,503**	54,600	58,290	50,783
Total (boe)[5]	**35,179**	**36,472**	**38,837**	**42,513**	**43,960**	45,521	45,160	46,045

(1) Non-GAAP measure. See "Non-GAAP Measures" section within the MD&A.
(2) Prior to asset acquisitions and dispositions.
(3) Includes common shares, stock options, deferred common shares and incentive shares on the same basis as net income. Convertible debentures have been included as at the period end date based on the stated conversion price as of that date.
(4) Net of transportation expenses.
(5) Six Mcf of natural gas is equivalent to one barrel of oil equivalent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

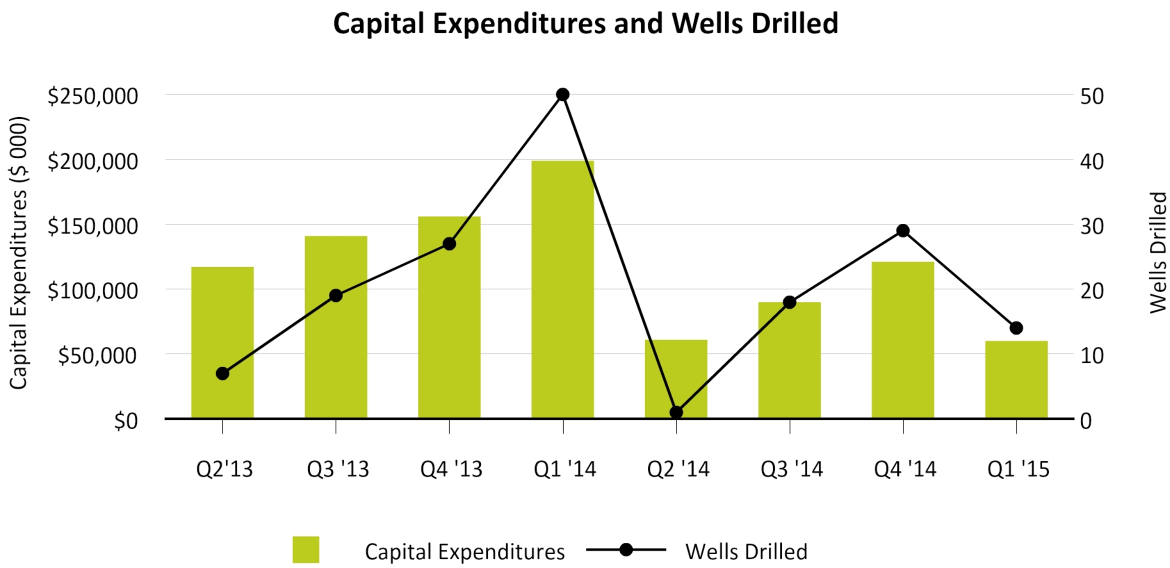
Significant factors influencing quarterly results were:

- Production has decreased since Q1 2014 as we executed our divestiture plan and reduced the amount of capital spending on new wells. The attenuation in the level of capital spending over that time has resulted in natural declines exceeding new production.
- Funds flow from operations is primarily impacted by variability in production levels and operating netback. Funds flow from operations has decreased since Q2 2014, both on a total dollar and per share basis, due to the decrease in production combined with significantly lower realized prices in Q4 2014 and Q1 2015. The decrease in realized pricing is primarily driven by lower WTI prices, which averaged US$48.56 in the first quarter of 2015, down from US$73.15 in the fourth quarter of 2014, US$97.17 in the third quarter of 2014 and US$102.99 in the second quarter of 2014.

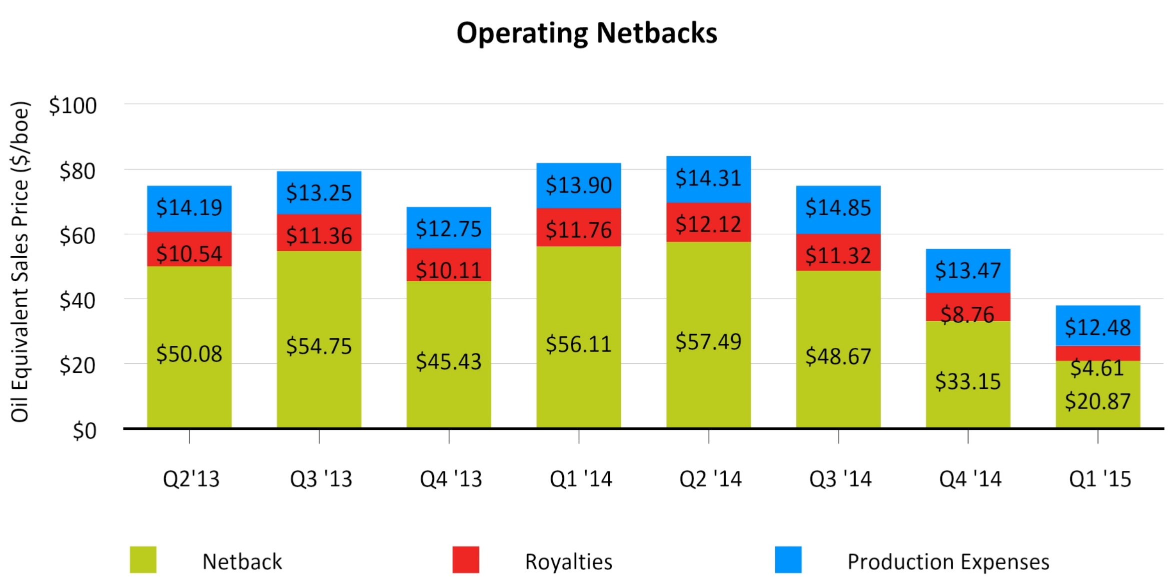


MANAGEMENT'S DISCUSSION AND ANALYSIS

- Both capital expenditures and the number of wells drilled in the first quarter of 2015 were the lowest since Q2 2014, which is indicative of our conservative capital spending program in 2015 as a result of the current low oil price environment. During the first quarter, capital expenditures of $60 million represented approximately half of our planned $110 million capital program for 2015. We drilled a total of 14 wells during Q1 2015 representing 100% of our 2015 operated drilling program.



- First quarter 2015 operating netback of $20.87/boe decreased 37% from $33.15/boe in Q4 2014 and 57% from $48.67/boe in Q3 2014, primarily due to the significant drop in commodity prices. Royalties per boe are at historically low levels consistent with lower realized pricing and reduced revenues. Production expenses per boe are at the lowest level in the past in eight quarters due to lower variable production costs resulting from lower production and the sale of higher cost production in 2014.



MANAGEMENT'S DISCUSSION AND ANALYSIS

COMMITMENTS

The following is a summary of the estimated costs required to fulfill the Company's remaining contractual commitments at March 31, 2015:

Type of commitment	1 Year	2-3 Years	4-5 Years	Thereafter	Total
Office leases [1]	$ 6,304	$ 12,194	$ 11,533	$ 8,652	**$ 38,683**
Drilling and completion rigs	113	—	—	—	**113**
Other	117	39	—	—	**156**
Total	**$ 6,534**	**$ 12,233**	**$ 11,533**	**$ 8,652**	**$ 38,952**

(1) Includes sublease recoveries of $1.4 million (1 Year), $1.4 million (2-3 Years).

LIQUIDITY AND CAPITAL RESOURCES

Since inception, Lightstream's long-term business strategy has been to provide a reasonable dividend yield to shareholders combined with an accretive long-term growth-oriented business plan. We remain focused on securing appropriate levels of capitalization to support this business strategy. As commodity prices fluctuate, we have the ability to alter our capital program and/or dividend payments in order to maintain acceptable debt levels. As a result of the recent decline in oil prices, we have taken steps to preserve our financial flexibility and future asset value by reducing our capital program and suspending our dividend with the objective of ensuring our expenditures will be funded through cash flow, without an increase to overall debt levels prior to any foreign exchange translation adjustments to our U.S. dollar denominated debt. We will continue to monitor our plans and forecasts and make further adjustments as required in order to maintain acceptable levels of capitalization while adhering to our long-term business strategy.

At March 31, 2015, the Company had a secured extendible revolving credit facility ("credit facility") with a syndicate of lenders in the amount of $1.15 billion and a maturity date of June 2, 2017. The credit facility has covenants with respect to secured and total debt to EBITDA levels adjusted for non-cash items and a total capitalization covenant. The Company is currently in compliance with all these covenants, however, sustained low WTI prices could result in a debt to EBITDA covenant breach under the facility before the end of 2015. The current $1.15 billion lending amount available under this credit facility may be subject to a borrowing base determination if requested by a majority of lenders. We continue to be proactive in managing our debt and are in the advanced stages of negotiating the debt terms of our credit facility. We expect to successfully renegotiate debt terms with our credit facility lenders to maintain financial flexibility and avoid potential covenant issues through the downside of this commodity cycle.

At March 31, 2015, the Company had US$800 million of senior unsecured notes ("Notes") outstanding. The Notes bear interest at a rate of 8.625% per annum and mature February 1, 2020. The Notes contain covenants that could limit the Company's ability to issue additional debt, pay dividends, and repurchase stock, among other restrictions. The Company is in compliance with all of these covenants.

As at March 31, 2015, Lightstream had convertible debentures outstanding of US$4.5 million with an annual coupon of 3.125%. The convertible debentures have a financial covenant that limits the amount of security and encumbrances to 35% of our total assets. The Company is in compliance with this covenant. During the first quarter of 2015, we repurchased US$2 million principal amount of outstanding convertible debentures for an aggregate purchase price of US$1.6 million, including accrued interest. The repurchased debentures were retired.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In addition to the liquidity noted above, other possible sources of funds available to Lightstream include the following:

- Funds flow from operations;
- Sale of producing or non-producing assets (including joint venture structures). Cash generated from a sale may be reduced by any required debt repayments;
- Further adjustments to capital program;
- Monetization of any risk management assets;
- Issuance of additional subordinated or convertible debt;
- Issuance of equity.

We expect to satisfy ongoing working capital requirements with funds flow from operations and available credit.

Capital Plan

The $100 - $120 million capital plan for 2015 is expected to be funded through internally generated cash flow and is focused on the continued development of our Cardium light oil properties in central Alberta and our Bakken light oil properties in southeast Saskatchewan, through new well drilling and the optimization of existing wells. Our 2015 operated drilling program was completed in Q1 2015 and we expect minimal operated new well activity throughout the remainder of the year. Based on our guidance, we expect to generate cash in excess of expenditures and would look to reduce debt levels by $50 million over the next three quarters of 2015.

Dividends

The Company paid a monthly dividend of $0.04 per share or $0.48 per share per annum from January 2014 to November 2014, which was then reduced to $0.015 per share or $0.18 per share per annum for the month of December 2014. Subsequent to December 31, 2014, the dividend was suspended to help preserve the financial flexibility of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Transactions with Related Parties

Petrobank Energy Resources Ltd. ("Petrobank") was considered a related party as both companies had the same Chief Executive Officer up until April 30, 2014 after which time they were no longer related parties.

In the three months ended March 31, 2015, Lightstream had the following transactions with Petrobank:

- Management services agreement provided for certain executive functions and legal services. The fee was based on a negotiated value for services provided. In the three months ended March 31, 2014, Lightstream received $0.1 million in management fees and there was $nil in accounts receivable at December 31, 2014. The management service agreement was canceled effective April 30, 2014.

- Natural gas was purchased by Petrobank from Lightstream. The production sold was based on market prices. The total value of gas sold was $0.2 million for the three months ended March 31, 2014. At December 31, 2014 there was $nil in accounts receivable related to gas sold. On April 30, 2014, Petrobank merged with Touchstone Exploration Inc. At December 31, 2014 there was $0.2 million in accounts receivable related to gas sold.

Summary of Quarterly Results

Below is the summary of quarterly results of the Company:

	2015	2014				2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial ($000s except where noted)								
Oil and natural gas sales	**121,131**	**186,861**	**269,177**	**326,552**	**325,234**	287,727	331,814	315,417
Net Income (loss) [1]	**(126,741)**	**(532,560)**	**3,891**	**68,195**	**14,402**	(1,387,533)	52,044	(50,568)
Per share – basic	**(0.64)**	**(2.68)**	**0.02**	**0.34**	**0.07**	(6.98)	0.26	(0.26)
Per share – diluted[2]	**(0.64)**	**(2.68)**	**0.02**	**0.34**	**0.07**	(6.98)	0.26	(0.26)

(1) Amounts are stated in Canadian dollars and have been prepared in accordance with IFRS.
(2) Includes common shares, stock options, deferred common shares, and incentive shares on the same basis as net income.

Over the past eight quarters, the Company's oil and gas sales have fluctuated primarily due to changes in production levels, the C$WTI benchmark price and corporate oil price differentials.

Net income (loss) has fluctuated primarily due to changes in funds flow from operations, unrealized derivative gains and losses, gains and losses on asset dispositions, unrealized foreign exchange gains and losses related to the Company's unsecured termed debt, gains and losses on long-term investments and impairments recorded in the fourth quarter of 2014 and 2013.

Outstanding Share Data

As at the date of this MD&A, there are 197.4 million Lightstream common shares outstanding, 1.0 million stock options, 3.8 million incentive shares and 0.7 million deferred common shares outstanding.

Risks and Uncertainties

There have been no significant changes in the three months ended March 31, 2015 to the risk and uncertainties identified in the MD&A for the year ended December 31, 2014.

Sensitivities

Lightstream's earnings and funds flow from operations are sensitive to changes in crude oil and natural gas prices, exchange rates and interest rates.

The following factors demonstrate the expected impact on annualized before tax funds flow from operations excluding the effect of risk management activities impacting 2015:

Change of:		(millions)
Crude oil	US$1.00/bbl WTI reference price (assuming 23,000 bopd)	**$7.6**
	1,000 bopd of production @ US$52.50/bbl WTI	**$16.2**
Natural gas	$0.10/Mcf AECO reference price (assuming 49 MMcf/d)	**$1.5**
	1.0 MMcf per day of production @ $3.00/Mcf AECO	**$0.9**
Currency	US$0.01 in exchange rate	**$2.5**
Interest rate	1% in interest rate (assuming $640 million of floating rate debt)	**$6.4**

Critical Accounting Estimates

There have been no changes to the Company's critical accounting policies and estimates in the three months ended March 31, 2015.

Changes in Accounting Policies

There have been no significant changes to the Company's accounting policies for the three months ended March 31, 2015.

Policies

Internal Control over Financial Reporting

Lightstream is required to comply with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". The certification of interim filings for the interim period ended March 31, 2015 requires that Lightstream disclose in the interim MD&A any changes in Lightstream's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, Lightstream's internal control over financial reporting. Lightstream confirms that no such changes were made to its internal controls over financial reporting during the three months ended March 31, 2015.

Non-GAAP Measures

Funds flow from operations, funds flow per share, adjusted net income, adjusted net income per share, dividends paid, dividends paid per share, cash dividends paid, cash dividends paid per share, payout ratio, cash payout ratio, total debt, operating netback, net capital expenditures, and sustainability ratio do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other companies.

Funds flow from operations *reflects cash generated from operating activities from continuing operations before changes in non-cash working capital. Funds flow per share is calculated as funds flow from operations divided by the weighted average number of shares outstanding for the period.*

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table reconciles cash flow from operating activities to funds flow from operations:

	Three months ended March 31, 2015	2014
Cash flow from operating activities	**$ 39,200**	$ 133,542
Adjustments:		
Changes in non-cash working capital	**12,728**	41,428
Funds flow from operations:	**$ 51,928**	$ 174,970
Weighted Average shares outstanding - basic	**197,341**	199,854
Weighted Average shares outstanding - diluted[(1)]	**197,511**	202,941

(1) Includes dilution impact of convertible debentures

Adjusted net income *is determined by adding back to net income from continuing operations any losses or deducting any gains on the derivative financial liability, adding back any losses or deducting any gains on settlement of convertible debentures, and adding back impairments. Adjusted net income per share is calculated as adjusted net income divided by the weighted average number of shares outstanding for the period.*

Dividends *paid are total declared dividends paid by Lightstream. Dividends paid per share reflect total declared dividends paid divided by the total shares outstanding.*

Cash dividends *paid are total dividends paid in cash by Lightstream. Cash dividends paid per share reflects cash dividends paid divided by the total shares outstanding.*

Payout ratio *is determined as declared dividends paid as a percentage of funds flow from operations.*

Cash payout ratio *is determined as cash dividends paid as a percentage of funds flow from operations.*

Management considers funds flow from operations, funds flow per share, adjusted net income, adjusted net income per share, dividends paid, dividends paid per share and payout ratio important as they help to evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities, pay dividends and repay debt.

EBITDA *is defined as earnings before interest, taxes, depletion and depreciation, and other non-cash items. This measure is used to evaluate compliance with certain financial covenants.*

Total debt *includes credit facility outstanding plus accounts payable less accounts receivable and prepaid expense plus the full value outstanding on the senior unsecured notes and convertible debentures converted to Canadian dollars at the exchange rate on the period end date less the value of long-term investments.*

Total debt is used to evaluate Lightstream's financial leverage.

As at,		March 31, 2015		December 31, 2014
Credit facility	$	638,233	$	572,495
Working capital deficiency:				
Accounts payable and accrued liabilities		170,159		253,320
Accounts receivable		(88,840)		(105,333)
Prepaid expenses		(7,432)		(7,861)
Senior unsecured notes[1]		1,014,583		928,028
Convertible debentures[1]		5,707		7,541
Long-term investments		(1,162)		(1,328)
Total Debt	$	1,731,248	$	1,646,862

(1) Converted using US$/CDN$ period end exchange rate of 0.79 at March 31, 2015 (December 31, 2014 - 0.86).

Operating netback *reflects revenues less royalties, transportation costs and production expenses divided by production for the period. Operating netback demonstrates profitability relative to commodity prices per unit of production.*

Net capital expenditures *represent capital expenditures from continuing operations, including exploration and evaluation expenditures and asset acquisitions, less proceeds from asset dispositions from continuing operations.*

Sustainability Ratio *is a comparison of a company's annual cash outflows (capital investment, prior to acquisitions and dispositions, and cash dividends) to its annual cash inflows (funds flow) and is used by the Company to assess the appropriateness of its dividend level and the long-term ability to fund its development plan.*

Forward-Looking Statements

Certain information provided in this MD&A constitute forward-looking statements. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy", and similar expressions and statements relating to matters that are not historical facts constitute forward-looking information within the meaning of applicable Canadian securities legislation.

In particular, forward-looking statements include, but are not limited to: Lightstream's guidance for 2015 as outlined under the 2015 Guidance section, including planned capital spending, production targets and anticipated product type weighting; expectations regarding realized oil and natural gas prices; proposed exploration and development activities (including the number of wells to be drilled, completed and put on production); sources of capital; expectation that funds flow will exceed capital expenditures in 2015 and plans to reduce debt with excess funds flow; anticipated impact of the use of financial commodity derivatives and foreign exchange contracts on the stability of cash flows; anticipated cash interest savings as a result of 2014 debt retirement; and a number of other matters including future results from operations; projected financial results and future capital and operating costs.

The forward-looking statements in this MD&A are based upon certain material factors and expectations and assumptions of Lightstream including, without limitation: that Lightstream will continue to conduct operations in a manner consistent with past operations; the general continuance of current industry conditions; the *continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes, the accuracy of the estimates of Lightstream's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate financing and cash flow to fund our planned expenditures. Although Lightstream believes the material factors, expectations and assumptions on which the forward-looking statements are based are reasonable, no assurance can be given that these factors, expectations and assumptions will prove to be correct.*

The forward-looking statements in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, but not limited to: changes in commodity prices and exchange rates; general conditions in the oil and gas industry; operational risks in development, exploration and production; unanticipated operating results or production declines; changes in exploration or development plans; the uncertainty of oil and gas reserve estimates; increase in costs; reliance on industry partners; availability of equipment and personnel; changes in tax or environmental laws, royalty rates or other regulatory matters; increased debt levels or debt service requirements; limited, unfavorable or lack of access to capital markets; a lack of adequate insurance coverage; the impact of competition; and certain other risks detailed from time to time in Lightstream's public disclosure documents (including, without limitation, those risks set out in more detail in this MD&A and in our Annual Information Form).

The forward-looking statements contained in this MD&A speak only as of the date of this MD&A and, except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

Additional Information

Further information regarding Lightstream Resources Ltd., including our Annual Information Form, can be accessed under the Company's public filings found at http://www.sedar.com and on the Company's website at www.lightstreamresources.com.

INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited, thousands of Canadian dollars)

As at,	Note	March 31, 2015	December 31, 2014
Assets			
Current assets			
Accounts receivable		**$ 88,840**	$ 105,333
Prepaid expenses		**7,432**	7,861
Risk management assets	13	**58,243**	66,712
		154,515	179,906
Long-term investments		**1,162**	1,328
Exploration and evaluation	4	**309,649**	335,837
Property, plant and equipment	5	**3,278,842**	3,276,141
Total assets		**$ 3,744,168**	$ 3,793,212
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 170,159**	$ 253,320
Convertible debentures	7	**5,457**	—
		175,616	253,320
Secured termed credit facility	6	**634,799**	568,668
Senior unsecured notes	8	**995,016**	909,402
Convertible debentures	7	**—**	7,172
Other long-term liabilities		**7,851**	8,344
Decommissioning liabilities	9	**221,790**	198,387
Deferred tax liabilities		**437,951**	451,448
		2,473,023	2,396,741
Shareholders' equity			
Shareholders' capital	10	**2,359,268**	2,358,361
Contributed surplus	10	**165,127**	164,619
Deficit		**(1,253,250)**	(1,126,509)
Total shareholders' equity		**1,271,145**	1,396,471
Total liabilities and equity		**$ 3,744,168**	$ 3,793,212

Commitments (Note 15) Subsequent events (Note 6, 13)
See accompanying notes to these interim consolidated financial statements.

Approved by the Board of Directors

Kenneth McKinnon
Chairman of the Board of Directors

Ian Brown
Director

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(Unaudited, thousands of Canadian dollars, except per share amounts)

Three months ended March 31,	Note		2015		2014
Revenues					
Oil and natural gas sales		$	**121,131**	$	325,234
Royalties			**(14,586)**		(46,517)
Oil and natural gas revenues			**106,545**		278,717
Gain (loss) on risk management contracts	13		**21,373**		(8,292)
			127,918		270,425
Expenses					
Production			**39,523**		54,983
Transportation			**934**		1,745
General and administrative			**12,947**		11,642
Share-based compensation			**1,411**		4,652
Loss (gain) on dispositions	5		**1,888**		(27,778)
Long-term investments loss			**166**		1,245
Interest and other	3		**28,954**		34,649
Foreign exchange loss			**89,007**		39,344
Depletion and depreciation expense	5		**93,326**		121,751
			268,156		242,233
(Loss) income before taxes			**(140,238)**		28,192
Income tax (recovery) expense			**(13,497)**		13,790
Net (loss) income and comprehensive (loss) income		$	**(126,741)**	$	14,402
Basic (loss) income per share	11	$	**(0.64)**	$	0.07
Diluted (loss) income per share	11	$	**(0.64)**	$	0.07

See accompanying notes to these interim consolidated financial statements.

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, thousands of Canadian dollars)

	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
January 1, 2015	$ 2,358,361	$ 164,619	$ (1,126,509)	$ 1,396,471
Net loss	—	—	(126,741)	(126,741)
Issued under employee incentive plan	4	—	—	4
Share-based compensation	—	1,411	—	1,411
Share-based settlements	903	(903)	—	—
March 31, 2015	**$ 2,359,268**	**$ 165,127**	**$ (1,253,250)**	**$ 1,271,145**

	Common Shares	Contributed Surplus	Deficit	Total Shareholders' Equity
January 1, 2014	$ 2,386,052	$ 134,923	$ (588,171)	$ 1,932,804
Net income	—	—	14,402	14,402
Issued under employee incentive plan	11	—	—	11
Share-based compensation	—	4,652	—	4,652
Share-based settlements	3,495	(3,495)	—	—
Dividends	—	—	(24,298)	(24,298)
March 31, 2014	**$ 2,389,558**	**$ 136,080**	**$ (598,067)**	**$ 1,927,571**

See accompanying notes to these interim consolidated financial statements.

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited, thousands of Canadian dollars)

Three months ended March 31,	Note	2015	2014
Operating Activities			
Net (loss) income		**$ (126,741)**	$ 14,402
Adjusted for:			
Depletion and depreciation		**93,326**	121,751
Income tax (recovery) expense		**(13,497)**	13,790
Unrealized loss on risk management contracts	13	**8,469**	7,397
Unrealized foreign exchange loss		**85,479**	36,914
Share-based compensation		**1,411**	4,652
Loss (gain) on dispositions	5	**1,888**	(27,778)
Unrealized loss on long-term investments		**166**	1,245
Non-cash interest and other		**1,968**	2,885
Decommissioning liabilities settled	9	**(541)**	(288)
		51,928	174,970
Changes in non-cash working capital	14	**(12,728)**	(41,428)
		39,200	133,542
Investing Activities			
Expenditures on property, plant, and equipment	5	**(60,153)**	(198,791)
Exploration and evaluation expenditures	4	**(101)**	(557)
Proceeds from dispositions	5	**11,323**	113,745
Changes in non-cash working capital	14	**(50,390)**	64,932
		(99,321)	(20,671)
Financing Activities			
Issuance of shares		**4**	11
Issuance (repayment) of secured termed credit facility – net of costs		**65,738**	(88,383)
Repurchase of convertible debentures	7	**(2,007)**	—
Dividends paid		**—**	(24,298)
Changes in non-cash working capital	14	**(3,614)**	(201)
		60,121	(112,871)
Net change in cash and cash equivalents		**—**	—
Cash and cash equivalents, beginning of period		**—**	—
Cash and cash equivalents, end of period		**$ —**	$ —
Other cash flow information			
Cash interest paid		**$ 26,986**	$ 31,764

See accompanying notes to these interim consolidated financial statements.

Note 1 – Corporate Information and Basis of Presentation

Corporate Information

Lightstream Resources Ltd. ("Lightstream" or the "Company"), is a Canadian corporation with shares listed on the Toronto Stock Exchange ("TSX"). The records office and principal address is located at 2800, 525 -8th Avenue SW, Calgary, Alberta T2P 1G1.

The Company is principally engaged in the exploration and development of oil and natural gas in western Canada.

Basis of Presentation and Statement of Compliance

The interim consolidated financial statements for Lightstream as at March 31, 2015 and for the three months ended March 31, 2015 and 2014 should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2014. The interim consolidated financial statements are prepared using the same accounting policies and methods of computation as disclosed in the annual consolidated financial statements.

The interim consolidated financial statements are stated in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the presentation of interim financial statements and in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*.

These interim consolidated financial statements were authorized for issue by the Board of Directors on May 4, 2015.

Note 2 – Changes in Accounting Policies

Future Accounting Pronouncements

IFRS 9 - Financial Instruments

Since November 2009, the IASB has been in the process of completing a three-phase project to replace IAS 39, “Financial Instruments: Recognition and Measurement” with IFRS 9, which includes requirements for hedge accounting, accounting for financial assets and liabilities and impairment of financial instruments. As of July 2014, the IASB completed the final elements of IFRS 9, setting the mandatory effective date of to January 1, 2018. The Company will assess the effect of this future pronouncement on its financial statements.

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB and FASB jointly issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 18 Revenue, IAS 11 Construction Contracts and other revenue related interpretations. The mandatory effective date is January 1, 2017. The Company will assess the effect of this future pronouncement on its financial statements.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Note 3 – Interest and Other

The interest and other costs for the Company are as follows:

Three months ended March 31,		**2015**		2014
Interest on unsecured termed debt (1)	**$**	**21,481**	$	21,113
Interest on secured termed credit facility and other		**5,505**		10,651
Cash interest and other		**26,986**		31,764
Accretion on unsecured termed debt		**848**		772
Accretion on decommissioning liability		**1,148**		1,705
Amortization of deferred financing costs		**393**		411
Other (2)		**(421)**		(3)
Interest and Other	**$**	**28,954**	$	34,649

(1) Unsecured termed debt consists of senior unsecured notes and convertible debentures.

(2) Other comprised of gain on retirement of unsecured termed debt and gain on deferred financial liability.

Note 4 – Exploration and Evaluation Assets

As at,		**March 31, 2015**		December 31, 2014
Exploration and evaluation assets, beginning of period	**$**	**335,837**	$	550,337
Additions[1]		**101**		5,939
Dispositions[1]		**(11,795)**		(154,923)
Transfers to property, plant and equipment		**(14,494)**		(65,516)
Exploration and evaluation assets, end of period	**$**	**309,649**	$	335,837

(1) Includes $nil (2014 - $1.5 million) of non-cash consideration.

Note 5 – Property, Plant and Equipment

		Oil and Natural Gas Assets		**Other (1)**		**Total**
Balance as at December 31, 2014	**$**	**3,267,293**	**$**	**8,848**	**$**	**3,276,141**
Cost						
As at January 1, 2015	$	6,250,054	$	43,636	$	6,293,690
Additions (2)		82,949		—		82,949
Dispositions		(2,878)		—		(2,878)
Transfers from exploration and evaluation assets		14,494		—		14,494
As at March 31, 2015	$	6,344,619	$	43,636	$	6,388,255
Depletion and Depreciation						
As at January 1, 2015	$	2,982,761	$	34,788	$	3,017,549
Charge for the period		92,135		1,191		93,326
Dispositions		(1,462)		—		(1,462)
As at March 31, 2015	$	3,073,434	$	35,979	$	3,109,413
Balance as at March 31, 2015	**$**	**3,271,185**	**$**	**7,657**	**$**	**3,278,842**

(1) Other fixed assets are mainly comprised of office furniture and fixtures, and computer equipment.

(2) Includes $22.8 million of asset retirement costs.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Asset dispositions

During the three months ended March 31, 2015, the Company recognized a loss on dispositions of $1.0 million resulting from the sales of non-core assets for net proceeds of $12.2 million, as well as adjustments to dispositions that occurred in 2014 of $0.9 million for a total loss of $1.9 million (2014 - proceeds of $117.1 million, $3.4 million of which was comprised of non-cash asset swaps).

Note 6 – Secured Termed Credit Facility

The Company has a secured extendible revolving credit facility ("credit facility") in the amount of $1.15 billion (December 31, 2014 - $1.15 billion) with a syndicate of lenders with a maturity date of June 2, 2017. The lending amount available under this credit facility may be subject to a borrowing base determination if requested by a majority of lenders on an annual basis. The maturity date may, at the request of the Company and with consent of the lenders, be extended on an annual basis. The credit facility has an accordion feature allowing the Company, at any time during the term, on participation of any existing or additional lenders, to increase the facility by $100 million to $1.25 billion. The Company is being proactive in managing debt and is in advanced stages of renegotiating debt terms with the credit facility lenders to avoid potential covenant issues through the downside of this commodity cycle. The Company is in compliance with all financial covenants on its credit facility. Refer to Note 12 for details.

As at,		**March 31, 2015**		December 31, 2014
Secured termed credit facility outstanding	**$**	**638,233**	$	572,495
Deferred financing costs		**(3,434)**		(3,827)
Secured termed credit facility	**$**	**634,799**	$	568,668

The Company had letters of credit issued to third parties totaling $9.2 million (December 31, 2014 - $5.5 million), which reduce the borrowing capacity under the credit facility.

Note 7 - Convertible Debentures

At March 31, 2015, Lightstream had US$4.5 million of unsecured convertible debentures outstanding maturing in February 2016.

During the quarter, the Company repurchased $2.4 million (US$2.0 million) principal amount of the convertible debentures outstanding for an aggregate purchase price of $2.0 million (US$1.6 million).

Upon conversion, based on the adjusted conversion price of US$26.49 at March 31, 2015, a minimum of 169,907 common shares may be issued. The Company is in compliance with the financial covenants on its convertible debenture. Refer to Note 12 for details.

Note 8 – Senior Unsecured Notes

The Company had US$800 million of Senior Unsecured Notes (the “Notes”) outstanding at March 31, 2015 (December 31, 2014 - US$800 million). The Notes bear interest at a rate of 8.625% per annum and mature on February 1, 2020. The Notes are subordinate to Lightstream's credit facility. The Company is in compliance with all financial covenants on its Notes. Refer to Note 12 for details.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

The following table summarizes the Notes:

As at,	March 31, 2015	December 31, 2014
Notes, beginning of period	$ 909,402	$ 935,191
Repurchase of Notes	—	(103,847)
Gain on settlement	—	(4,002)
Accretion	779	2,855
Changes in exchange rate	84,835	79,205
Notes, end of period	$ 995,016	$ 909,402

Note 9 – Decommissioning Liabilities

The total future decommissioning liabilities were estimated by management based on the Company's net ownership interest in all wells, gathering lines and facilities, estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred.

Changes to decommissioning liabilities were as follows:

	March 31, 2015	December 31, 2014
Balance, beginning of period	$ 198,387	$ 234,511
Change in estimate	21,035	16,508
Obligations incurred	1,761	9,666
Obligations acquired	—	895
Obligations disposed	—	(63,386)
Obligations settled	(541)	(4,675)
Accretion	1,148	4,868
Balance, end of period	$ 221,790	$ 198,387

The decommissioning liabilities have been calculated using an inflation rate of 2.0% and discounted using a risk free rate of 2.0% per annum (December 31, 2014 – inflation rate of 2.0% and risk free rate of 2.5%). Most of these obligations are not expected to be paid for several years extending up to 45 years in the future and are expected to be funded from the general resources of the Company at the settlement date. The change in estimate primarily relates to changes in the risk free rate.

Note 10 – Shareholders' Capital

Authorized

The authorized share capital of Lightstream consists of an unlimited number of common shares without nominal or par value.

Normal Course Issuer Bid

During the year ended December 31, 2014, the Company repurchased and canceled 3,499,121 shares at an average price of $2.86 per share. Of the $10 million paid, $41.8 million reduced the book value of the common shares and $31.8 million was recorded as an increase to contributed surplus. The Company did not repurchase any shares for cancellation during the three months ended March 31, 2015.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Shareholders' Capital

	March 31, 2015		December 31, 2014	
Share Continuity (thousands of shares)	**Number**	**Amount**	Number	Amount
Balance, beginning of period	**197,304**	**$ 2,358,361**	199,774	$ 2,386,052
Repurchase of common shares	**—**	**—**	(3,499)	(41,779)
Issued pursuant to dividend reinvestment plan/stock dividend plan	**—**	**—**	—	—
Exercise of stock options, incentive shares and deferred common shares	**84**	**4**	1,029	133
Share-based settlement on exercises	**—**	**903**	—	13,955
Balance, end of period	**197,388**	**$ 2,359,268**	197,304	$ 2,358,361

Contributed Surplus

Changes in Contributed Surplus		**Amount**
Balance at January 1, 2014	$	134,923
Share-based compensation		11,889
Share-based settlement		(13,955)
Normal course issuer bid		31,762
Balance at December 31, 2014	$	164,619
Share-based compensation		1,411
Share-based settlement		(903)
Balance at March 31, 2015	**$**	**165,127**

Dividends

On January 19, 2015, the Company suspended the monthly dividend. The Company paid no dividends for the three months ended March 31, 2015 (2014 - $24.3 million).

Stock Options, Incentive Shares, Deferred Common Shares

Stock Options

Options granted under the stock option plan have an exercise price that is no less than the five day weighted average trading price of the Company's common shares on the TSX prior to the date of the grant. Stock option terms are determined by the Company's Board of Directors, but typically options vest over a period of one to four years from the date of grant and expire between five and 10 years from the date of the grant.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

The following is a continuity of stock options outstanding:

	March 31, 2015		December 31, 2014	
(thousands of shares)	**Stock Options**	**Weighted-Average Exercise Price**	Stock Options	Weighted-Average Exercise Price
Balance, beginning of period	**1,161**	**$ 10.27**	9,489	$ 10.96
Granted	**—**	**—**	572	7.38
Exercised	**—**	**—**	(11)	7.57
Expired	**—**	**—**	(10)	14.33
Forfeited	**(181)**	**10.33**	(2,231)	10.81
Modified	**—**	**—**	(6,648)	10.82
Balance, end of period	**980**	**$ 10.26**	1,161	$ 10.27
Exercisable	**412**	**$ 10.60**	404	$ 10.78

The following table summarizes information about stock options outstanding at March 31, 2015:

Stock Options Outstanding

Range of exercise prices	Number (thousands of shares)	Weighted - Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price
$3.94 - $8.15	323	2.5	$ 7.49
$8.16 - $11.52	383	2.4	10.49
$11.53 - $23.12	274	1.6	13.20
	980	**2.2**	**$ 10.26**

Incentive Shares

The following is a continuity of incentive shares outstanding:

(thousands of shares)	**March 31, 2015**	December 31, 2014
Balance, beginning of period	**4,225**	4,142
Granted	**2**	1,622
Exercised	**(84)**	(909)
Forfeited	**(326)**	(630)
Balance, end of period	**3,817**	4,225
Exercisable (1)	**1,186**	1,128

(1) Incentive shares vested and exercisable into common shares at $0.05 per share.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Deferred Common Shares

The following is a continuity of deferred common shares outstanding:

(thousands of shares)	**March 31, 2015**	December 31, 2014
Balance, beginning of period	**665**	461
Granted	**—**	314
Exercised	**—**	(110)
Balance, end of period	**665**	665
Exercisable (1)	**221**	62

(1) Deferred Common Shares vested and exercisable into common shares at $0.05 per share.

Note 11 – Earnings per Share

The following table summarizes the basic and diluted weighted average number of common shares used in calculating earnings per share:

Three months ended March 31,	**2015**	2014
Weighted average common shares outstanding, basic (1)	**197,341**	199,854
Effect of:		
Stock options	**—**	1
Incentive shares	**—**	2,184
Deferred common shares	**—**	677
Weighted average common shares outstanding, diluted (1)	**197,341**	202,716
Net loss and comprehensive loss	**$ (126,741)**	$ 14,402
Basic earnings (loss) per share	**(0.64)**	0.07
Diluted earnings (loss) per share	**$ (0.64)**	$ 0.07

(1) Thousands of shares.

For the three months ended March 31, 2015, the Company incurred a net loss and therefore, the effect of 3.8 million incentive shares and 0.6 million deferred common shares was excluded as it would be anti-dilutive (2014 - 8.8 million stock options, nil incentive shares, and nil deferred common shares).

The 169,907 common shares issuable on the conversion of the debentures (2014 - 225,338) were considered anti-dilutive and were excluded from the weighted average number of shares on a diluted basis.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Note 12 – Capital Management

The Company's policy is to maintain a strong capital base in order to provide flexibility for the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's capital structure includes common shares, credit facility outstanding, convertible debentures, senior unsecured notes and working capital. In order to maintain or adjust the capital structure, from time to time, the Company may issue/repurchase common shares, issue/repurchase debt or other securities, sell assets or adjust capital spending or dividend payments to manage current and projected debt levels.

As at,	**March 31, 2015**	December 31, 2014
Working capital deficit[1]	**$ 73,887**	$ 140,126
Secured termed credit facility – principal	**638,233**	572,495
Convertible debentures – principal amount (US$)	**4,500**	6,500
Senior unsecured notes – principal amount (US$)	**799,955**	799,955
Shareholders' capital	**2,359,268**	2,358,361
Secured termed credit facility – lending limit	**$ 1,150,000**	$ 1,150,000
Available credit capacity [2]	**$ 502,612**	$ 572,005

(1) Working capital deficit is calculated as accounts payable and accrued liabilities less accounts receivable and prepaid expenses.
(2) Available credit capacity reduced by $9.2 million (December 31, 2014 - $5.5 million) to reflect issued letters of credit.

The Company monitors leverage and adjusts its capital structure based on the ratio of debt to annualized earnings before interest, taxes and non-cash items and the amount of credit facility capacity it has available. At March 31, 2015, the ratio of debt to trailing twelve month earnings before interest, taxes and non-cash items ("Adjusted EBITDA") was 3.1 to 1, and the Company had $502.6 million of credit facility capacity available. Lightstream uses the ratio of debt to Adjusted EBITDA and available credit facility capacity as key indicators of the Company's leverage and to monitor the strength of the balance sheet. In order to facilitate the management of these measures, the Company prepares annual budgets, which are updated as necessary depending on varying factors, including current and forecast commodity prices, changes in capital structure, execution of the Company's business plan and general industry conditions. The annual budget is approved by the Lightstream Board of Directors and updates are prepared and reviewed as required.

The Company is in compliance with the financial covenants in the credit facility. At March 31, 2015,the credit facility had financial covenants that limited the ratio of secured debt (defined as total drawn on the credit facility) to Adjusted EBITDA on a trailing twelve month basis to 3:1 (March 31, 2015 - 1.2:1), limited the ratio of total debt (defined as total drawn on the credit facility plus value of outstanding convertible debentures plus value of senior unsecured notes in Canadian dollars) to EBITDA adjusted for certain non-cash items on a trailing 12 month basis to 4:1 (March 31, 2015 - 3.1:1), and limited secured debt to 50% of total debt plus total equity (March 31, 2015 - 21.1%).

The Company is in compliance with its financial covenants on its Notes. The Notes contain covenants that could limit the Company's ability to issue additional debt, pay dividends, and repurchase stock, among other restrictions.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

The Company is in compliance with the financial covenants on its convertible debentures. The convertible debenture agreement stipulates that the ratio of secured debt to total assets is not to exceed 35% (March 31, 2015 - 17.2%).

Due to current economic conditions and prices, compliance of financial covenants is highly dependent on realized oil pricing in 2015. The Company is currently in compliance with all financial covenants, however, sustained low WTI prices could bring the Company close to the threshold of a debt to Adjusted EBITDA covenant under the facility before the end of 2015. The Company is proactive in managing debt and is in advanced stages of renegotiating debt terms and related covenant requirements with the credit facility lenders to ensure continued compliance with revised covenants.

Note 13 – Financial Instruments and Financial Risk Management

The Company uses derivative instruments to reduce its exposure to fluctuations in commodity prices and foreign exchange rates.

Foreign Exchange Contracts

Lightstream, from time to time, enters into short-term foreign exchange contracts for its USD interest payments and other routine transactions. The following is a summary of foreign exchange contracts in place at March 31, 2015:

Foreign exchange risk management contracts

Settlement	Type		Amount (US$)	Rate (US$/CDN$)
Jul. 2015	Forward	$	3,000	0.80[1]

[1] Prices are the volume weighted average prices for the period.

There were additional contracts entered into subsequent to March 31, 2015. Below is the summary of contracts that were entered into as of the date of this report:

Foreign exchange risk management contracts

Settlement	Type		Amount (US$)	Rate (US$/CDN$)
Jul. 2015	Forward	$	21,000	0.81[1]

[1] Prices are the volume weighted average prices for the period.

Commodity Contracts

The Company uses derivative instruments to reduce its exposure to fluctuations in commodity prices. The following is a summary of crude oil derivative contracts in place as at March 31, 2015:

Crude Oil Price Risk Management Contracts – WTI

Remaining Term	Volume (bopd)	Average Price ($/bbl) [1]	Type
Apr. 2015 – Jun. 2015	7,750	US$80.81 floor/US$103.75 ceiling	Costless Collar
Jul. 2015 – Dec. 2015	4,796	US$80.52 floor/US$103.35 ceiling	Costless Collar
Apr. 2015 - Dec. 2015	473	US$54.30	Fixed Price Swap

[1] Prices are the volume weighted average prices for the period.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

There were additional contracts entered into subsequent to March 31, 2015. Below is the summary of contracts that were entered into as of the date of this report.

Crude Oil Price Risk Management Contracts – WTI

Remaining Term	Volume (bopd)	Average Price ($/bbl) [1]	Type
Apr. 2015 – Jun. 2015	7,750	US$80.81 floor/US$103.75 ceiling	Costless Collar
Jul. 2015 – Dec. 2015	4,796	US$80.52 floor/US$103.35 ceiling	Costless Collar
Apr. 2015 - Dec. 2015	1,364	US$56.45	Fixed Price Swap

(1) Prices are the volume weighted average prices for the period.

The following is a summary of the fair value risk management contracts in place at March 31, 2015 and December 31, 2014:

As at,	March 31, 2015			December 31, 2014		
	Asset	**Liability**	**Net**	Asset	Liability	Net
Crude oil	**$ 58,210**	**$ —**	**$ 58,210**	$ 66,712	$ —	$ 66,712
Foreign exchange	**33**	**—**	**33**	—	—	—
Total	**$ 58,243**	**$ —**	**$ 58,243**	$ 66,712	$ —	$ 66,712

Fair Value of Financial Derivative Contracts

The unrealized gain/loss represents the fair value of the underlying risk management contracts to be settled in the future. The realized gain/loss represents the risk management contracts settled during the period.

The table below summarizes the components of risk management contracts:

Three months ended March 31,	2015	2014
Realized gain (loss) on risk management contracts:		
Crude oil derivative contracts	**$ 28,353**	$ (420)
Natural gas derivative contracts	**—**	(1,398)
Foreign exchange contracts	**1,489**	923
	29,842	(895)
Unrealized gain (loss) on risk management contracts:		
Crude oil derivative contracts	**(8,502)**	(4,956)
Natural gas derivative contracts	**—**	(2,273)
Foreign exchange contracts	**33**	(168)
	(8,469)	(7,397)
Gain (loss) on risk management contracts	**$ 21,373**	$ (8,292)

Fair value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, long-term investments, accounts payable and accrued liabilities, risk management assets and liabilities, secured termed credit facility, convertible debentures, and senior unsecured notes on the consolidated balance sheet.

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities, their carrying value approximates their fair value. The credit facility bears interest at a floating rate and accordingly the fair value approximates the carrying value excluding deferred financing costs.

The carrying value and fair value of these financial instruments at March 31, 2015 is disclosed below by financial instrument classification:

	March 31, 2015		December 31, 2014	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Accounts receivable	**88,840**	**88,840**	105,333	105,333
Long-term investments (1)	**1,162**	**1,162**	1,328	1,328
Risk management asset(2)	**58,243**	**58,243**	66,712	66,712
Financial Liabilities				
Accounts payable and accrued liabilities	**170,159**	**170,159**	253,320	253,320
Secured termed credit facility	**634,799**	**638,233**	568,668	572,495
Convertible debentures(1)	**5,457**	**4,566**	7,172	6,033
Senior unsecured notes(1)	**995,016**	**720,354**	909,402	651,976

(1) Level 1
(2) Level 2

(Unaudited, all tabular amounts are expressed in thousands of Canadian dollars unless otherwise noted)

Note 14 – Changes in Non-Cash Working Capital

Three months ended March 31,	2015	2014
Change in:		
Accounts receivable	$ 16,493	$ (23,690)
Prepaid expenses	429	(1,571)
Accounts payable and accrued liabilities	(83,161)	49,178
Other	(493)	(614)
	$ (66,732)	$ 23,303
Changes relating to:		
Attributable to operating activities	$ (12,728)	$ (41,428)
Attributable to investing activities	$ (50,390)	$ 64,932
Attributable to financing activities	$ (3,614)	$ (201)

Note 15 – Commitments and Contingencies

The following is a summary of the estimated costs required to fulfill the Company's remaining contractual commitments at March 31, 2015:

Type of commitment	1 Year	2-3 Years	4-5 Years	Thereafter	Total
Office leases (1)	6,304	12,194	11,533	8,652	38,683
Drilling and completion rigs	113	—	—	—	113
Other	117	39	—	—	156
Total	**$ 6,534**	**$ 12,233**	**$ 11,533**	**$ 8,652**	**$ 38,952**

(1) Includes sublease recoveries of $1.4 million (1 Year), $1.4 million (2-3 Years).

Note 16 – Related Party Transactions

Related Parties

Petrobank Energy Resources Ltd. ("Petrobank") was considered a related party as both companies had the same Chief Executive Officer up until April 30, 2014 after which time they were no longer related parties.

In the three months ended March 31, 2015, Lightstream had the following transactions with Petrobank:

• Management services agreement provided for certain executive functions and legal services. The fee was based on a negotiated value for services provided. In the three months ended March 31, 2014, Lightstream received $0.1 million in management fees and there was $nil in accounts receivable at December 31, 2014. The management service agreement was canceled effective April 30, 2014.

• Natural gas was purchased by Petrobank from Lightstream. The production sold was based on market prices. The total value of gas sold was $0.2 million for the three months ended March 31, 2014. At December 31, 2014 there was $nil in accounts receivable related to gas sold. On April 30, 2014, Petrobank merged with Touchstone Exploration Inc. At December 31, 2014 there was $0.2 million in accounts receivable related to gas sold.

CORPORATE INFORMATION

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Kenneth McKinnon (1) (3) (5)
Calgary, Alberta

Corey C. Ruttan
Calgary, Alberta

Dan Themig (2) (4)
Calgary, Alberta

W. Brett Wilson (2)
Calgary, Alberta

John D. Wright(2)
Calgary, Alberta

(1) Member of the Audit Committee
(2) Member of the Reserves Committee
(3) Member of the Compensation Committee
(4) Member of the Nominating Committee
(5) Chairman of the Board of Directors

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Sproule Associates Limited
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EXCHANGE LISTING

The Toronto Stock Exchange
SYMBOL: LTS

OFFICERS

Annie Belecki
General Counsel

Mary Bulmer
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Lawrence Fisher
Vice President, Land

Lars Glemser
Treasurer

Peter Hawkes
Vice President, Geosciences

Rene LaPrade
Senior Vice President and
Chief Operating Officer

Brad Malley
Vice President, Development Services

Doreen Scheidt
Vice President and Controller

Peter D. Scott
Senior Vice President and Chief Financial Officer

John D. Wright
President and Chief Executive Officer

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SECURITIES FILINGS

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Information requests and other investor relations inquiries can be directed to ir@lightstreamres.com or by telephone at (403) 268-7800. Additional corporate information can be obtained through Lightstream's website at http://www.lightstreamresources.com

TAB 6(O)

This is Exhibit "O" referred to in the Affidavit
of **DAVID KIRSCH** sworn before me
this 29th day of July, 2015

Notary Public

TREVOR WIESSMANN, ESQ.
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02WI6198048
Qualified in Kings County
Commission Expires Dec. 15, 2016

TREVOR WIESSMANN NOTARY PUBLIC STATE OF NEW YORK

NEWS RELEASES

Return to News Releases

CALGARY, ALBERTA--(Marketwired - May 21, 2015) - Lightstream Resources Ltd. (the "Company" or "Lightstream") (TSX:LTS) announces the renegotiated terms agreed to with lenders in our secured revolving credit facility.

Further to our first quarter results press release of May 5, 2015, we have concluded negotiations and received signed commitments from our lending syndicate for an amended credit facility which is subject to execution of a definitive agreement by the parties. The amended credit facility provides for a borrowing base of $750 million, subject to re-determination on a semi-annual basis, and the same maturity date of June 2, 2017, subject to further extension. During the term of the amended facility, the Company will not pay cash dividends without the unanimous consent of the lenders. The facility now has a single financial covenant that limits the ratio of facility borrowing to trailing twelve month EBITDA to:

January 1, 2015 - September 30, 2015 - 3.0x

October 1, 2015 - June 30, 2016 - 3.75x

July 1, 2016 - December 31, 2016 - 4.25x

January 1, 2017 - June 2, 2017 - 4.0x

As of March 31, 2015, we had $638 million of debt drawn on our credit facility compared to $1.07 billion as of March 31, 2014. Furthermore, over the same period our accounts payable have been reduced by $174 million and the face value of our senior unsecured notes reduced by US$100 million. On a pro forma basis at March 31, 2015, we would have approximately $105 million of available credit. For the remainder of 2015, based on our guidance, we expect to further reduce the amount borrowed on our credit facility from first quarter levels with excess free funds flow, assuming a WTI oil price of US$55.00/bbl for the second half of the year.

The revised borrowing base and amendments to our covenants are expected to provide an appropriate level of liquidity and covenant relief during the current low-price commodity environment and support an acceleration of our drilling program should oil prices increase and/or costs come down.

Given the timing of these developments, we will not be hosting a conference call. Please direct any questions to the contacts below.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

Forward Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to, but not limited to Lightstream's guidance for 2015, the finalization of the amendment of our credit facility; our liquidity position; and expectation that funds flow will exceed capital expenditures in 2015.

The forward-looking statements are based upon certain material factors and expectations and assumptions of Lightstream including, without limitation: that a formal credit facility agreement on the terms stated herein will be executed by the parties; Lightstream will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes, the accuracy of the estimates of Lightstream' s reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate financing and cash flow to fund its planned expenditures. Although Lightstream believes the material factors, expectations and assumptions on which the forward-looking statements are based are reasonable, no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking statements in this press release are not guarantees of future performance and should not be unduly relied upon. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, but not limited to: failure to formalize the amended credit on anticipated terms; changes in commodity prices and exchange rates; general conditions in the oil and gas industry; operational risks in development, exploration and production; unanticipated operating results or production declines; delays or changes in exploration or development plans; the uncertainty of oil and gas reserve estimates; increase in costs; reliance on industry partners; availability of equipment and personnel; changes in tax or environmental laws, royalty rates or other regulatory matters; increased debt levels or debt service requirements; limited, unfavorable or lack of access to capital markets; a lack of adequate insurance coverage; and the impact of competition. Certain of these risks are set out in more detail in our Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

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Lightstream Resources Ltd.
Investor Relations
403.268.7800
403.218.6075 (FAX)
ir@lightstreamres.com
www.lightstreamresources.com

TAB 7

Form 49

[Rule 13.19]

Clerk's Stamp

CLERK OF THE COURT
FILED
JUL 04 2016
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	CV-1501-07813
COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Calgary
APPLICANT	FRONTFOUR CAPITAL CORP. FRONTFOUR CAPITAL GROUP LLC
RESPONDENT	LIGHTSTREAM RESOURCES LTD.
DOCUMENT	**AFFIDAVIT OF STEPHEN LOUKAS**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** 2100 Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Tel: 416.869.5300 Fax: 416.360.8877 Timothy Pinos Tel: 416.869.5784 Fax: 416.350.6903 tpinos@casselsbrock.com Stephanie Voudouris Tel: 416.860.6617 Fax: 416.642.7145 svoudouris@casselsbrock.com

AFFIDAVIT OF: STEPHEN LOUKAS

SWORN ON: June , 2016

I, Stephen Loukas, of the City of New York in the State of New York, in the United States of America, Managing Member, Partner, and Portfolio Manager at FrontFour Capital Group LLC, SWEAR THAT:

1. I am a Managing Member, Partner, and Portfolio Manager at FrontFour Capital Group LLC. FrontFour Capital Group LLC, is the Investment Advisor to the FrontFour Master Fund Ltd. and separately managed accounts. FrontFour Capital Group LLC is headquartered in Greenwich, Connecticut, USA.

2. FrontFour Capital Corp., is the Investment Fund Manager and Portfolio Manager of the FrontFour Opportunity Fund. FrontFour Capital Corp is based in Toronto, Ontario. Collectively in this affidavit, I will refer to the plaintiffs FrontFour Capital Corp. and FrontFour Capital Group LLC as “FrontFour”.

3. I have worked at FrontFour since 2009. In my role as Managing Member, Partner, and Portfolio Manager, I am responsible for identifying new investments and play a key role in managing current investments. In this role, I am heavily involved in valuing a company’s assets and understanding a company’s financial projections to determine its go-forward value.

4. As such, I have knowledge of the matters to which I hereinafter depose, which knowledge is either personal to me, obtained from a review of the documents referred to, or, where indicated, I am advised by others in which case I verily believe such information to be true.

5. I understand that Lightstream Resources Ltd. ("**Lighstream**") has filed a motion for security for costs and I swear this affidavit in response to such motion.

The Parties and Background

6. Lightstream, is a light oil-focused exploration and production company operating in Western Canada. Lightstream is publicly traded on the Toronto Stock Exchange ("**TSX**") and its headquarters is in Calgary, Alberta. In 2013 it changed its corporate name from PetroBakken Energy Ltd. ("**PetroBakken**") to Lightstream.

7. In 2012, Lightstream issued $900 million of 8.625% Senior Notes due 2020 (the "**Unsecured Notes**") pursuant to an indenture dated January 30, 2012 by and among PetroBakken (now Lightstream) as Issuer, PetroBakken Capital Ltd and PBN Partnership as Guarantors, US Bank National Association as Trustee and Computershare Trust Company of Canada as Canadian Trustee (the "**Indenture**"). The holders of those Unsecured Notes ranked equally in their positions as creditors of Lightstream. Attached as Exhibit "**A**" to my affidavit is a true copy of the Indenture.

8. In July 2015, Lightstream announced a transaction whereby it agreed to exchange $465 million of the Unsecured Notes for $395 million of secured second lien notes (the "**Secured Notes**"), and issued a further $200 million of Secured Notes (the "**Secured Notes Transaction**" or "**Transaction**"). The Secured Notes Transaction was entered into with some (the "**Secured Transaction Parties**"), but not all, of the holders of the Unsecured Notes. Lightstream did not offer this Transaction to FrontFour, and refused to extend such offer when requested to do so.

9. The Secured Notes Transaction had the effect of promoting the Secured Transaction Parties into secured creditors, thereby placing them in a superior security position to the remaining holders of Unsecured Notes who were excluded from the Secured Notes Transaction. It also adversely affected the market price of the remaining Unsecured Notes.

10. FrontFour takes the position that the Secured Notes Transaction by Lightstream is oppressive of and unfairly prejudicial to its interests and those of its clients as a security holder of Lightstream, and unfairly disregards those interests.

FrontFour's Decision to Purchase Unsecured Notes from Lightstream & FrontFour's Reaction to the Secured Notes Transaction

11. On March 15, 2016 I was questioned by counsel for Lightstream. I provided the following information in response to counsel's questions**:**

(a) FrontFour first became interested in Lighstream around January 2014. On January 27, 2014, I attended a dinner with Badal Pandhi (one of FrontFour's analysis), Peter D. Scott (Lightstream's Chief Financial Officer) and John D. Wright (Lightstream's Chief Executive Officer). During this dinner we had extensive discussions about Lightstream and its business strategy, the Canadian oil and gas market generally, and Lightstream's balance sheet at that time.

(b) On February 11, 2015, I had a call with Mr. Pandhi, Mr. Scott, and Mr. Wright. We discussed Lightstream's forward-looking strategy, generally, and I also raised concerns with respect to Lightstream's working relationship with Apollo Global Management LLC ("**Apollo**"), one of the Secured Transaction Parties (although we did not know Lightstream was going to enter into the Secured Transaction at that time, or at any time prior to the July 2, 2015 announcement). We were concerned that Apollo would try to convince Lightstream to exchange their Unsecured Notes into bonds that were structurally senior to the existing Unsecured Notes. I specifically raised this concern on the call and was assured by Mr. Scott that no transaction was contemplated at that time and that Lightstream had ample liquidity.

(c) On March 12, 2015, Mr. Pandhi and David Lorber (one of FrontFour's Managing Members, Partners and Portfolio Managers) attended the FirstEnergy Conference. Mr. Wright and Mr. Scott also attended and we invited them to our offices on March 13, 2015. I did not attend in person but dialled in via teleconference. We discussed Lightstream generally and also discussed Lighstream's liquidity. I again asked about Lightstream's relationship with Apollo and reiterated that if Lightstream was going to pursue some type of debt exchange, they should do so by making an offer to all of the Unsecured Noteholders. In response, Mr. Wright advised (among other things) that Lightstream had ample liquidity, that there was no contemplated debt exchange, and that if Lightstream was to enter into an exchange they would offer it to all of the Unsecured Noteholders.

(d) On June 2, 2015, myself and Mr. Pandhi attended a meeting in New York with Mr. Wright. We discussed Lightstream generally. I again reiterated that if they were going to pursue some type of debt exchange, they should do so by making an offer to all of the Unsecured Noteholders. Mr. Wright advised that the financing offers the company had received were becoming more reasonable but that there was no contemplated debt exchange, and that if Lightstream was to enter into an exchange they would offer it to all of the Unsecured Noteholders. Attached as Exhibit "**B**" to my affidavit is a true copy of notes that I took of this meeting and such notes were also produced as Production No. 3818 in FrontFour's Affidavit of Records .

(e) I am advised by Mr. Pandhi, that on June 11, he had a call with Mr. Scott. Pursuant to FrontFour's answers to undertakings which I understand were served on Lightstream's counsel on May 24, 2016, Mr. Pandhi was required to explain the contents of this discussion and recalled that he asked Peter Scott about Lightstream's operations. Specifically, about Lightstream's various assets, the return profile of its operating assets, and about which competitors exhibit similar economics in each area. They did not discuss potential financings – however, Mr. Scott was asked about the likelihood of the company placing debt in front of the Unsecured Notes and he declined to comment.

(f) On June 25, 2015, I attended a dinner with Zachary George (one of FrontFour's Managing Members, Partners and Portfolio Managers) and Craig Lothian, one of Lightstream's Board Members. We made it clear that we were public investors and did not want to be in receipt of material non-public information. We then had a general discussion about Lightstream. We talked about whether or not Lightstream had a debt issue or a liquidity issue, and Mr. George and I stated that if Lightstream were to pursue some kind of debt exchange it should be offered to all of the bondholders. Mr. Lothian agreed.

(g) On July 3, 2015, after Lightstream announced the Secured Notes Transaction, I had a call with Mr. Pandhi, Mr. Wright, and Mr. Scott. I expressed my frustration rooted in the fact that Lightstream had decided to pursue a selected exchange. I reminded Mr. Wright that he had assured me numerous times that Lightstream would not do a selected exchange. Mr. Wright and Mr. Scott advised that they believed the Secured Note Transaction was in the best interest of Lightstream and that they had pursued it because they wanted to ensure a quick close. I asked about FrontFour's ability to participate on the same terms as the Secured Transaction Parties but was told that we could not participate on the same terms.

(h) On July 22, 2015, I had a call with Mr. Wright. I advised that in order for the Secured Notes Transaction to be beneficial to both FrontFour and Lightstream, we wanted to find a way to participate. On 23, 2015, I received an email from Mr. Wright advising that the "point man" at RBC is Salim Mawani and that we could talk to him about discussing FrontFour's participation in the exchange. After receiving this email, I had a call with Mr. Mawani and we discussed pricing generally. FrontFour ultimately decided not to enter into the exchange.

Lightstream's Decision to Enter Into the Secured Notes Transaction

12. I have been advised by counsel that Peter Scott, Lightstream's Chief Financial Officer was questioned by counsel on March 9, 2016. I have reviewed the transcript and note that Mr. Scott made several comments which support FrontFour's position that the Secured Notes Transaction was oppressive. Attached as Exhibit "**C**" to my affidavit is a true copy of the transcript from Mr. Scott's questioning with material non-public information redacted (the "**Transcript**"). Relevant excerpts are as follows:

(a) Mr. Scott acknowledged that Lightstream had sufficient liquidity at the time the Secured Notes Transaction was contemplated, and ultimately entered into, and that any additional liquidity acquired through the deal was not liquidity that Lightstream needed right away. The relevant portion of the transcript is as follows:

> Q. Okay. And I'd like to turn your attention specifically to paragraph 12 [of the Affidavit of David Kirsch, sworn July 29, 2015] and ask you to look at the second and third sentences, the ones that say: (As read)
>
>> Mr. Wright and Mr. Scott explained that Lightstream could obtain Canadian 1.5 billion in total secured debt and they expected Lightstream to be cash flow positive. Mr. Wright and Mr. Scott further assured me that since liquidity was not an issue, Lightstream did not need to, nor did it intend to

> restructure its debt. Do you recall saying those things to Mr. Kirsch?

A. The -- the gist of this conversation would have been we wouldn't have made an assurance. I think that's the -- the inference of the call by Mr. Kirsch. We would have discussed our liquidity situation with respect to commodity prices at that point in time and where those commodity prices were and, given that where they were at that point in time, we wouldn't have said we would have had a particular liquidity risk at that point in time.

Q. You would not have had a particular liquidity risk?

A. Correct.

Q. Okay. And do you recall whether you said or would have said that you expected Lightstream to be cash flow positive?

A. We would have been projecting positive cash flow, yes –

Q. Right. And at the time –

A. -- based on - sorry, excuse me - based on the price forecasts that we were using for our cash flow.

Q. Right. And at the time, I take it you had no active plans to restructure your debt?

A. Correct.

Q. Okay. So apart from the word "assured," you don't have

any difficulty with Mr. Kirsch's rendition of what he

remembers from the call?

A. I think that's probably correct, yeah.

....

Q. And I take it -- I understand from some of the documents or at least I take from some of the documents, and correct me if I'm wrong, that the liquidity you were adding was not liquidity that you needed right away. It was liquidity for –

A. It was –

Q. -- down the road?

> A. It was liquidity for down the road. We were worried about oil price -- oil. If you remember, oil prices were continuing to rise and still rising when – in fact when we did actually close the transaction, but we were worried that oil prices might fall in the future and that we wanted -- if we could shore up our liquidity at a reasonable cost, that we should do that.
>
> Q. Right. And in terms of the projections you were working with in early to mid May, the liquidity from this transaction would be in place to be used when? Later in 2016, early 2017?
>
> A. Probably 2017 or beyond, depending on what price – prices.
>
> ...
>
> Q. And did RBC concur with you that, while you didn't necessarily need liquidity now, this transaction could provide you with additional liquidity down the road?
>
> A. Yes, I think so.
>
> (Transcript, pp 126-128).

(b) Mr. Scott acknowledged that he never told any Unsecured Noteholders that Lightstream was contemplating a transaction that would be offered to some but not all of the Unsecured Noteholders:

> Q. Do you recall ever stating -- do you recall ever stating to any bondholder or investor that you were contemplating a private transaction that would involve exchange of some, but not all of the bonds or that would not be open to all bondholders?
>
> A. No. My discussion on this front would have been we would have the option to do a second lien transaction full stop.

(Transcript p. 134).

(c) Mr. Scott acknowledged that the Secured Transaction Parties threatened to walk away from the deal unless it was exclusive. Lightstream did not test whether the Unsecured Noteholders would have been receptive to a transaction like the one ultimately entered into, offered to all bondholders, so that they could appropriately assess whether to acquiesce to the Secured Transaction Parties' exclusivity demand:

Q. Okay. So by June 2nd, we've had the GSO/Apollo proposal, we've retained RBC. RBC gave a late May presentation, and this call was the next step in the negotiations?

A. Correct.

Q. Okay. You never -- similarly took the position that the requirement of a public tender was a hot button issue, that you wouldn't go ahead with that?

A. Correct.

Q. Correct. And your recollection is that when that issue was raised with Apollo and Blackstone, Apollo and Blackstone said, no, we don't want any other participants?

A. Correct, other than the follow-on exchange that was negotiated.

...

Q. Yes. And after you received the term sheet, did you seek advice from RBC or anyone else as to the viability of a second lien exchange on a tender basis?

A. Well, the discussion we had was the fact that these two holders then at that point owned 465 million of the bonds and, as a result, if they were not going to participate in the transaction, the likelihood of us achieving a transaction that would have some material upside for us was -- was becoming less likely because they wouldn't participate.

Q. Okay, but I take it you didn't ask for another advisor to –

A. We –

Q. -- check the market or –

A. We advised them of the situation and how much they -- they owned and advised them that they weren't prepared to go ahead unless it was on that basis, and so it was-- became a fact pattern.

...

Q. Mr. Gorman asked you a number of questions about the follow-on exchanges that took --

A. Hmm-umm.

Q. -- place after the Apollo GSO transaction closed. I take it it was your understanding that it was a term of your deal with Apollo and GSO that you couldn't offer an exchange at a rate that was higher than the rate they got?

A. Correct.

Q. So the rate had to be no greater than the rate they got?

A. Correct.

(Transcript pp. 57, 125, 135)

FrontFour's Current Holdings of the Unsecured Notes

13. FrontFour currently holds USD$31,750,000 in Unsecured Notes through various purchases made from February 3, 2015 to March 21, 2015.

14. FrontFour has not sold any of its Unsecured Notes and, as of the date this affidavit is sworn, FrontFour has no intention of selling its Unsecured Notes.

Lightstream Will Owe FrontFour Unpaid Interest and Principal Under the Unsecured Notes No Matter How the Dispute Is Resolved

15. Lightstream is required to make interest payments under the Unsecured Notes semi-annually. The Unsecured Notes mature on February 1, 2020, at which point the principal under the Unsecured Notes will become due. As such, even if Lightstream were successful at the trial of this action, it will still owe interest and principal to FrontFour (and the Unsecured Noteholders generally) under the Unsecured Notes.

16. In addition to the amount owing to the Unsecured Noteholders, Lightstream's news releases indicate that it is struggling to make payments to other creditors and noteholders.

17. On May 2, 2016, Lightstream issued a news release stating that the borrowing base under its credit facility had been reduced from $550 million to $250 million and that it was pursuing various strategies to increase its liquidity. Lightstream further stated:

> However, if we are unable to execute on an appropriate strategic transaction in a timely manner, based on current commodity prices, our funds flow from operations is <u>not expected to be sufficient to fund our upcoming junior debt interest payment obligations due June 15, 2016</u>. [emphasis added]

Attached as Exhibit "**D**" to my affidavit is a true copy of the May 2, 2016 news release.

18. On May 4, 2016, Lightstream issued another news release stating:

> On May 2, 2016, we announced the completion of our April 2016 borrowing base redetermination where our borrowing base was reduced from $550 million to $250 million, as set by the lowest determined amount by any one borrower of the 16 member syndicate. Currently the Company <u>has $371 million outstanding under the credit facility including issued letters of credit and, under the terms of the credit agreement, we have 90 days to cure the shortfall before triggering an event of default.</u>

> We have cash on hand, regular monthly oil and gas revenue and we intend to continue with normal operations during the cure period. We are evaluating a number of options including alternate first lien financing, asset sales and negotiated subordinated debt restructuring alternatives which we are targeting to have completed or well in progress prior to June 30, 2016. However, in the event we are unable to execute a strategic transaction in a timely manner and based on current commodity price forecast, our funds flow from operations will not meet interest payment obligations due June 15, 2016. [emphasis added]

Attached as Exhibit "**E**" to my affidavit is a true copy of the May 4, 2016 news release.

19. On June 14, 2016, Lightstream issued yet another news release advising that that it had chosen to defer the US$32.1 million semi-annual interest payment due June 15, 2016 in respect of the Secured Notes. Lightstream has until July 15, 2016 to make an interest payment before an event of default occurs. The news release stated:

> As previously disclosed, we are focused on our liquidity situation and have been engaged in discussions with the holders of a majority of the aggregate principal amount of Secured Notes as well as certain holders of our 8.625% unsecured notes ("Unsecured Notes"), regarding a possible restructuring of the Secured Notes and Unsecured Notes, including a conversion of this debt to equity. We are also continuing to pursue asset sales to address our balance sheet and liquidity position. In addition, we remain in discussions with our syndicate of lenders under our secured term credit facility regarding the restructuring and other strategic efforts.

Attached as Exhibit "**F**" to my affidavit is a true copy of the June 14, 2016 news release.

SWORN BEFORE ME Greenwich, CT at ~~City of New York~~, U.S.A. this 28th day of June, 2016	
(~~Notary Public in and for the State of New York~~) State of CT Notary Public	(Signature)
(Print Name and Expiry of Notary Public)	Stephen Loukas

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

Tab 7(A)

This is Exhibit "A" referred to in the Affidavit

of Stephen Loukas sworn before me

this 28 day of June, 2016

~~Notary Public~~ Stephen Loukas

x

Signed before me on

6/28/16 in

Greenwich, CT USA

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

See Tab 3(A): Unsecured Notes Indenture Dated January 30, 2012

Tab 7(B)

This is Exhibit “B” referred to in the Affidavit

of Stephen Loukas sworn before me

this 28 day of June, 2016

~~Notary Public~~ Stephen Loukas

x

Signed before
me on 6/28/16
in Greenwich, CT USA

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018


LIGHTSTREAM
RESOURCES
Corporate Presentation
June 2015

CAUTIONARY STATEMENTS

LIGHTSTREAM RESOURCES

TSX: LTS

Certain information regarding the Company contained in this presentation, including statements regarding our business strategies, plans and objectives; our guidance for 2015 including our capital budget, production targets and anticipated product type weighting; expectations regarding our realized oil and natural gas prices; proposed exploration and development activities (including the number of wells to be drilled, completed and put on production); our drilling inventory; the timing of certain projects; future finding and development costs; asset disposition strategy; sources of capital, anticipated interest savings, debt repayment, the sufficiency of our financial resources to fund our operations may constitute forward-looking statements under applicable securities laws. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, without limitation: that Lightstream will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes, the accuracy of the estimates of Lightstream' s reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate financing and cash flow to fund its planned expenditures. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, commodity price and exchange rate fluctuations, the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), changes in the regulatory regime applicable to the Company and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in the Company's Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this presentation are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This presentation contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), which are considered to be generally accepted accounting principles ("GAAP"), such as EBITDA, funds flow from operations, total debt and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders. Specifically, EBITDA is defined as earnings before interest, taxes, depletion and depreciation, and other non-cash items. This measure is used to evaluate compliance with certain financial covenants. Funds flow from operations reflects cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations important as it helps evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities, pay dividends and repay debt. Total debt includes credit facility outstanding plus accounts payable less accounts receivable and prepaid expense plus the full value outstanding on the senior unsecured notes and convertible debentures converted to Canadian dollars at the exchange rate on the period end date less the value of long-term investments and is used to evaluate Lightstream's financial leverage. Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties, transportation costs, and production expenses divided by production for the period. EDITDA, funds flow from operations, net debt and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations or other measures of financial performance calculated in accordance with IFRS.

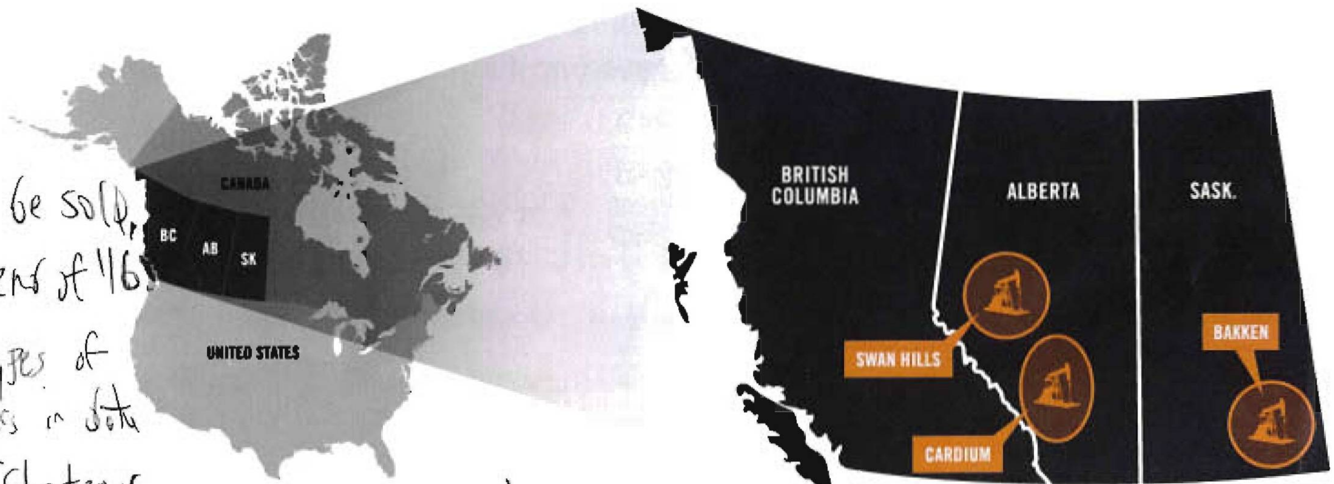
Natural gas volumes have been converted to barrels of oil equivalent ("boe"). Six thousand cubic feet ("mcf") of natural gas is equal to one barrel based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation. Discovered Petroleum Initially-In-Place ("DPIIP") is defined in the Canadian Oil and Gas Evaluations Handbook ("COGEH"). DPIIP is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and contingent resources; the remainder is unrecoverable. A recovery project cannot be defined for volumes of DPIIP disclosed in this presentation at this time. There is no certainty that it will be commercially viable to produce any portion of the resources.

FRO003820

OUR ASSET BASE

LIGHTSTREAM RESOURCES

TSX: LTS



- Will be sold, by end of '16
- 3 types of buyers in data room
  - Strategic
  - PE
  - NOCs (National Polish/Trioil)

Business Units	Q1 Production (boepd)	Drilling Inventory (locations)
Bakken	13,811	>1,050
Cardium	17,661	>460
AB / BC	3,707	>295
Total	35,179	>1,865

Q1 2015 Production:
35,179 boepd;
76% liquids weighted

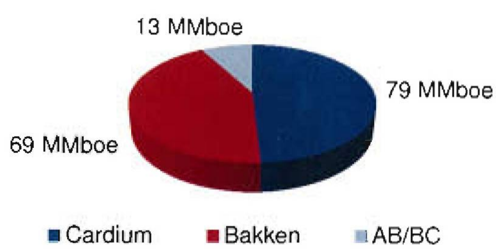
FRO003821

BUSINESS UNIT RESERVES

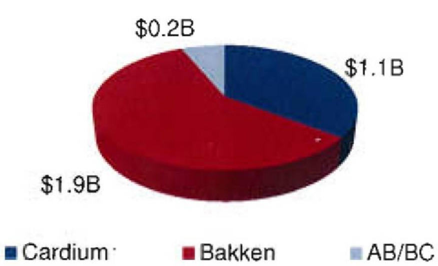
LIGHTSTREAM RESOURCES

TSX: LTS

BU Proved + Probable Reserves Mix
(161 MMboe)



BU Proved + Probable Reserves NPV 10%
($3.2 billion before tax)



2014 Year-end Valuation (millions)	
2P Reserves (NPV 10%)	$3,150
Total Debt	(1,647)
Hedges	67
Decommissioning Liability	(198)
Valuation before unbooked upside	$1,372

Unbooked Upside Locations[1]	
Bakken	775
Cardium	275
AB/BC	250
Total	1,300

1. *Undeveloped net locations not recognized in the reserve report*

2015 CORPORATE STRATEGY

LIGHTSTREAM RESOURCES

TSX: LTS

Retain long-term value and preserve financial flexibility in current low commodity price environment

May pick up 1 or 2 rigs in 2H'15 if WTI stays above $60.

- Operational Plan
  - Suspension of monthly dividend
  - Capital program of $100 - $120 million, funded by internally generated cash flow
    - Spending target for the first half is $80 million ($60 million spent in Q1)
    - Second half drilling program on hold

Layering in light hedges

  - Annual average production of 30,500 – 32,500 boepd
  - Funds flow from operations of $145 – $165 million at WTI of US$52.50/bbl[1]
  - Surplus cash to be applied to debt
- Strategy to sell our Bakken business unit within the next 12-24 months
  - Proceeds would be used to transform our balance sheet and refocus LTS into an Alberta–based company with a growth platform

2015 CAPITAL & DRILLING PROGRAM

LIGHTSTREAM RESOURCES

TSX: LTS

Our 2015 capital & drilling program is $110 million[1] with a suspended second half operated drilling program given low commodity prices and current capital costs

2015 Planned Capital Activity

Business Unit	**Net Wells** 2015(e) Wells	**Net Wells** Inventory Wells[2]	**DCET** (million)	**Facilities** (million)	**Workovers, Optimization & Other** (million)
Bakken	7	6	$17	$9	$16
Cardium	8	7	44	9	8
AB/BC	0	0	0	2	5
TOTAL	15	13	$61	$20	$29

- In Q1 we drilled 14 net wells, brought 20 wells on production with 7 wells in inventory

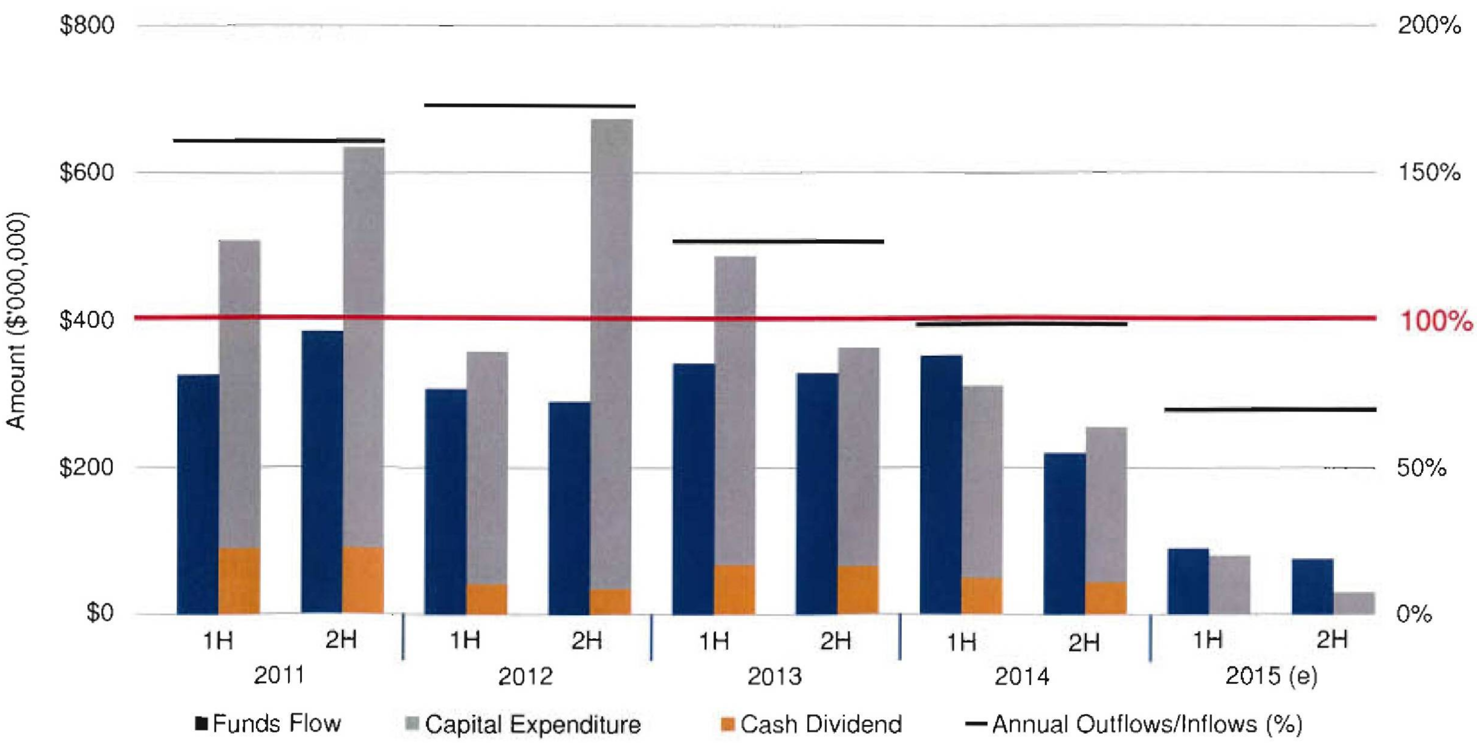
FRO003824

CAPITAL & FUNDS FLOW

LIGHTSTREAM RESOURCES

TSX: LTS

We expect to generate funds flow well above our capital spending in 2015



Does not include A&D

FRO003825

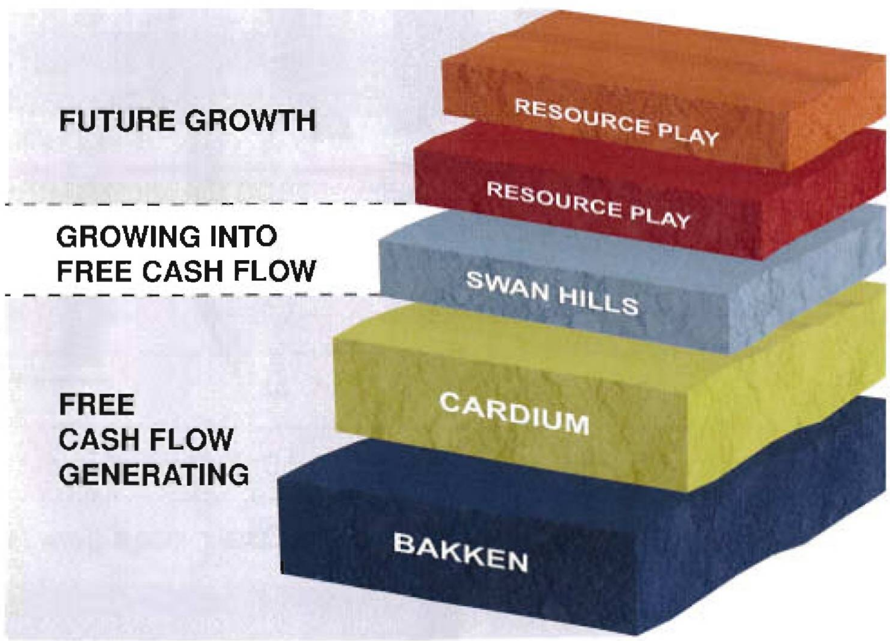
FOCUS ON FREE CASH FLOW

LIGHTSTREAM RESOURCES

TSX: LTS

Our long term light-oil business model

- Initial capital investment in light oil resource plays generates near-term production growth and early payout
- Maturing production base generates growing free cash flow
- Long life assets evolve into annuities that can support other growth opportunities (and future dividend payments)



FRO003826

DEBT AND LIQUIDITY

LIGHTSTREAM RESOURCES

TSX: LTS

Our amended credit facility contains a single financial covenant and the revised borrowing base provides ongoing financial flexibility for 2015 and beyond, given our commitment to spend within cash flow.

DEBT CAPITAL COMPOSITION

Term Secured Debt
$750 million Credit Facility[1]

~$110 million of available liquidity

~$640 million drawn (Q1 2015)

Term subject to further extensions

Term Unsecured Debt
US $800 million High Yield Notes[2]

Senior Unsecured Notes (8.625% interest)

MATURITY DATE

2015 | 2017 | 2020

1. *Represents renegotiated credit facility terms based on signed commitments from lending syndicate, subject to execution of a definitive agreement. The borrowing base is subject to re-determinations on a semi-annual basis and the amended credit facility contains a single financial covenant as described in our May 21, 2015 press release.*
2. *Original high yield issue of US $900 million. Current balance reflects total repurchases of US $100 million.*

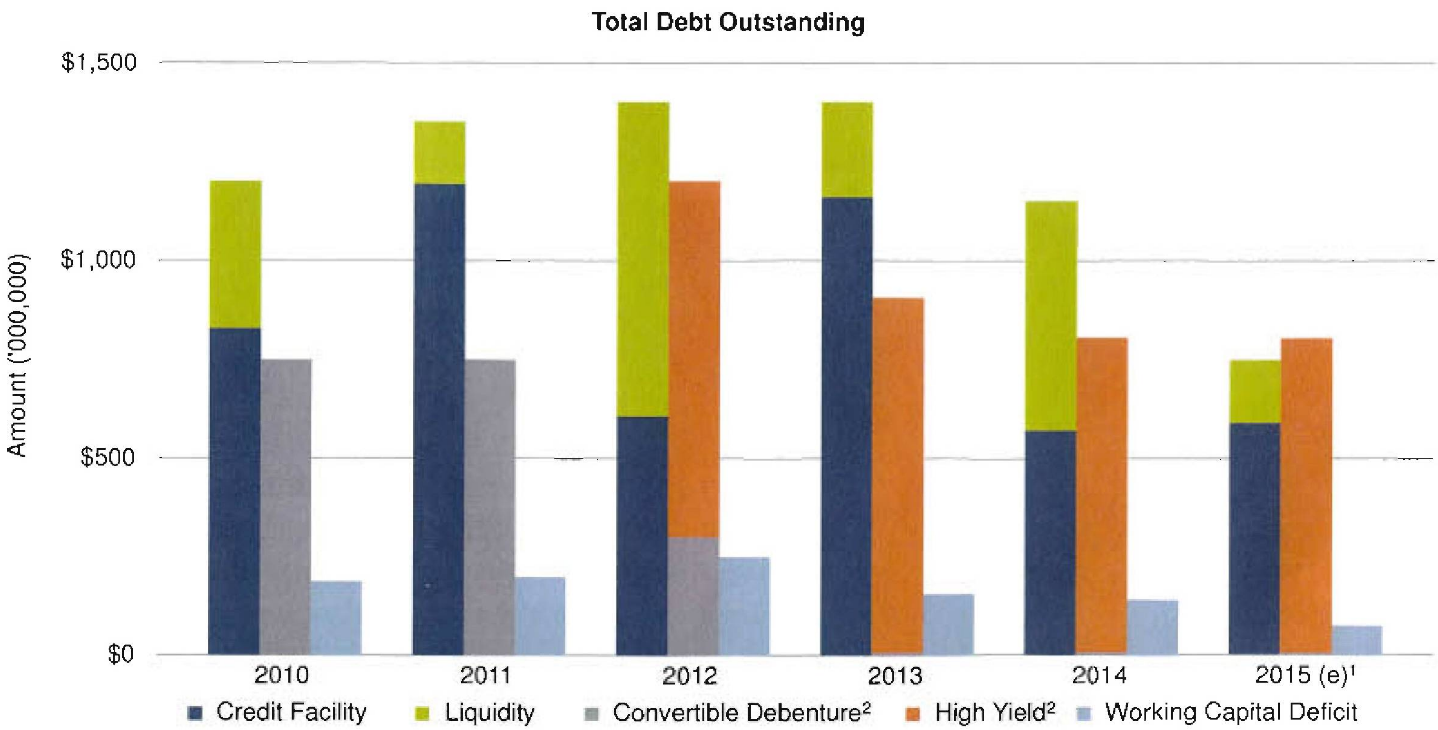
FRO003827

DEBT POSITION

LIGHTSTREAM RESOURCES

TSX: LTS

We have decreased our overall debt positon since 2012, with continuous access to an appropriate level of liquidity



FRO003828

GUIDANCE

LIGHTSTREAM RESOURCES

TSX: LTS

Our 2015 guidance reflects a lower commodity price environment; in the current commodity price and service cost environment, we do not intend to invest in an operated, new well drilling program in the second half of 2015

	2015 Guidance	Q1 Actual
Average Production (boe/d)	30,500 – 32,500	35,179
Exit Production (boe/d)	26,500 – 28,500	
Liquids Weighting	74%	76%
EBITDA	$255,000 – 275,000	$79,455
Funds Flow [1]		
Funds Flow from Operations (000)	$145,000 – $165,000	$51,928
Funds Flow per share	$0.74 - $0.84	$0.26
Annual Dividend per share	$0.00	$0.00
Capital Expenditures (000) [2]	$100,000 - $120,000	$60,254
Economic Parameters		
WTI oil price[3]	US$52.50/bbl	US$48.56/bbl
Light oil wellhead price differential	15%	18%
AECO gas price	$3.00/mcf	$2.79/mcf
Foreign exchange rate (US$/Cdn$)	0.80	0.81

1. Funds Flow per share calculation based on 197 million weighted average shares outstanding
2. Projected capital expenditures exclude acquisitions and divestitures, which are evaluated separately
3. Oil pricing assumption is $50/bbl WTI for first half 2015 and $55/bbl WTI for second half 2015

FRO003829

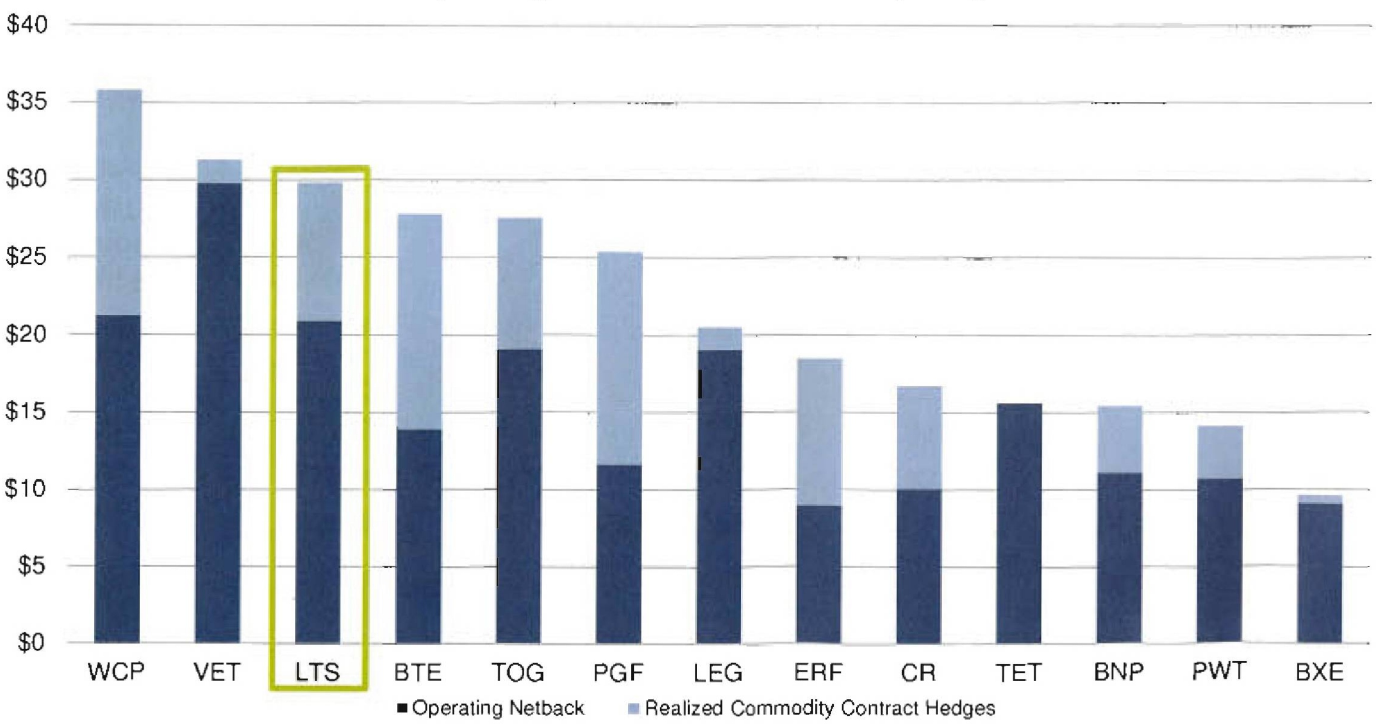
Q1 2015 NETBACKS & HEDGING EFFECTS

LIGHTSTREAM RESOURCES

TSX: LTS

In Q1 2015 we realized gains of $28 million on crude oil contracts, resulting in a netback of $29.83/boe

Q1 Operating Netback Plus Commodity Hedges



FRO003830

FUNDS FLOW PROTECTION

LIGHTSTREAM RESOURCES

TSX: LTS

Our WTI hedge position helps protects against downside in the current pricing environment

Commodity	Apr – Jun 2015	Jul – Dec 2015	Apr – Dec 2015
Oil hedged - WTI (bbl/d)	7,750	4,795	1,364
Net production hedged [1,2]	39%	24%	7%
Ceiling ($US/bbl)	$104	$103	N/A
Floor ($US/bbl)	$81	$80	N/A
Fixed Price Swap ($US/bbl)	N/A	N/A	$56

- Cash proceeds on crude oil derivative contracts for Q1 were $28 million[3]
- Estimated cash proceeds from hedging for Q2 to Q4 2015

WTI Prices	US$50/bbl	US$55/bbl	US$60/bbl	US$65/bbl	US$70/bbl
Hedge proceeds[3]	$64MM	$53MM	$42MM	$32MM	$21MM

- We aim to hedge 25% - 50% net production[1]
- Typically hedge 12 - 36 months out depending on market conditions

1. *Net production is less royalties representing 15% monetary value of average production and 74% liquids weighting*
2. *Based on mid-point of annual average production guidance and $US/Cdn exchange rate of $0.80*
3. *All hedge proceeds stated in $Cdn*
4. *We have an average ~950 Mcf/d of AECO swaps at an average price of $3.01/Mcf over the 2H of 2015*

FRO003831

ECONOMIC SENSITIVITIES

LIGHTSTREAM RESOURCES

TSX: LTS

Sensitivities and assumptions on remaining nine months 2015 funds flow from operations

Parameter	Assumption	Change of:	Funds Flow Impact ($ millions)
WTI Oil[1,2]	US$53.33/bbl	+/- $1.00	$2.5
Production (Q2 – Q4 2015)	30,500 boepd	+/- 1,000	$5.5
Natural Gas (AECO)	$3.00/mcf	+/- $0.10	$1.2
Exchange Rate (US$)	$0.80	+/- $0.01	$2.8

1. Oil price and exchange rate sensitivities include the impact of production hedges
2. Oil pricing assumption is $50/bbl WTI for Q2 2015 and $55/bbl WTI for second half 2015

- Current 2015 plans are based on funds flow from operations meeting or exceeding capital investments
- We will make further adjustments to our plans as required to keep spending at or below funds flow from operations

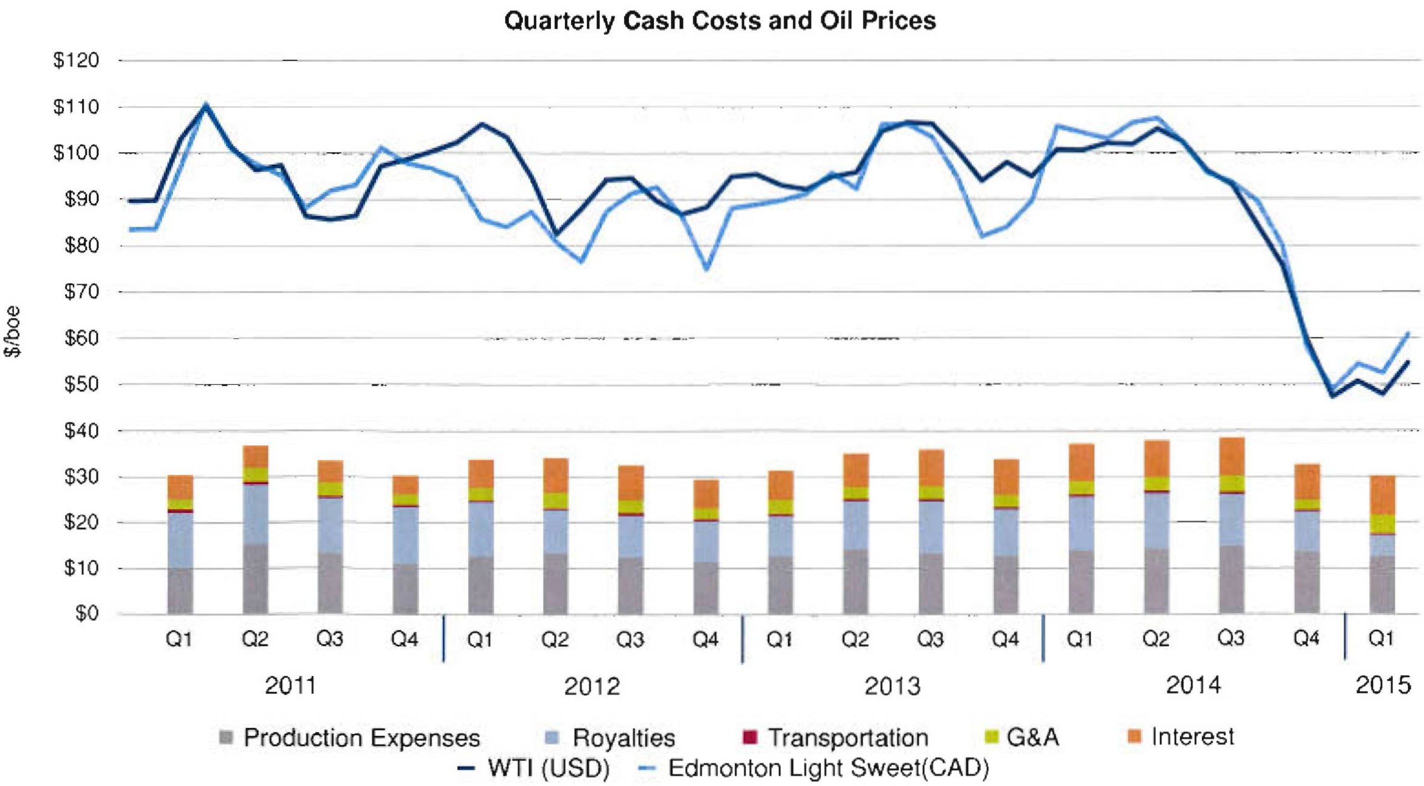
FRO003832

CASH COSTS

LIGHTSTREAM RESOURCES

TSX: LTS

In this low commodity price environment, we continue to generate positive funds flow from operations



FRO003833

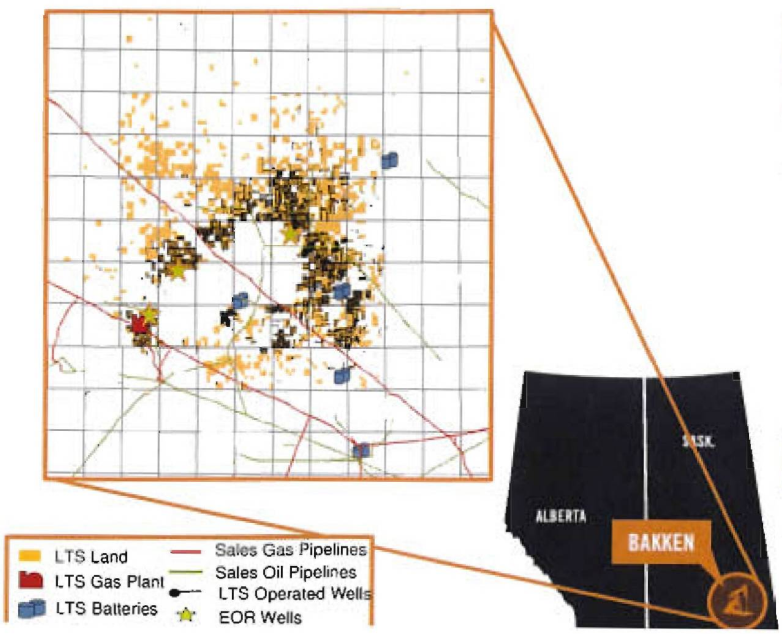
BAKKEN ASSETS

LIGHTSTREAM RESOURCES

TSX: LTS

Focus on optimization and EOR

Our assets produce light oil from the Bakken and the conventional Mississippian formations with a relatively low decline rate. In 2015 we are continuing to focus on optimizing and expanding our natural gas EOR projects in the Bakken. We have an extensive network of facilities that allows us to control operating costs.



Business Unit	Bakken [1]	
Results	**Q1 2015**	**YE 2014**
Average Production (boepd)	13,811	14,585
Oil/Liquids Weighting	92%	93%
Operating Income ($ million)	27	282
Capex ($ million)	19	118
Free Cash Flow ($ million)	8	164
2014 2P Reserves (mmboe)	69	69
Upside Opportunities [1]		
Undeveloped Land (sections)	310	
Drilling Inventory (net locations)	> 1,050	

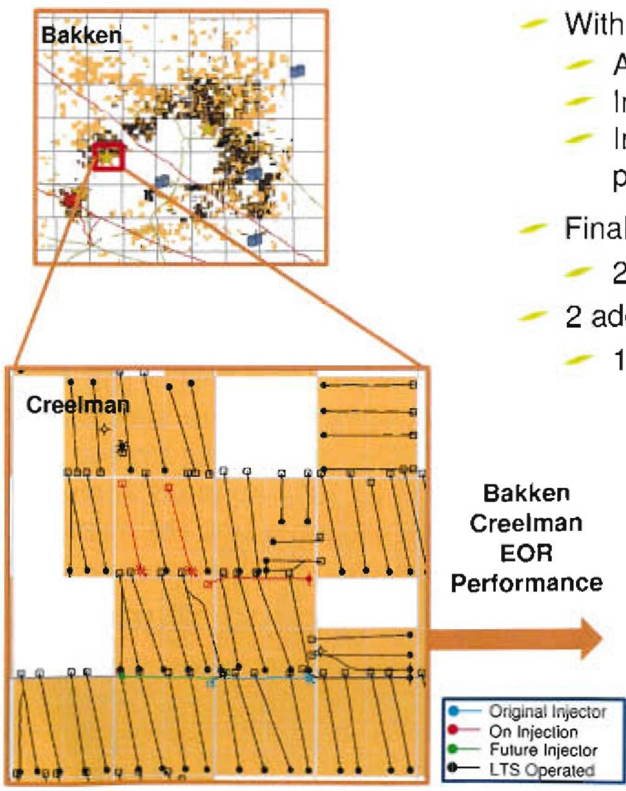
FRO003834

IMPROVING TIGHT OIL RECOVERIES

LIGHTSTREAM RESOURCES

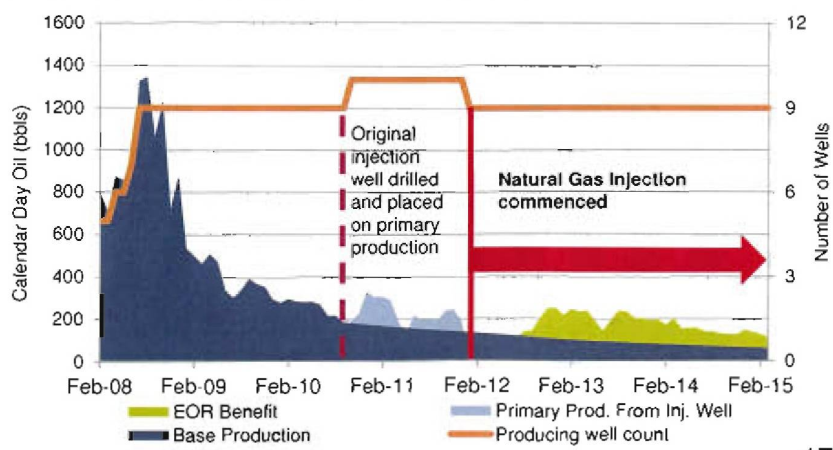
TSX: LTS

Future value generation through natural gas flooding



- With Bakken EOR projects we expect to:
  - Attenuate declines and extend production life
  - Increase DPIIP recovery factors from 15% to potentially >25%
  - Improve economic returns with high production-to-injector well ratios
- Finalizing 13 section Creelman EOR Unit
  - 2 new injection wells drilled in 2014 increased the flood area
- 2 additional injection wells planned for 2015
  - 1 conversion in Creelman and 1 in Midale

Bakken Creelman EOR Performance



FRO003835

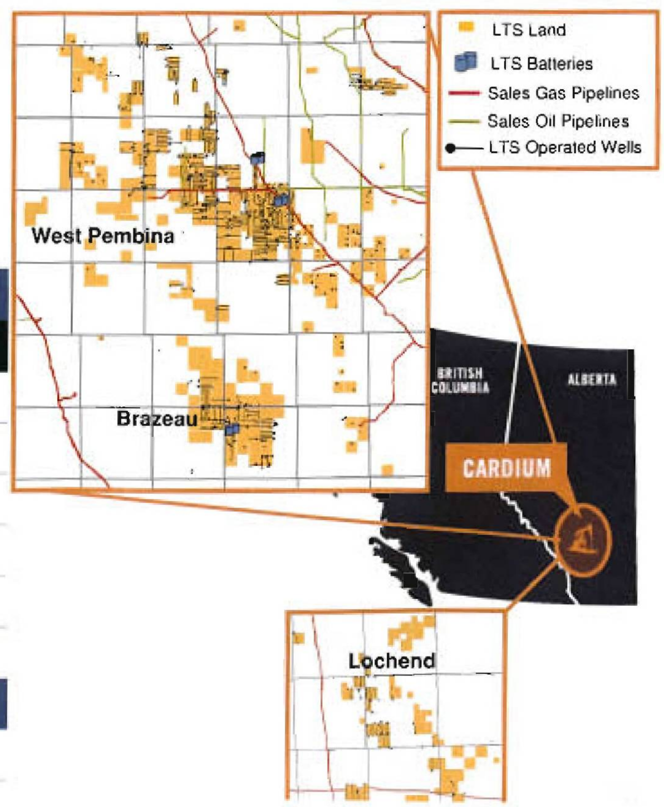
LIGHTSTREAM RESOURCES

TSX: LTS

Generating positive operating cash flow

Our extensive land base stretches from southwest of Calgary to northwest of Edmonton and our assets primarily produce light oil from the Cardium formation. We are continuously evolving our drilling and completion techniques and we initiated water injection for EOR in July 2014. This is an active area for industry, with multi-zone potential.

Business Unit	Cardium	
Results	**Q1 2015**	**YE 2014**
Average Production (boepd)	17,661	18,606
Oil/Liquids Weighting	64%	64%
Operating Income ($ million)	34	322
Capex ($ million)	42	237
Free Cash Flow ($ million)	(8)	85
2014 2P Reserves (mmboe)	79	79
Upside Opportunities		
Undeveloped Land (sections)	134	



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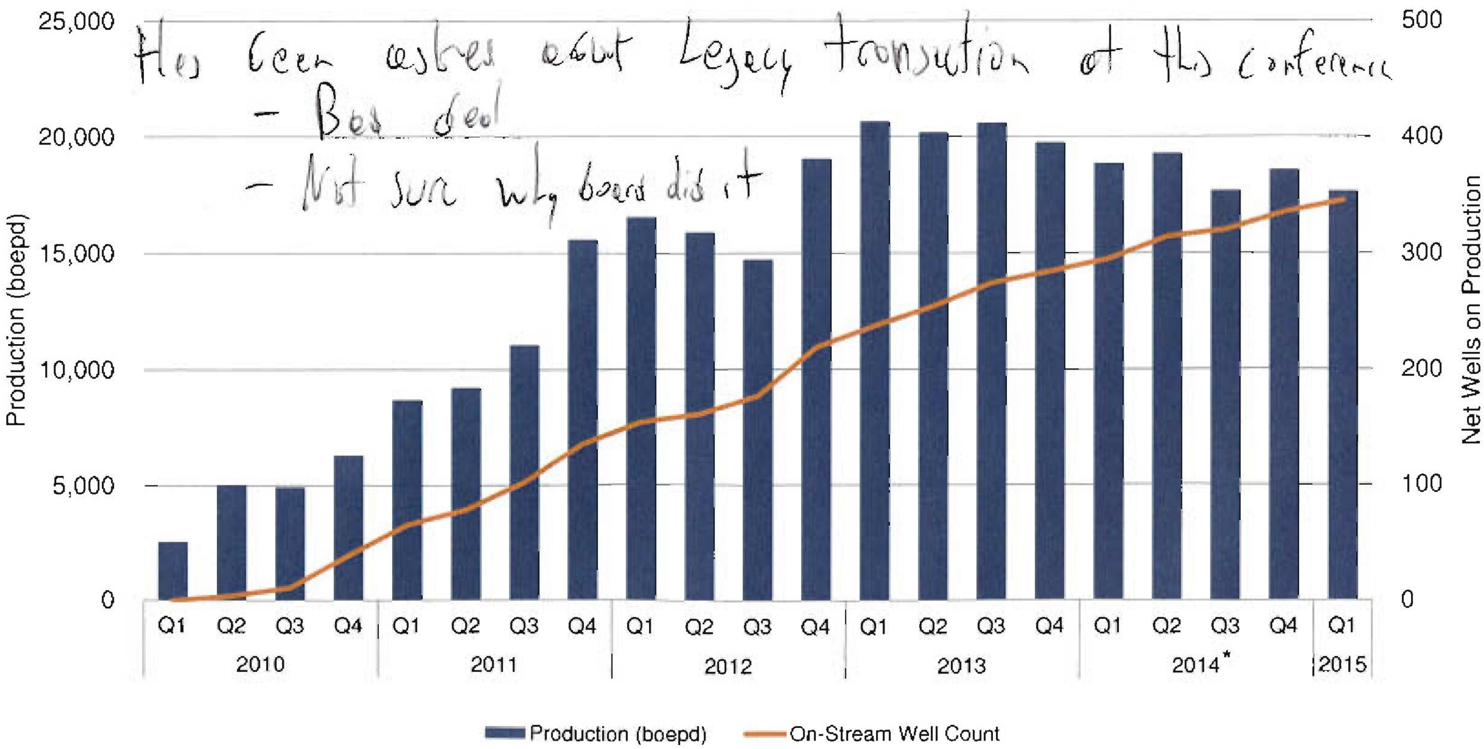
CARDIUM GROWTH

LIGHTSTREAM RESOURCES

TSX: LTS

Carduim Production and Cummulative Well Count



Has been asked about Legacy transaction at this conference
- Bad deal
- Not sure why board did it

** Production is after Q1 2014 asset dispositions of 1,200 boepd*

FRO003837

AB / BC ASSETS

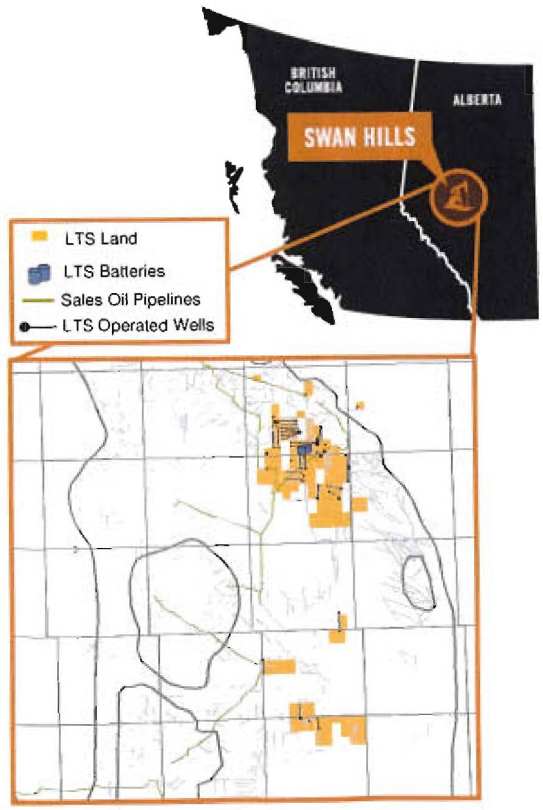
LIGHTSTREAM RESOURCES

TSX: LTS

The Swan Hills is our next growth target

- Production has grown to >2,500 boepd
- New 3,500 bopd battery operational in Q2 2014
- Future Operations
  - Reserve bookings confirm long-term prospectivity
  - Drilling is not expected to resume before 2016 given the current economic environment
  - Capital expenditures reduced due to accrual reversals on seismic, drilling and equipping activities

Business Unit	AB / BC[1]	Swan Hills
Results	**Q1 2015**	
Average Production (boepd)	3,707	2,549
Oil/Liquids Weighting	68%	92%
Operating Income ($ million)	4	5
Capex ($ million)	(1)	(1)
2014 2P Reserves (mmboe)	13	8
Upside Opportunities		
Undeveloped Land (sections)	469	145



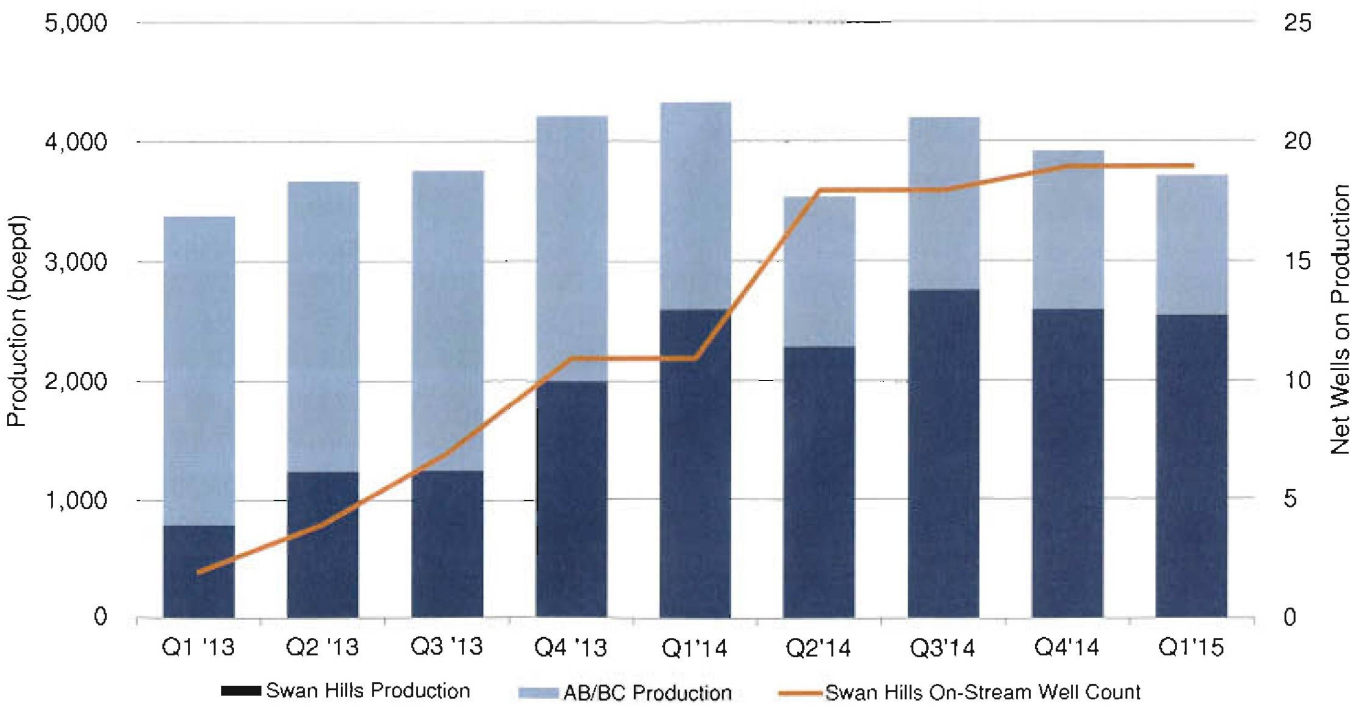
FRO003838

SWAN HILLS PRODUCTION

LIGHTSTREAM RESOURCES

TSX: LTS

Swan Hills production has increased our liquids weighting for the Alberta/BC business unit



FRO003839

LONG-TERM WELL ECONOMICS

LIGHTSTREAM RESOURCES

TSX: LTS

We focus on well economics that reinforce our business model with quick payouts and strong capital efficiencies

< **2** year capital payout   > **2** recycle ratio

Business Unit	Bakken Business Unit		Cardium		Alberta/BC
Type Well	Bakken	Mississippian	Brazeau	W. Pembina	Swan Hills
Drill, Complete, Equip, Tie-in ($ million)[1]	1.8	1.2	3.8	3.4	4.9
Netback ($/boe)	58.57	53.09	43.01	47.29	45.68
EUR (Mboe)[2]	85	70	260	195	227
F&D ($/boe)	21.18	17.14	14.62	17.44	21.59
Recycle Ratio	2.8	3.1	2.9	2.7	2.1
Payout (years)	1.3	1.0	2.0	1.8	2.0
Net Locations (included in reserve report)	280	35	46	78	25
Net Locations (with no reserves assigned)	600	175	54	94	70

Assumptions:
WTI oil price year 1: US $65/bbl and $80/bbl thereafter, AECO gas price year 1: $3.00/Mcf and $4.00/Mcf thereafter, foreign exchange rate of US/Cdn $0.80, differential of 7.5%, before tax, excludes land costs
... are based on formation locations and are high graded to what we would drill today.

FRO003840

LONG-TERM OPPORTUNITY

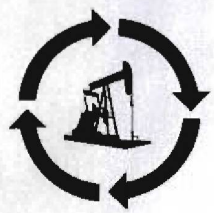
LIGHTSTREAM RESOURCES

TSX: LTS

EXTENSIVE ASSETS

- Drilling inventory of 10+ years
- Undeveloped land of ~ 570,000 acres
- 161 million boe of 2014 2P reserves

SUSTAINABILITY



- 2014 capital program (before A&D) and dividends fully financed through funds flow from operations
- Our 2014 2P reserve additions replaced 103% of production
- 2015 capital expected to be funded by cash flow

PRESERVE LONG TERM VALUE

- 2014 reserve value significantly exceeds enterprise value
- Defer drilling of inventory until economic conditions improve

FRO003841

Appearing at BOFA Conference
- Will be posters by bondholders

LIGHTSTREAM
RESOURCES

Financing offers in January were "unreasonable"
Have been getting more reasonable
"Can only do a deal once"
If does a deal involving bonds, will bring it to all bondholders

Trading Symbol LTS: TSX

Share Price (May 27, 2015)	$1.20	Market Capitalization	$237 million
Shares Outstanding (Mar 31, 2015 Basic)	197 MM	Total Debt (Q1 2015)	$1.73 billion
Options/Incentive shares	4.8 MM	Enterprise Value	$1.97 billion
Shares Traded Daily (Q1 2015)	3.48 MM		

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WWW.LIGHTSTREAMRESOURCES.COM

Tab 7(C)

This is Exhibit "C" referred to in the Affidavit

of Stephen Loukas sworn before me

this 28 day of June, 2016

~~Notary Public~~ Stephen Loukas

x

Signed before me on

June 28th, 2016 in

Greenwich, CT USA

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

SEE EXCERPTS FROM THE EXAMINATION OF PETER SCOTT AT TABS 11-17 AND 20-21

Tab 7(D)

This is Exhibit “D” referred to in the Affidavit

of Stephen Loukas sworn before me

this 28 day of June, 2016

~~Notary Public~~ Stephen Loukas

x

signed before me
in Greenwich, CT USA
on 6/28/16

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

PRESS RELEASE

LIGHTSTREAM ANNOUNCES SEMI-ANNUAL BORROWING BASE RE-DETERMINATION UNDER CREDIT FACILITY

Calgary, Alberta – May 2, 2016 – Lightstream Resources Ltd. (the "Company" or "Lightstream") (TSX:LTS) announces that the semi-annual borrowing base re-determination under our syndicated secured termed credit facility has been completed and the borrowing base has been reduced from $550 million to $250 million. The borrowing base is set by the lowest determined amount by any one member of the 16 member syndicate; the range was from $250 million to $380 million. Currently the Company has $371 million outstanding under the credit facility including issued letters of credit. Under the terms of the credit agreement, we have 90 days to cure the shortfall before triggering an event of default. The Company has cash on hand, regular monthly oil and gas revenue and intends to continue with normal operations during the cure period. In addition, we continue to pursue various strategies to improve our balance sheet and liquidity position, including alternate first lien financing, asset sales and negotiated restructuring alternatives, which we are targeting to have completed or well in progress prior to June 30, 2016. However, if we are unable to execute on an appropriate strategic transaction in a timely manner, based on current commodity prices, our funds flow from operations is not expected to be sufficient to fund our upcoming junior debt interest payment obligations due June 15, 2016.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield..

Forward Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to sufficiency of cash to fund ongoing operations and our pursuit of strategic initiatives. The forward-looking statements are based on information currently available as well as certain expectations and assumptions concerning anticipated financial performance, business prospects and general market conditions. Although we believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, our inability to implement strategic initiatives to mitigate liquidity risk and avoid default under our debt agreements, commodity price and exchange rate fluctuations, general conditions in the oil and gas industry and general economic conditions. Certain of these risks are set out in more detail in our Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION PLEASE CONTACT:

John D. Wright, President and Chief Executive Officer
Peter D. Scott, Senior Vice President and Chief Financial Officer
Annie C. Belecki, General Counsel

Eighth Avenue Place, 2800, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Phone: 403.268.7800 – Fax: 403.218.6075
E-mail: ir@lightstreamres.com - Website: www. lightstreamresources.com

Tab 7(E)

This is Exhibit "E" referred to in the Affidavit

of Stephen Loukas sworn before me

this 28 day of June, 2016

~~Notary Public~~ Stephen Loukas

x

Signed before me in
Greenwich, CT USA
on 6/28/16.

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

PRESS RELEASE

LIGHTSTREAM ANNOUNCES FIRST QUARTER 2016 RESULTS

Calgary, Alberta – May 4, 2016 – Lightstream Resources Ltd. (the “Company” or “Lightstream”) (TSX:LTS) announces first quarter 2016 financial and operating results. Our financial statements and management’s discussion and analysis for the quarter ended March 31, 2016 will be available on the system for electronic analysis and retrieval at www.sedar.com and on Lightstream’s website at www.lightstreamresources.com.

	Three months ended March 31,		
($000s, except where noted)	**2016**	2015	% Change
Financial			
Oil and natural gas sales	**63,175**	121,131	(48)
Adjusted EBITDA [1]	**22,884**	79,455	(71)
Funds flow from operations [1]	**(10,610)**	51,928	-
Per share - basic ($) [1]	**(0.05)**	0.26	-
- diluted ($) [1,2]	**(0.05)**	0.26	-
Adjusted Net Income (loss) [1]	**27,076**	(127,162)	-
Per share - basic ($) [1]	**0.14**	(0.64)	-
- diluted ($) [1,2]	**0.14**	(0.64)	-
Capital Expenditures [3]	**7,353**	60,254	(88)
Net capital expenditures [1]	**7,071**	48,931	(86)
Total debt [1,4]	**1,567,236**	1,731,248	(9)
Basic common shares, end of period (000)	**198,501**	197,388	1
Operations			
Average daily production (boe/d)			
Oil and NGL (bbl/d)	**17,873**	26,607	(33)
Natural gas (mcf/d)	**50,861**	51,429	(1)
Total (boe/d) [5]	**26,350**	35,179	(25)
Average realized prices			
Oil and NGL ($/bbl)	**33.59**	45.18	(26)
Natural gas ($/mcf)	**1.85**	2.80	(34)
Total (boe/d)	**26.35**	38.26	(31)
Operating netback [1]			
($/boe except where noted) [5]			
Oil, NGL and natural gas revenue	**26.35**	38.26	(31)
Royalties	**2.74**	4.61	(41)
Production expenses	**12.05**	12.48	(3)
Transportation expenses	**0.27**	0.30	(10)
Operating netback	**11.29**	20.87	(46)
Realized gain on hedging contracts	**2.45**	8.96	(73)
Operating netback including hedging [1]	**13.74**	29.83	(54)

FIRST QUARTER 2016 HIGHLIGHTS

- First quarter average production was 26,350 boepd (68% light oil and liquids weighted), a decrease of 7% from the previous quarter. The decline is mainly attributable to third party facility restrictions on non-operated production and reduced development capital spending, resulting in well declines exceeding new production additions.
- This quarter, benchmark oil prices reached their lowest point since this commodity cycle downturn began in 2014, resulting in an operating netback of $11.29/boe, prior to commodity hedges, a 40% decrease from the previous quarter. Including realized gains on commodity hedging contracts, our netback was $13.74/boe.
- Funds flow from operations resulted in a deficit of $11 million (-$0.05 per basic share), compared to positive funds flow of $30 million in the fourth quarter of 2015. This deficit is primarily due to lower operating netback, lower production volumes and ongoing interest expense. Adjusted EBITDA for the first quarter was $23 million.
- Total capital expenditures for Q1 2016 were $7 million, 88% lower than the first quarter of 2015. This amount is in-line with our previously announced first half guidance and consistent with our reduced capital program.
- As previously announced, during the second quarter of 2016 our secured termed credit facility ("Credit Facility") semi-annual borrowing base re-determination was completed, resulting in a reduction of the borrowing base from $550 million to $250 million. The Company has cash on hand, regular monthly oil and gas revenue and intends to continue with normal operations during the 90-day cure period. We continue to pursue various strategies to improve our balance sheet and liquidity position, including first lien financing, asset sales and negotiated restructuring alternatives. For additional details, please see the section entitled “Current Outlook” below.

OPERATING SUMMARY

AVERAGE DAILY PRODUCTION

	Three months ended March 31, 2016		
Business Unit	Oil &NGL (bbl/d)	Gas (Mcf/d)	**Total (boe/d)**
Bakken	8,926	3,621	9,530
Cardium	7,653	42,140	14,676
Alberta/BC	1,294	5,100	2,144
	17,873	50,861	26,350

Q1 2016 DRILLING ACTIVITY

	Drilled		Completed		On Production		Inventory[6]	
Business Unit	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Bakken	1.0	0.5	1.0	0.5	2.0	1.0	-	-
Cardium	-	-	-	-	2.0	0.8	-	-
Alberta/BC	-	-	-	-	-	-	-	-
Total	1.0	0.5	1.0	0.5	4.0	1.8	-	-

Average production for the quarter was 26,350 boepd, 25% below the first quarter of 2015, primarily due to natural well declines exceeding new production additions (given our reduced capital program) as well as a pipeline outage in our Alberta/BC business unit. Natural gas production remained flat from first quarter 2015, as favourable results from our three net Falher liquids-rich gas wells brought on during 2015 and one net Falher well brought on-stream in the first quarter of 2016 offset natural declines within our Cardium business unit. Compared to last quarter, production decreased approximately 7%, from 28,260 boepd.

In our Bakken business unit we brought one well on production in the first quarter of 2016, compared to ten wells over the same period last year. Average production was 9,530 boepd, representing an 8% decrease from Q4 2015 and a 31% decrease from Q1 2015 volumes. The decrease is due to continued attenuation of investment in the area, given the challenging economic environment for drilling new wells.

In our Cardium business unit, production for the first quarter averaged 14,676 boepd, 3% below Q4 2015 production and 17% below Q1 2015 levels. The decrease is primarily due to natural declines from reduced new well spending. During the quarter we brought on our final Falher liquids-rich well and do not anticipate drilling in the area until capital investment is warranted by more favourable market conditions.

First quarter production in our Alberta/BC business unit averaged 2,144 boepd, representing a 22% decrease from fourth quarter 2015 production of 2,754 boepd and a 42% decrease from first quarter 2015 volumes. We experienced higher downtime due to a third party pipeline outage and natural declines given minimal capital investment in the area. We were able to avoid shutting in operated production associated with the pipeline outage by injecting natural gas in our EOR well, however approximately 500 boepd of non-op production was lost due to the outage. We are working with the operators in the area to mitigate any further interruption in services but anticipate production to be impacted until the third quarter. Subsequent to the quarter, we implemented our pilot waterflood project in Swan Hills and we are now injecting 500 bbls of water per day into two wells in the pattern.

FINANCIAL SUMMARY

During the first quarter 2016, oil and natural gas prices reached their lowest levels since the beginning of the commodity price downturn, averaging US$33.52/bbl for WTI and $1.83/mcf at AECO. We recorded a funds flow deficit of $11 million for the quarter which was an improvement from our expectations as the impacts of higher than forecast production volumes, operating netback (primarily due to lower production costs) and the influence of a stronger Canadian dollar on our U.S. dollar interest obligations outweighed the impact of lower than forecast commodity prices. Our adjusted EBITDA for the quarter was $23 million, down from

$79 million a year ago, which demonstrates the resiliency and low cost attributes of our operations in this difficult commodity price environment.

Our operating netback was $11.29/boe, a 46% decrease from the same period in 2015, mainly attributable to lower commodity prices, partially offset by lower royalties, production expenses and transportation expenses. Royalties decreased on both a total and per-unit of production basis reflecting our decrease in revenue and a lower royalty rate, which is mainly impacted by benchmark pricing. Total production expenses decreased 27% compared to Q1 2015, primarily due to lower variable costs associated with decreased production levels and several cost reduction initiatives within our core operating areas. On a per-boe basis, production expenses were relatively unchanged from the first and fourth quarters of 2015.

Capital spending for the first three months of the year was $7 million, representing 46% of anticipated first half spending. Second quarter spending is expected to be slightly higher and we anticipate total first half spending to be at the mid-point of our guidance range.

GUIDANCE UPDATE

($000s, except where noted and per share amounts)	First Half 2016 Guidance (Feb 11, 2016)	First Half 2016 Revised Guidance (May 4, 2016)	Q1 2016 Actual Results
Production (annual average)			
Total (boe/d)	**25,000 – 25,500**	**25,500 – 26,000**	**26,350**
Light-oil and liquids weighting	**68%**	**66%**	**68%**
Adjusted EBITDA[1]	**$48,000**	**$56,000**	**$22,884**
Funds Flow from Operations[1]	**($22,000)**	**($10,000)**	**($10,610)**
Funds Flow per share[1,7]	**($0.11)**	**($0.05)**	**($0.05)**
Capital Expenditures[8]	**$15,500 – $16,500**	**$15,500 - $16,500**	**$7,353**
Pricing Assumptions:	**1H 2016**	**Q2 2016**	
Crude oil – WTI (US$/bbl)	**35.00**	**45.00**	**33.52**
Crude oil – WTI (Cdn$/bbl)	**50.00**	**58.44**	**45.96**
Corporate light-oil to WTI differential (US$/bbl)[9]	**7.60**	**6.19**	**6.45**
Natural gas – AECO (Cdn$/mcf)	**2.50**	**1.37**	**1.83**
Exchange rate (Cdn$/US$)	**0.70**	**0.77**	**0.73**

Total average production for the three months ended March 31, 2016 was 26,350 boepd which was above the top range of our first half 2016 guidance. With no development capital planned for the second quarter of 2016, we anticipate production levels to decline. However, we now expect first half average production to increase slightly based on better than expected operational performance. We have also increased our guidance for funds flow from operations.

With improved operating performance and stronger oil prices, we now expect funds flow from operations to be slightly positive in the second quarter of 2016.

CURRENT OUTLOOK

On May 2, 2016, we announced the completion of our April 2016 borrowing base redetermination where our borrowing base was reduced from $550 million to $250 million, as set by the lowest determined amount by any one borrower of the 16 member syndicate. Currently the Company has $371 million outstanding under the credit facility including issued letters of credit and, under the terms of the credit agreement, we have 90 days to cure the shortfall before triggering an event of default.

We have cash on hand, regular monthly oil and gas revenue and we intend to continue with normal operations during the cure period. We are evaluating a number of options including alternate first lien financing, asset sales and negotiated subordinated debt restructuring alternatives which we are targeting to have completed or well in progress prior to June 30, 2016. However, in the event we are unable to execute a strategic transaction in a timely manner and based on current commodity price forecast, our funds flow from operations will not meet interest payment obligations due June 15, 2016.

2016 FIRST QUARTER FINANCIAL RESULTS CONFERENCE CALL

Lightstream management will be hosting a conference call for investors, financial analysts, media and any interested persons on May 5, 2016, at 9:00 a.m. (Mountain Time) (11:00 a.m. Eastern Time) to discuss Lightstream's 2016 First quarter financial and operating results.

The investor conference call details are as follows:
Live call dial-in numbers: **1-416-340-2216 / 1-800-355-4959**
Replay dial-in numbers: **1-905-694-9451 / 1-800-408-3053**
Passcode: **4082576**
http://www.gowebcasting.com/7223

NOTES

1. Non-GAAP measure. See "*Non-GAAP Measures*" section below.
2. Consists of common shares, stock options, deferred common shares, incentive shares and convertible debentures (if applicable) as at the period end date.
3. Prior to asset acquisitions and dispositions.
4. Total debt includes secured termed credit facility outstanding plus accounts payable less accounts receivable, prepaid expense and long-term investments plus the full value outstanding on the secured notes and unsecured notes converted to Canadian dollars using the period end exchange rate of 0.77 at March 31, 2016 (December 31, 2015 – 0.72).
5. Six Mcf of natural gas is equivalent to one barrel of oil equivalent ("boe").
6. Inventory refers to the number of wells pending completion and/or tie-in at December 31, 2015.
7. Funds flow per share calculation based on 198 million weighted average basic shares outstanding.
8. Projected capital expenditures exclude acquisitions and divestitures, which are evaluated separately.

9. Differential includes approximately US$2.00/bbl cost for tariffs and quality adjustments charged from western Canadian benchmark prices to our realized wellhead prices.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

Natural gas volumes have been converted to barrels of oil equivalent (“boe”). Six thousand cubic feet (“Mcf”) of natural gas is equal to one barrel of oil equivalent based on an energy equivalency conversion method primarily attributable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation.

Non-GAAP Measures. This press release contains financial terms that are not considered measures under IFRS, such as funds flow from operations, funds flow per share, adjusted net income, adjusted net income per share, net capital expenditures, total debt, operating netback and operating netback including hedging. Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties, transportation costs, and production expenses divided by production for the period and operating netback including hedging reflects the impact of crude oil and natural gas derivative contracts on the operating netback. These measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to those reported by other companies. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders as they help evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities, pay dividends and repay debt.

These measures should not be viewed as an alternative to cash flow from operations, net income or other measures of financial performance calculated in accordance with IFRS. Further information and reconciliations to the most directly comparable IFRS financial measures in respect of these non-GAAP measures is set forth in our MD&A.

Forward Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to Lightstream’s guidance for the first half of 2016, including planned capital spending, production targets and anticipated product type weighting; sufficiency of cash to fund ongoing operations, our pursuit of strategic initiatives and the potential timing thereof, our capital budget for 2016, financial results, results from operations and operating plans and objectives. The forward-looking statements are based on information currently available as well as certain expectations and assumptions concerning anticipated financial performance, business prospects, regulatory developments and general market conditions. Although we believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to inability to implement strategic initiatives to mitigate liquidity risk and avoid default under our debt agreements, the proposed timing of such strategic initiatives, commodity price and exchange rate fluctuations, risks associated with the oil and gas industry in general (e.g., operational risks in production; delays or changes in plans with respect to capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, reliance on industry partners, availability of equipment and personnel, changes in applicable regulatory regimes and health, safety and environmental risks)and general economic conditions. Certain of these risks are set out in more detail in our

Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION PLEASE CONTACT:

John D. Wright, President and Chief Executive Officer
Peter D. Scott, Senior Vice President and Chief Financial Officer
Annie C. Belecki, General Counsel

Eighth Avenue Place, 2800, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Phone: 403.268.7800 – Fax: 403.218.6075
E-mail: ir@lightstreamres.com - Website: www. lightstreamresources.com

Tab 7(F)

This is Exhibit “F” referred to in the Affidavit

of Stephen Loukas sworn before me

this 28th day of June, 2016

~~Notary Pub~~lic Stephen Loukas

Signed before me on
6/28/16 in Greenwich, CT USA.

ANDREW JOHN HARTSMAN
NOTARY PUBLIC
State of Connecticut
My Commission Expires
June 30, 2018

PRESS RELEASE

LIGHTSTREAM PROVIDES UPDATE ON SECOND LIEN NOTE INTEREST PAYMENT AND EXTENSION OF ANNUAL MEETING DATE

Calgary, Alberta – June 14, 2016 – Lightstream Resources Ltd. (the "Company" or "Lightstream") (TSX:LTS) announces that we have chosen to defer our US$32.1 million semi-annual interest payment due June 15, 2016 in respect to our outstanding 9.875% second lien notes ("Secured Notes"). Pursuant to the indenture governing the Secured Notes, we have until July 15, 2016 (30 days) to make the interest payment before an event of default occurs. In addition, we are postponing our Annual General Meeting and we now intend to hold the meeting on or before August 31, 2016.

As previously disclosed, we are focused on our liquidity situation and have been engaged in discussions with the holders of a majority of the aggregate principal amount of Secured Notes as well as certain holders of our 8.625% unsecured notes ("Unsecured Notes"), regarding a possible restructuring of the Secured Notes and Unsecured Notes, including a conversion of this debt to equity. We are also continuing to pursue asset sales to address our balance sheet and liquidity position. In addition, we remain in discussions with our syndicate of lenders under our secured term credit facility regarding the restructuring and other strategic efforts.

The Company has cash on hand, currently in excess of $20 million, and monthly oil and gas sales revenue which averaged $24 million per month for the previous two months. We are continuing to pay all service providers, suppliers and contractors in the normal course of business as we pursue our strategic balance sheet initiatives.

With a view to reducing the expense and inconvenience to shareholders associated with holding two separate meetings, Lightstream sought and received an extension from the TSX to postpone our Annual General Meeting to as late as August 31, 2016 in order to accommodate any shareholder vote required for a potential strategic transaction. We will issue a press release when the record date and meeting date have been determined.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

Forward Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to the timing of our annual general meeting, our pursuit of strategic initiatives, including restructuring of subordinated debt and asset sales, and sufficiency of cash to fund ongoing operations. The forward-looking statements are based on information currently available as well as certain expectations and assumptions concerning anticipated financial performance, business prospects and general market conditions. Although we believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, our inability to implement strategic initiatives in the near term or at all to mitigate liquidity risk and avoid default under our debt agreements, commodity price and exchange rate fluctuations, general conditions in the oil and gas industry and general economic conditions. Certain of these risks are set out in more detail in our Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION PLEASE CONTACT:

John D. Wright, President and Chief Executive Officer
Peter D. Scott, Senior Vice President and Chief Financial Officer
Annie C. Belecki, General Counsel

Eighth Avenue Place, 2800, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Phone: 403.268.7800 – Fax: 403.218.6075
E-mail: ir@lightstreamres.com - Website: www. lightstreamresources.com

TAB 8

Form 49
[Rule 13.19]

Clerk's Stamp

COURT FILE NUMBER	1601-12571
COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Calgary

Applicant	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 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, 186330 ALBERTA LTD AND BAKKEN RESOURCES PARTNERSHIP
DOCUMENT	Affidavit of **BADAL PANDHI**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** 2100 Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Timothy Pinos Tel: 416.869.5784 Fax: 416.350.6903 tpinos@casselsbrock.com Stephanie Voudouris Tel: 416.860.6617 Fax: 416.642.7145 svoudouris@casselsbrock.com	**BENNETT JONES LLP** **Barristers and Solicitors** 4500, 855 — 2nd Street S.W. Calgary, Alberta T2P 4K7 Chris Simard Tel: 403-298-3182 Fax: 403-265-7219 simardc@bennettjones.com Sean Zweig Tel; 416-777-6254 Fax: 416-863-1716 zweigs@bennettjones.com

AFFIDAVIT OF: BADAL PANDHI

SWORN ON: October 21, 2016

I, Badal Pandhi, of the City of New York in the State of New York, in the United States of America, investment analyst at FrontFour Capital Group LLC, SWEAR THAT:

1. I am an investment analyst at FrontFour Capital Group LLC. FrontFour Capital Group LLC, is the Investment Advisor to the FrontFour Master Fund Ltd. and separately managed accounts. FrontFour Capital Group LLC is headquartered in Greenwich, Connecticut, USA.

2. FrontFour Capital Corp., is the Investment Fund Manager and Portfolio Manager of the FrontFour Opportunity Fund. FrontFour Capital Corp is based in Toronto, Ontario. Collectively in this affidavit, I will refer to the plaintiffs FrontFour Capital Corp. and FrontFour Capital Group LLC as “FrontFour”.

3. I have worked at FrontFour since May 21, 2012. In my role as investment analyst, I am responsible for identifying and analyzing new and ongoing investments. In this role, I am heavily involved in valuing a company’s assets and understanding a company’s financial projections to determine its go-forward value. When conducting due diligence on an investment, I often meet with the senior executives of publicly traded companies to better understand their company and industry.

4. As such, I have knowledge of the matters to which I hereinafter depose, which knowledge is either personal to me, obtained from a review of the documents referred to, or, where indicated, I am advised by others in which case I verily believe such information to be true.

5. I understand that Lightstream Resources Ltd. ("**Lightstream**") is involved in ongoing litigation with FrontFour and Mudrick Capital Management L.P. ("**Mudrick**") related to the transaction announced in July 2015 whereby Lightstream agreed to exchange $465 million of the Unsecured Notes for $395 million of secured second lien notes (the "**Secured Notes**"), and issued a further $200 million of Secured Notes (the "**Secured Notes Transaction**" or "**Transaction**"). The Secured Notes Transaction was entered into with some (the "**Secured Transaction Parties**"), but not all, of the holders of the Unsecured Notes.

6. I have reviewed the affidavit of Stephen Loukas, sworn June 28, 2016, which I understand is being relied on in this proceeding. I swear this affidavit in support of certain factual assertions Mr. Loukas makes, as particularized further below. Further, any capitalized terms not defined herein have the meaning provided in Mr. Loukas' affidavit.

7. FrontFour first became interested in Lightstream around January 2014. On January 27, 2014, I attended a dinner with Stephen Loukas (one of FrontFour's managing members, partners, and portfolio managers), Peter D. Scott (Lightstream's Chief Financial Officer) and John D. Wright (Lightstream's Chief Executive Officer). During this dinner, we discussed Lightstream's business strategy, the Canadian oil and gas market generally, and Lightstream's balance sheet at that time.

8. On February 11, 2015, I participated in a call with Mr. Loukas, Mr. Scott, and Mr. Wright. We discussed Lightstream's business strategy generally. I recall that Mr. Loukas raised concerns about Lightstream's relationship with Apollo Global Management LLC ("**Apollo**"). Mr. Loukas discussed his specific concern that Apollo would try to convince Lightstream to exchange their Unsecured Notes into bonds that were structurally senior to the existing Unsecured Notes. Mr. Scott stated that no transaction was contemplated at that time and that Lightstream had ample liquidity. Mr. Scott further stated that Lightstream had the ability to issue debt securities and would inform FrontFour capital prior to taking any such action.

9. I would like to correct one part of Mr. Loukas' affidavit. At paragraph 12(c), Mr. Loukas states that myself and David Lorber (one of FrontFour's managing members, partners and portfolio managers) attended the FirstEnergy Conference. That is not correct – we did not attend. I am not aware of whether Mr. Wright and Mr. Scott attended the conference, but we did invite them to our offices on March 13, 2015, as Mr. Loukas explains in his affidavit. Mr. Loukas and Mr. Zachary George (one of FrontFour's Managing Members, Partners and Portfolio Managers) participated in the meeting via teleconference.

10. As with the February meeting, we discussed Lightstream generally and also discussed Lightstream's liquidity. Mr. Loukas asked about Lightstream's relationship with Apollo Global Management LLC ("**Apollo**") and reiterated that if Lightstream was going to pursue some type of debt exchange, it should do so by making an offer to all of the Unsecured Noteholders. Mr. Wright echoed Mr. Scott's earlier comments that Lightstream had ample liquidity and that there was no contemplated debt exchange. Mr. Wright further assured us that if Lightstream was to enter into an exchange, the exchange would be offered to all of the Unsecured Noteholders.

11. During the latter part of our meeting, Mr. Loukas and Mr. George ended their teleconference to attend another meeting. Myself and Mr. Lorber walked Mr. Scott and Mr. Wright out of our offices. Mr. Lorber reiterated the question of whether Lightstream had plans to issue debt senior to the Unsecured Notes. Mr. Lorber emphasized that FrontFour would like to be part of any contemplated debt exchange related to the Unsecured Notes, and asked that Lightstream include FrontFour in any debt exchange discussions. Mr. Lorber further stated that if Lightstream pursued a debt exchange, he expected that it would be offered to all Unsecured Noteholders. In response, Mr. Wright again stated that Lightstream was not contemplating a debt exchange. He further agreed that he would inform FrontFour of any contemplated debt exchange and that if Lightstream decided to pursue one, it would be offered to all bondholders.

12. On June 2, 2015, myself and Mr. Loukas attended a meeting in New York with Mr. Wright. Mr. Loukas again raised the issue of a possible debt exchange and emphasized that it should be offered to all bondholders. Mr. Wright indicated that although the company had been receiving more reasonable offers, they had no plans to enter into a debt exchange. He again assured us that if Lightstream were to enter into a debt exchange, it would do so with all the holders of Unsecured Notes.

13. On July 3, 2015, the day after Lightstream announced the Secured Notes Transaction, I participated in a call with Mr. Wright, Mr. Scott, and Mr. Loukas. Mr. Loukas emphasized his disappointment that Lightstream decided to pursue an exchange with only some of the holders of Unsecured Notes given Mr. Wright's assurances that the company would not do a selected exchange. Mr. Wright acknowledged that these assurances had been made. We were advised that we could only participate on terms less favourable than those offered to the Secured Transaction Parties. Mr. Wright went on to explain that the Secured Transaction Parties told him during negotiations that they would not enter into a debt exchange if any other Unsecured note holders participated.

SWORN BEFORE ME Connecticut
at City of ~~New York~~, U.S.A.
this 21 day of October, 2016

(Notary Public in and for the State of ~~New York~~) Connecticut

SARAH A. TECLA
NOTARY PUBLIC
State of Connecticut
My Commission Expires
November 30, 2017

(Print Name and Expiry of Notary Public)

Badal Pandhi

(Signature)

Badal Pandhi

TAB 9

Form 49

[Rule 13.19]

Clerk's Stamp

COURT FILE NUMBER	1601-12571
COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Calgary

Applicant	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 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, 186330 ALBERTA LTD AND BAKKEN RESOURCES PARTNERSHIP	
DOCUMENT	Affidavit of **DAVID LORBER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**CASSELS BROCK & BLACKWELL LLP** 2100 Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Timothy Pinos Tel: 416.869.5784 Fax: 416.350.6903 tpinos@casselsbrock.com Stephanie Voudouris Tel: 416.860.6617 Fax: 416.642.7145 svoudouris@casselsbrock.com	**BENNETT JONES LLP** **Barristers and Solicitors** 4500, 855 — 2nd Street S.W. Calgary, Alberta T2P 4K7 Chris Simard Tel: 403-298-3182 Fax: 403-265-7219 simardc@bennettjones.com Sean Zweig Tel; 416-777-6254 Fax: 416-863-1716 zweigs@bennettjones.com
AFFIDAVIT OF:	DAVID LORBER	

SWORN ON: October 21, 2016

I, David Lorber, of the City of New York in the State of New York, in the United States of America, Managing Member, Partner, and Portfolio Manager at FrontFour Capital Group LLC, SWEAR THAT:

1. I am a Managing Member, Partner, and Portfolio Manager at FrontFour Capital Group LLC. FrontFour Capital Group LLC, is the Investment Advisor to the FrontFour Master Fund Ltd. and separately managed accounts. FrontFour Capital Group LLC is headquartered in Greenwich, Connecticut, USA.

2. FrontFour Capital Corp., is the Investment Fund Manager and Portfolio Manager of the FrontFour Opportunity Fund. FrontFour Capital Corp is based in Toronto, Ontario. Collectively in this affidavit, I will refer to the plaintiffs FrontFour Capital Corp. and FrontFour Capital Group LLC as "FrontFour".

3. I have worked at FrontFour since January 2007. In my role as Managing Member, Partner, and Portfolio Manager, I am responsible for identifying and analyzing new and play a key role in managing current investments. In this role, I am heavily involved in valuing a company's assets and understanding a company's financial projections to determine its go-forward value.

4. As such, I have knowledge of the matters to which I hereinafter depose, which knowledge is either personal to me, obtained from a review of the documents referred to, or, where indicated, I am advised by others in which case I verily believe such information to be true.

5. I understand that Lightstream Resources Ltd. (“**Lightstream**” or the “**Company**”) is involved in ongoing litigation with FrontFour and Mudrick Capital Management L.P. (“**Mudrick**”) related to the transaction announced in July 2015 whereby Lightstream agreed to exchange $465 million of the Unsecured Notes for $395 million of secured second lien notes (the “**Secured Notes**”), and issued a further $200 million of Secured Notes (the “**Secured Notes Transaction**” or “**Transaction**”). The Secured Notes Transaction was entered into with some (the “**Secured Transaction Parties**”), but not all, of the holders of the Unsecured Notes.

6. I have reviewed the affidavit of Stephen Loukas, sworn June 28, 2016, which I understand is being relied on in this proceeding. I swear this affidavit in support of certain factual assertions Mr. Loukas makes, as particularized further below. Further any capitalized terms not defined herein have the meaning provided in Mr. Loukas’ affidavit.

7. I would like to correct one part of Mr. Loukas’ affidavit. At paragraph 12(c), Mr. Loukas states that myself and Badal Pandhi attended the FirstEnergy Conference. We did not. I am also not aware of whether Mr. Wright and Mr. Scott attended the FirstEnergy Conference. Subject to those two corrections, I agree with Mr. Loukas’ explanation. Specifically, that Mr. Wright and Mr. Scott were in New York, and were invited to our offices for a meeting on March 13, 2015. Mr. Loukas and Mr. Zachary George (one of FrontFour’s Managing Members, Partners and Portfolio Managers) participated in the meeting via teleconference.

8. We discussed Lightstream's business strategy generally, and specifically focused on Lightstream's liquidity. FrontFour was concerned about Lightstream's business relationship with Apollo Global Management LLC ("**Apollo**"). To address this concern, Mr. Loukas asked about Lightstream's relationship with Apollo and stated that if Lightstream was going to pursue a debt exchange, they should offer the exchange to all Unsecured Noteholders. Mr. Wright assured us that Lightstream had ample liquidity, that the Company was not contemplating a debt exchange, and that if the Company decided to pursue a debt exchange it would be offered to all Unsecured Noteholders.

9. After we ended the telephone conference, myself and Mr. Pandhi walked Mr. Wright and Mr. Scott out of our offices. On the way out, I asked Mr. Wright whether Lightstream had any intention of pursuing a debt exchange. He said no. I told him that if Lightstream ultimately did decide to pursue a debt exchange, we would be willing to participate. I also advised that I would expect the debt exchange to be offered to all Unsecured Noteholders. Again, Mr. Wright stated that Lightstream had no intention of pursuing a debt exchange, and that if they did, it would be offered to all Unsecured Noteholders.

SWORN BEFORE ME at City of New York, U.S.A. this day of October, 2016	
(Notary Public in and for the State of New York)	(Signature)
HUGO SEGOVIA FEB 03, 2018. (Print Name and Expiry of Notary Public)	David Lorber

HUGO SEGOVIA
Notary Public - State of New York
NO. 01SE6296344
Qualified in New York County
My Commission Expires Feb 3, 2018