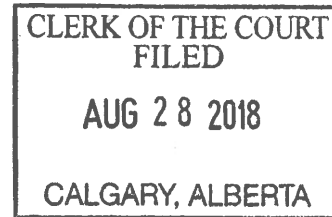


COURT FILE NUMBER 1801-06866
COURT COURT OF QUEEN'S
BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANT ATB FINANCIAL
RESPONDENTS MUSTANG WELL SERVICES LTD., KKSER ENTERPRISES LTD.,
COMPLETE OILFIELD MANUFACTURING INC., REACTION
OILFIELD SUPPLY (2012) LTD. and MRBD LTD.

DOCUMENT **NOTICE OF APPLICATION OF RECEIVER FOR SALE
APPROVAL, SEALING ORDER AND INTERIM DISTRIBUTION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5
Telephone 403-351-2921
Facsimile 403-648-1151

File No. 45306-7

Attention: Jeffrey Oliver/Danielle Marechal

NOTICE TO RESPONDENTS:

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

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

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

Date: Wednesday September 5, 2018

Time: 2:00 p.m.

Where: Calgary Law Courts

Before Whom: The Honourable Madam Justice M.H. Hollins –
Commercial List

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

Remedy claimed or sought:

1. An Order substantially in the form of Schedule "A", attached hereto:

- (a) if necessary, abridging the time for service of this Application and supporting First Report (the “**First Report**”) of FTI Consulting Canada Inc. (“**FTI**”) in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the assets, properties and undertakings of Mustang Well Services Ltd. (“**Mustang**”), KKSER Enterprises Ltd. (“**KKSER**”), Complete Oilfield Manufacturing Inc. (“**Complete**”), Reaction Oilfield Supply (2012) Ltd. (“**Reaction**”), and MRBD Ltd. (collectively, the “**Debtors**”) and declaring service to be good and sufficient;
 - (b) approving certain interim distributions to Camrose County and ATB Financial (“**ATB**”);
 - (c) approving an auction services agreement (the “**Auction Agreement**”) between the Receiver and Tiger Liquidity Services Energy Partners (“**Tiger**”);
 - (d) approving the sale of the Remaining Equipment (as defined below) in accordance with the terms of the Auction Agreement; and
 - (e) approving the conduct and activities of the Receiver as set forth in the First Report.
2. An Order substantially in the form of Schedule “B”, attached hereto approving an asset purchase agreement made as of July 31, 2018 (the “**APA**”) between the Receiver (in its capacity as receiver of the Debtors) as vendor and 877232 Alberta Ltd. (the “**Purchaser**”) as purchaser, which APA is appended as confidential Appendix “B” to the First Report, and vesting in the Purchaser the right, title and interest of KKSER, Mustang, Complete and Reaction in and to the Assets (as defined in the APA).
3. An Order substantially in the form of Schedule “C”, attached hereto sealing confidential Appendices “B” through “D” to the First Report (the “**Confidential Appendices**”).
4. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

Background

5. On May 17, 2018, on application by ATB, this Honourable Court granted an order (the “**Receivership Order**”) appointing FTI as receiver and manager of the current and future assets, undertakings and properties of the Debtors.

Sales of KKSR Building #2 and certain Assets

6. Prior to the commencement of these proceedings, KKSR engaged Re/Max Real Estate (Edmonton) Ltd. (“**Re/Max**”) to market and solicit offers for certain real property owned by KKSR (collectively, the “**KKSR Lands**”). The KKSR Lands are comprised of:
 - (a) lands located near Camrose, Alberta and legally described as Plan 1323928 Block 1 Lot 9 (“**KKSR Building #1**”); and
 - (b) a building located near Camrose, Alberta legally described as Plan 9922651 Lot 3 (“**KKSR Building #2**”).
7. KKSR Building #1 was previously sold pursuant to a purchase contract approved by this Honourable Court under the Receivership Order. The sale of KKSR Building #1 closed on May 31, 2018 and the net proceeds of sale are currently being held in trust by the Receiver (the “**KKSR Building #1 Proceeds**”).
8. KKSR Building #2 was advertised for sale on the real estate board’s Multiple Listing Service (“**MLS**”) commencing on January 18, 2018 and was listed for approximately 3.5 months with an original listing price of \$1,875,000. During this time, no offers were received on KKSR Building #2.
9. On February 26, 2018, concurrently with the Re/Max process, the Debtors engaged Sageworth Partners Inc. to, *inter alia*, act as selling agent to run a sales and marketing process (the “**Sageworth Process**”) aimed at selling all or part of the Debtors’ business or assets. The Sageworth Process resulted in various non-binding expressions of interest being received. One of the expressions of interest included an offer of \$850,000 for the shares of KKSR (the “**Sageworth Offer**”). As the only asset held by KKSR at that

time was KKSR Building #2, the Sageworth Offer was effectively for KKSR Building #2. The Sageworth Offer was not accepted by KKSR.

10. Following its appointment, the Receiver reached out to parties who had been involved in the Sageworth Process to re-canvass their interest in various assets of the Debtors. As a result of these efforts, the Purchaser submitted an offer to the Receiver for the purchase of the Assets, which Assets include:
 - (a) KKSR Building #2;
 - (b) certain personal property belonging to Complete, Reaction and Mustang; and
 - (c) miscellaneous intellectual property, supplies and parts inventory owned by Complete and Reaction.
11. The Receiver ultimately pursued the offer submitted by the Purchaser, which resulted in the execution of the APA. In determining to pursue the APA, the Receiver considered the purchase price and other relevant factors, such as the deposit and conditions to closing.
12. The key terms of the APA include:
 - (a) the following conditions precedent:
 - (i) this Honourable Court approving the APA and granting an approval and vesting order; and
 - (ii) the Purchaser obtaining financing (which condition has been waived);
 - (b) payment of a deposit of 5% of the purchase price, which deposit is only refundable if court approval cannot be obtained.
13. The Receiver is of the view that the purchase price under the APA is appropriate and closing the APA is in the best interest of the stakeholders for, *inter alia* the following reasons:
 - (a) KKSR Building #2 was adequately exposed to the market through the Re/Max listing and Sageworth Process;

- (b) the purchase price in the APA is significantly higher than the purchase price in the Sageworth Offer and is reasonably close to the value of the property referenced in an appraisal obtained by the Receiver in relation to KKSR Building #2;
- (c) although the APA includes assets in addition to KKSR Building #2, the Receiver is of the view that the value of those additional assets is relatively immaterial to the full transaction value;
- (d) all conditions in the APA, other than obtaining court approval, have been waived;
- (e) closing the APA avoids the requirement to pay commission on the sale;
- (f) the Purchaser is an unrelated third party;
- (g) the Receiver does not believe that re-listing KKSR Building #2 will necessarily yield an increased return for stakeholders; and
- (h) ATB (the Debtors' primary secured creditor) is supportive of the APA.

Interim Distribution

- 14. ATB is the primary secured creditor of the Debtors. ATB's security includes, *inter alia*, a mortgage dated October 15, 2013 (the "**Mortgage**") in the principal sum of \$2,800,000, which Mortgage was registered against the KKSR Lands.
- 15. A security review performed by counsel to the Receiver in relation to the Mortgage determined that the Mortgage was valid and enforceable and in first priority, subject to a potential priority claim for unpaid property taxes on the KKSR Lands owing to Camrose County (the "**Property Tax Arrears**").
- 16. Should this Honourable Court approve the APA, the Receiver seeks authorization to make the following distributions:
 - (a) distribution of the Property Tax Arrears relating to KKSR Building #2 to Camrose County from the net sale proceeds received from the sale of KKSR Building #2;

- (b) distribution of the KKSR Building #1 Proceeds to ATB, less any applicable Property Tax Arrears relating to KKSR Building #1 (which arrears have already been paid to Camrose County); and
 - (c) distribution of the proceeds of sale from KKSR Building #2 to ATB, which proceeds of sale shall be determined using the purchase price allocated to KKSR Building #2 within the APA less Property Tax Arrears #2.
17. The Receiver is proposing to hold the proceeds of sale received under the APA that are allocated to the other assets in trust pending further order of this Honourable Court.

Approval of Auction Agreement

18. Should this Honourable Court approve the APA, the major remaining assets (other than accounts receivable) are the service rigs, innovators and other miscellaneous equipment (collectively, the “**Remaining Equipment**”).
19. The Receiver has made various attempts since being appointed to sell the Remaining Equipment by way of en bloc sale without success. The Receiver is of the view that the most efficient way of realizing on the Remaining Equipment is through a liquidated auction conducted by a professional liquidator acting as agent for the Receiver.
20. The Receiver contacted three (3) liquidators, each of whom submitted a proposal. The Receiver reviewed the proposals received and considered, *inter alia*, the terms and the projected recoveries under each of the proposals.
21. The Receiver plans to enter into the Auction Agreement with Tiger, which agreement will be conditional on obtaining the approval of this Honourable Court.
22. The Receiver is of the view that approval and implementation of the Auction Agreement will provide for the most efficient method of realizing on the Remaining Equipment.

Sealing Order

23. A Sealing Order directing the sealing of Confidential Appendix “B” to the First Report is necessary due to the risk that the public disclosure of the contents of the unredacted APA may prejudice any future attempt to sell the Assets should the transactions contemplated in the APA not be completed. There are no reasonable alternative measures, and the benefits of a sealing order would outweigh any negative effects on the interests of the public.
24. A Sealing Order directing the sealing of Confidential Appendices “C” and “D” to the First Report is necessary due to the risk that the public disclosure of the contents of the proposals submitted by potential liquidators and the Auction Agreement may prejudice the auction process and any future attempt to sell the Remaining Equipment. There are no reasonable alternative measures, and the benefits of a sealing order would outweigh any negative effects on the interests of the public.

Material or evidence to be relied on:

25. The Pre-Filing Report of the Receiver, dated May 15, 2018;
26. The First Report of the Receiver, dated August 27, 2018;
27. Order granted by the Honourable Justice A.D. Macleod May 17, 2018; and
28. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

29. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2, and 6.3; and

Applicable Acts and regulations:

30. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended);
31. *Judicature Act*, RSA 2000, c J-2; and

32. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

33. None.

How the application is proposed to be heard or considered:

34. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

an auction in accordance with the terms of the Auction Agreement (the “**Auction**”); and (iii) vesting in each purchaser at such Auction (each, a “**Purchaser**”), the Debtors’ right, title and interest in and to the property purchased by such Purchaser at the Auction (in each case, the “**Purchased Assets**”), free and clear of any claims and encumbrances; **AND UPON HAVING READ** the Receivership Order granted by the Honourable Justice A.D. Macleod on May 17, 2018 (the “**Receivership Order**”), the First Report, confidential Appendices “B” through “D” to the First Report, the Approval and Vesting Order granted by the Honourable Madam Justice M.H. Hollins on September 5, 2018 (the “**Vesting Order**”) and the Affidavit of Service of Richard Comstock, sworn ●, 2018; **AND UPON NOTING** that the sale of two parcels of real property (collectively, the “**KKSR Lands**”) with the following legal descriptions have been approved pursuant to the Receivership Order and the Vesting Order, respectively: (i) Plan 1323928 Block 1 Lot 9 (“**KKSR Building #1**”); and (ii) Plan 9922651 Lot 3 (“**KKSR Building #2**”); **AND UPON** hearing from counsel for the Receiver, and such other counsel as are present;

IT IS HEREBY ORDERED AND DECLARED THAT:

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

Interim Distribution

2. The mortgage dated October 15, 2013 (the “**Mortgage**”) in the principal sum of \$2,800,000 between Alberta Treasury Branches, now ATB Financial (“**ATB**”), as mortgagee and KKSR as mortgagor, which Mortgage was registered against the KKSR Lands, is valid and enforceable.
3. The Receiver is hereby authorized and empowered to distribute:
 - (a) the amount of the unpaid property tax arrears owing on KKSR Building #2 (the “**Property Tax Arrears**”), to Camrose County;
 - (b) the amount of the net sale proceeds currently held by the Receiver from the sale of KKSR Building #1, to ATB; and

- (c) the net sale proceeds allocated to KKSR Building #2 (which allocation shall be determined in accordance with the Sale Agreement, as that term is defined in the Vesting Order), less any applicable Property Tax Arrears, held by the Receiver from the sale of KKSR Building #2, to ATB.

Approval of Auction Agreement

4. The execution by the Receiver of the Auction Agreement is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Auction.

5. Upon:

- (a) the Auctioneer completing a sale to a Purchaser at the Auction of one or more Purchased Assets;
- (b) receipt by the Auctioneer from such Purchaser of the purchase price determined at the Auction; and
- (c) delivery by the Auctioneer to such Purchaser of a bill of sale or similar evidence of purchase and sale (each, a “**Purchaser’s Bill of Sale**”),

(each an “**Auction Transaction**” and collectively, the “**Auction Transactions**”)

all of the Debtors’ right, title and interest in and to the Purchased Assets purchased by such Purchaser at the Auction and described in such Purchaser’s Bill of Sale shall vest absolutely in the name of such Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing:

- (d) any encumbrances or charges created by the Receivership Order; and

(e) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. From and after the closing of each of the Auction Transactions (including the payment of the purchase price by the Purchaser to the Auctioneer), the Receiver or the Auctioneer are authorized to discharge from the Personal Property Registry any claim registered against any of the Personal Property being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Debtors.
7. Upon the completion of all of the Auction Transactions to the satisfaction of the Receiver, the Receiver shall file a certificate substantially in the form attached hereto as Schedule "A" certifying that the Auction Transactions have closed.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets at the Auction (to be held in a trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Purchaser's Bill of Sale all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to their sale at Auction, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
9. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Auction Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
10. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the

Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.

12. Notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtors

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

13. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Approval of Actions of Receiver

14. The activities of the Receiver, as described in the First Report, are hereby ratified and approved.
15. This Order must be served only upon those interested parties attending or presented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
16. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.

Schedule "A"
Form of Receiver's Certificate

COURT FILE NO.: 1801-06866

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF
MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, 888 3rd Street SW
Calgary, Alberta T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
File No.45306-7

Clerk's Stamp

Attention: Jeffrey L. Oliver/Danielle Marechal

RECITALS

- A. Pursuant to an Order of the Honourable Justice A.D. MacLeod of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2018, FTI Consulting Canada Inc. ("**FTI**") was appointed as the receiver (in such capacity, the "**Receiver**") of the undertaking, property and assets of Mustang Well Services Ltd., KKS R Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd. (collectively, the "**Debtors**").

- B. Pursuant to an Order of the Court dated September 5, 2018, the Court approved the auction services agreement made as of August ●, 2018 (the “**Auction Agreement**”) between the Receiver and Tiger Liquidity Services Energy Partners pursuant to which one or more auction transactions may be completed (the “**Auction Transactions**”)
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Auction Agreement.

THE RECEIVER CERTIFIES the following:

1. The Auction Transactions have been completed to the satisfaction of the Receiver.
2. This Certificate was delivered by the Receiver at [●Time] on [●Date].

FTI Consulting Canada Inc., in its capacity as Receiver of the undertaking, property and assets of Mustang Well Services Ltd., KKSER Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd., and not in its personal capacity.

Per;_____

Name:

Title:

SCHEDULE "B"
SALE APPROVAL AND VESTING ORDER

COURT FILE NO.: 1801-06866

Clerk's Stamp

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF MUSTANG WELL SERVICES LTD., KKSr ENTERPRISES LTD., COMPLETE OILFIELD MANUFACTURING INC., REACTION OILFIELD SUPPLY (2012) LTD. and MRBD LTD.

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKSr ENTERPRISES LTD., COMPLETE OILFIELD MANUFACTURING INC., REACTION OILFIELD SUPPLY (2012) LTD. and MRBD LTD.

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

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, 888 3rd Street SW
Calgary, Alberta T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
File No.45306-7

Attention: Jeffrey L. Oliver/Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice
M.H. Hollins

UPON THE APPLICATION by FTI Consulting Canada Inc. ("**FTI**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Mustang

Well Services Ltd., KKSER Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd. (collectively, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and 877232 Alberta Ltd. (the "**Purchaser**") dated July 31, 2018, a redacted copy of which is appended to the First Report of the Receiver dated August 1, 2018 (the "**Report**"), and vesting in the Purchaser (or its nominee) the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated May 17, 2018 (the "**Receivership Order**"), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and ATB Financial, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "Receiver's Certificate"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall vest absolutely in the name of

the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; and
- (c) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "D"**);

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. From and after the closing of the Transaction (including the payment of the purchase price by the Purchaser to the Receiver), the Receiver is authorized to discharge from the Personal Property Registry any claim registered against any of the Personal Property being purchased by the Purchaser, to the extent the security interest is registered against the interest of the Debtors.
5. Upon the delivery of the Receiver's Certificate, and upon the filing of a certified copy of this Order, together with any applicable registration fees, the Registrar of Land Titles of Alberta (the "Registrar") is hereby authorized, requested, and directed to cancel the existing Certificate of Title No. 082 114 241 for those lands and premises municipally described as 46358 Sec Hwy 834. Camrose, Alberta T4V 1X4, and legally described as:

Plan 9922651
Lot 3
Excepting thereout all mines and minerals
Area: 1.62 Hectares (4 Acres) more or less

(the "**Lands**")

and to issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, 877232 Alberta Ltd., and to register such transfers, discharges, discharge statements of conveyances, as may be required to convey clear title to the Lands to the Purchaser (or its nominee), which Certificate of Title shall be subject only to those encumbrances (the "Permitted Encumbrances") listed on **Schedule "D"** hereto.

6. This Order shall be registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
8. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtors.
9. The Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.
11. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtors.
12. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).
13. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Debtors

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

MISCELLANEOUS MATTERS

14. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to

this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

16. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
17. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.C.Q.B.A.

Schedule "A" to Approval and Vesting Order

Form of Receiver's Certificate

COURT FILE NO.: 1801-06866

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF
MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

APPLICANT ATB FINANCIAL

RESPONDENTS MUSTANG WELL SERVICES LTD., KKS
R ENTERPRISES LTD., COMPLETE OILFIELD
MANUFACTURING INC., REACTION OILFIELD
SUPPLY (2012) LTD. and MRBD LTD.

DOCUMENT **RECEIVER'S CERTIFICATE**

Clerk's Stamp

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Cassels Brock & Blackwell LLP
Suite 3810, 888 3rd Street SW
Calgary, Alberta T2P 5C5
Telephone: (403) 351-2921
Facsimile: (403) 648-1151
File No.45306-7

Attention: Jeffrey L. Oliver/Danielle Marechal

RECITALS

- A. Pursuant to an Order of the Honourable Justice A.D. MacLeod of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 17, 2018, FTI Consulting Canada Inc. ("**FTI**") was appointed as the receiver (in such capacity, the "**Receiver**") of the undertaking, property and assets of Mustang Well Services Ltd., KKS R Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd. (collectively, the "**Debtors**").

- B. Pursuant to an Order of the Court dated September 5, 2018, the Court approved the agreement of purchase and sale made as of July 31, 2018 (the “**Sale Agreement**”) between the Receiver and 87232 Alberta Ltd. of ● (the “**Purchaser**”) and provided for the vesting in the Purchaser all of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Sections 7.1 and 7.2 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Sections 7.1 and 7.2 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [●Time] on [●Date].

FTI Consulting Canada Inc., in its capacity as Receiver of the undertaking, property and assets of Mustang Well Services Ltd., KKSR Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd. and MRBD Ltd., and not in its personal capacity.

Per; _____

Name:

Title:

Schedule "B" to Approval and Vesting Order

Purchased Assets

The Assets are those described in the Sale Agreement, including those assets set out in the attached Schedules.

Schedule "C" to Approval and Vesting Order

Encumbrances

LAND TITLE CERTIFICATE NUMBER	LAND TITLES DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE	PARTICULARS
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	072 391 194	29/06/2007	CAVEAT RE : LEASE INTEREST CAVEATOR - MUSTANG WELL SERVICES LTD.
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	122 118 209	20/04/2012	CAVEAT RE : AGREEMENT CHARGING LAND CAVEATOR - FORTISALBERTA INC.
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	132 341 378	22/10/2013	MORTGAGE MORTGAGEE - ALBERTA TREASURY BRANCHES.
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	132 341 379	22/10/2013	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ALBERTA TREASURY BRANCHES
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62	182 089 420	20/04/2018	TAX NOTIFICATION BY - CAMROSE COUNTY

	HECTARES (4 ACRES) MORE OR LESS			
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	182 156 365	27/06/2018	ORDER IN FAVOUR OF - FTI CONSULTING CANADA INC.

Schedule "D" to Approval and Vesting Order

Permitted Encumbrances

LAND TITLE CERTIFICATE NUMBER	LAND TITLES DESCRIPTION	REGISTRATION NUMBER	REGISTRATION DATE	PARTICULARS
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	3248UX	16/10/1974	UTILITY RIGHT OF WAY GRANTEE - ANKERTON GAS CO-OP LTD.
082 114 241	LEGAL DESCRIPTION PLAN 9922651 LOT 3 EXCEPTING THEREOUT ALL MINES AND MINERALS AREA: 1.62 HECTARES (4 ACRES) MORE OR LESS	All reservations, exceptions and conditions to which the title to the Lands is subject pursuant to the <i>Land Titles Act</i> (Alberta)		

**SCHEDULE "C"
SEALING ORDER**

COURT FILE NUMBER 1801-06866
COURT COURT OF QUEEN'S
 BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANT ATB FINANCIAL
RESPONDENTS MUSTANG WELL SERVICES LTD., KKSER ENTERPRISES LTD.,
 COMPLETE OILFIELD MANUFACTURING INC., REACTION
 OILFIELD SUPPLY (2012) LTD., AND MRBD LTD.

DOCUMENT **SEALING ORDER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT Cassels Brock & Blackwell LLP
 Suite 3810, Bankers Hall West
 888 3rd Street SW
 Calgary, Alberta, T2P 5C5

 Telephone 403-351-2921
 Facsimile 403-648-1151

File No. 45306-7

Attention: Jeffrey Oliver/Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2018

LOCATION OF HEARING: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice M.H. Hollins

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, properties and undertakings of Mustang Well Services Ltd., KKSER Enterprises Ltd., Complete Oilfield Manufacturing Inc., Reaction Oilfield Supply (2012) Ltd., and MRBD Ltd. (collectively, the "**Debtors**") for, among other things: (i) an order approving the sale transaction contemplated by an assets purchase agreement made as of July 31, 2018 between the Receiver and 877232 Alberta Ltd. (the "**Transaction**"); and (ii) approving an auction services agreement between the Receiver and Tiger Liquidity Services Energy Partners pursuant to which one or more auction transactions may be completed (the "**Auction Transactions**"); **AND UPON HAVING READ** the Receivership

Order granted by the Honourable Justice A.D. Macleod on May 17, 2018 (the “**Receivership Order**”), the First Report of the Receiver dated August 27, 2018 (the “**First Report**”), confidential Appendices “B” through “D” to the First Report (the “**Confidential Appendices**”) and the Affidavit of Service of Richard Comstock, sworn ●, 2018; **AND UPON** hearing from counsel for the Receiver, and such other counsel as are present;

IT IS HEREBY ORDERED AND DECLARED THAT:

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

Sealing of Confidential Appendix “B”

2. Division 4 Part 6 of the *Alberta Rules of Court* does not apply to this Application.
3. Confidential Appendix “B” submitted in the within proceedings shall, until the filing of a Receiver’s certificate confirming that the Transaction has been completed to the satisfaction of the Receiver, or until further order of this Honourable Court, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Appendices in a sealed envelope, which shall clearly be marked “SEALED PURSUANT TO THE ORDER OF THE HON. MADAM JUSTICE M.H. HOLLINS DATED SEPTEMBER 5, 2018”.

Sealing of Confidential Appendices “C” and “D”

4. Division 4 Part 6 of the *Alberta Rules of Court* does not apply to this Application.
5. Confidential Appendices “C” and “D” submitted in the within proceedings shall, until the filing of a Receiver’s certificate confirming that the Auction Transactions have been completed to the satisfaction of the Receiver, or until further order of this Honourable Court, be sealed and kept confidential, to be shown only to a Justice of the Court of Queen’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Appendices in a sealed envelope, which shall clearly be

marked "SEALED PURSUANT TO THE ORDER OF THE HON. MADAM JUSTICE M.H. HOLLINS DATED SEPTEMBER 5, 2018".

6. Any party may apply to set aside paragraphs 3 or 6 of this order upon providing the Receiver and all other interest parties with five (5) days notice of such application.
7. This Order must be served only upon those interested parties attending or presented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
8. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.Q.B.A.