



COURT FILE NUMBER 1601 – 03113
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF QUICKSILVER RESOURCES
CANADA INC., 0942065 B.C. LTD. and 0942069
B.C. LTD.

DOCUMENT

APPLICATION (Stay Extension)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street SW
Calgary, Alberta T2P 4K7
Attention: Chris Simard/Kevin Zych

Telephone No.: 403-298-4485/416-777-5738
Fax No.: 403-265-7219
Client File No.: 39944.88

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 master/judge.

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

Date: Monday, September 26, 2016
Time: 10:00 a.m.
Where: Calgary Courts Centre
601 – 5th Street SW, Calgary AB
Before Whom: The Honourable Mr. Justice A. D. Macleod
on the Commercial List

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

This Application is being made by Quicksilver Canada Resources Inc. ("**QRCI**") and 0942065 B.C. Ltd. ("**LNG Co**" and together with QRCI, the "**Applicants**"). All capitalized terms not otherwise defined in this Order are as defined in the Affidavit of J. David Rushford, sworn March 8, 2016 (the "**Rushford Affidavit No. 1**").

Remedy claimed or sought:

1. If necessary, an Order abridging the time for service of this Application and supporting materials and declaring service to be good and sufficient.
2. An Order further extending the stay of proceedings in this matter up to and including November 30, 2016.
3. Such further and other relief, advice and directions as counsel may request and this Honourable Court may deem just and appropriate in the circumstances.

Grounds for making this application:

Stay Extension Order

4. On March 8, 2016, the Honourable Mr. Justice D. B. Nixon granted the Initial Order in this Action granting, among other things, a stay of proceedings from the date of the Initial Order up to and including April 7, 2016 (the "**Stay Period**").
5. On April 5, 2016, the Honourable Mr. Justice S. J. LoVecchio granted an Order (the "**First Stay Extension Order**") which, among other things, extended the Stay Period up to and including June 2, 2016.
6. On May 26, 2016, the Honourable Madam Justice K. M. Eidsvik granted an Order (the "**Second Stay Extension Order**") which, among other things, extended the stay period up to and including August 5, 2016.
7. On August 15, 2016, the Honourable Madam Justice B. E. Romaine granted an Order (the "**Third Stay Extension Order**") which, among other things, extended the stay period *nunc pro tunc* from August 5, 2016 up to and including September 30, 2016.

8. Since the Third Stay Extension Order was granted, the Applicants have taken significant steps to advance these restructuring proceedings, including but not limited to:
- (a) cooperating with the Monitor to facilitate its monitoring of the Applicants' business and operations;
 - (b) communicating with the Applicants' primary creditors and stakeholders and their advisors regarding a Plan of Compromise and Arrangement (a "**Plan**") that will allow for the most efficient method of monetizing the assets of the Applicants, determining claims against the Applicants and their directors and officers, and distributing proceeds to creditors;
 - (c) implementing the Claims Procedure approved by the Court on May 26, 2016;
 - (d) in conjunction with the Monitor, holding discussions with Miles Davison LLP as representative counsel ("**Representative Counsel**") for certain terminated employees of the Applicants (the "**Represented Group**"), to seek to resolve the contested claims of the Represented Group, which discussions have resulted in an agreement in principle, that is currently being formalized;
 - (e) working with the Monitor to assess the claims submitted pursuant to the Claims Procedure and working with the Monitor and various creditors, including Representative Counsel, to seek to efficiently resolve all disputes items regarding creditors' claims against the Applicants; and
 - (f) continuing to operate and manage the Applicants' business in the ordinary course, subject to the terms of the Initial Order.
9. The Applicants are working in good faith and with due diligence in these proceedings, it is in the best interest of the Applicants and all of their stakeholders that the Stay Period be extended up to and including November 30, 2016 (the "**Fourth Stay Extension**"), and it is appropriate in the circumstances to so order.
10. It is anticipated that by the end of the Fourth Stay Extension, the Applicants will be able to finalize the Plan, seek the approval of this Honourable Court to call meetings of the

Applicants' creditors to vote on the Plan, and possibly even apply for sanction of the Plan (should the Plan be approved by the requisite majorities of the Applicants' creditors).

11. The Applicants will have sufficient cash on hand to fund their operations and these proceedings during the Fourth Stay Extension.
12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

13. The pleadings and proceedings filed in the within action, including the Initial Order and the Affidavit of Bob McGregor, sworn September 20, 2016.
14. The Monitor's Seventh Report, to be filed.
15. The inherent jurisdiction of this Honourable Court.
16. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

17. None.

Applicable Acts and regulations:

18. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Any irregularity complained of or objection relied on:

19. None.

How the application is proposed to be heard or considered:

20. In person, with the Applicants and any interested parties present before the Honourable Mr. Justice A. D. Macleod in Commercial List Appearance Chambers on September 26, 2016.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

CLERK'S STAMP

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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 THE COMPROMISE OR
ARRANGEMENT OF QUICKSILVER RESOURCES
CANADA INC., 0942065 B.C. LTD. and 0942069 B.C.
LTD.**

DOCUMENT **ORDER (Fourth Stay Extension)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT **BENNETT JONES LLP**
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Attention: Chris Simard / Kevin Zych
Tel No.: 403-298-4485 / 416-777-5738
Fax No.: 403-265-7219 / 416-863-1716
Client File No.: 39944.88

DATE ON WHICH ORDER WAS PRONOUNCED: September 26, 2016

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice A. D. Macleod

UPON THE APPLICATION of Quicksilver Resources Canada Inc. ("**Quicksilver Canada**") and 0942065 B.C. Ltd. (collectively, the "**Applicants**"); **AND UPON** having read the Application, the Affidavit of Bob McGregor sworn September 20, 2016, and the Seventh Report of FTI Consulting Canada Inc., the Court-appointed Monitor of the Applicants (the "**Monitor**"), all filed; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Agent, and counsel for other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Application for this Order and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.
2. The Stay Period as ordered and defined in paragraph 16 of the Initial Order granted herein on March 8, 2016 until and including November 30, 2016.

J.C.Q.B.A