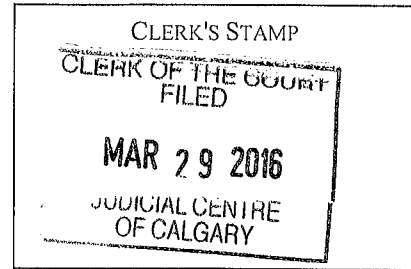


FORM 27
[RULES 6.3 AND 10.52(1)]



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 AND
DISTRIBUTION OF PROCEEDS)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
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 / 416.863.1716
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: April 5, 2016
Time: 10:00 a.m.
Where: Calgary Courts Centre, 601, 5th Street S.W. Calgary, Alberta
Before Whom: Mr. Justice S. J. LoVecchio, the Presiding Justice 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 Resources Canada Inc. ("**Quicksilver Canada**"), 0942065 B.C. Ltd. and 0942069 B.C. Ltd. (the "**Applicants**"). All capitalized terms used but not defined in this Application shall bear their meanings as defined in the Affidavit of J. David Rushford sworn on March 8, 2016 (the "**Rushford Affidavit No. 1**") and the Affidavit of Bob McGregor sworn March 29, 2016 (the "**McGregor Affidavit**").

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, in substantially the form of the proposed Order attached hereto as Schedule "A":
 - (a) extending the Stay Period, as ordered and defined in paragraph 16 of the Initial Order granted herein on March 8, 2016 (the "**Initial Order**"), to June 2, 2016;
 - (b) approving the distribution, after the closing of the Transaction (as defined in the Approval and Vesting Order granted by this Honourable Court on March 29, 2016, hereinafter the "**Approval and Vesting Order**"), of all of the net proceeds of the Transaction to repay the Agent on behalf of the lenders under the Credit Facility; and
 - (c) such further and other relief, advice and directions as counsel may request and this Honourable Court may deem appropriate in the circumstances.

Grounds for Making this Application:

3. On March 8, 2016, the Honourable Mr. Justice D. B. Nixon of this Honourable Court granted the Initial Order in this Action granting, among other things, the Stay Period until and including April 7, 2016.
4. Since the granting of the Initial Order, 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 various stakeholder groups and their advisors;
 - (c) setting down an application for the Approval and Vesting Order with respect to the Horseshoe Canyon APA, which was granted on March 29, 2016;
 - (d) continuing to advance the QRCI Sale Process with respect to the Horn River Asset and Discovery LNG; and
 - (e) continuing to operate and manage the Applicants' business in the ordinary course, subject to the terms of the Initial Order.
5. 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 for two months, and it is appropriate in the circumstances to so order.
 6. The Monitor's counsel has opined that the security held by the Agent in connection with the Credit Facility is valid and enforceable.
 7. After the payment of all of the net proceeds of the Transaction to the Agent, the Applicants will have sufficient cash on hand to fund their operations and these proceedings during the Stay Period Extension (as defined in the McGregor Affidavit) being requested.
 8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be relied on:

9. The pleadings and proceedings filed in within Action, including the Rushford Affidavit No. 1;
10. The Second Report of the Monitor, to be filed;
11. The McGregor Affidavit, filed.

12. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

13. None.

Applicable Acts and Regulations:

14. *The Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA").

Any Irregularity Complained or Objection Relied On:

15. None.

How the Application is proposed to be Heard or Considered:

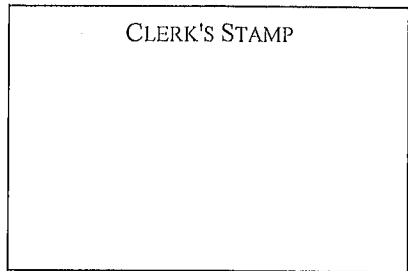
16. Before the Honourable Mr. Justice D. B. Nixon, in Justice Chambers on the Commercial List, as scheduled.

WARNING

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

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

SCHEDULE "A"



COURT FILE NUMBER 1601-01675
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

**ORDER (STAY EXTENSION AND
DISTRIBUTION OF PROCEEDS)**

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Fax No.: 403.265.7219 / 416.863.1716
Client File No.: 39944.88

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

April 5, 2016

**LOCATION WHERE ORDER WAS
PRONOUNCED:**

Calgary Courts Centre

**NAME OF JUSTICE
WHO MADE THIS ORDER:**

The Honourable Mr. Justice S. J. LoVecchio

UPON the application of Quicksilver Resources Canada Inc. ("**Quicksilver Canada**"), 0942065 B.C. LTD. and 0942069 B.C. LTD (collectively, the "**Applicants**"); AND UPON having read the Application, the Affidavit of J. David Rushford sworn March 8, 2016 (the "**Rushford Affidavit No. 1**"), the Affidavit of Bob McGregor sworn March 29, 2016 (the "**McGregor Affidavit**"), the Second 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 this Application 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 7, 2016, is hereby extended until and including June 2, 2016.
3. Quicksilver Canada is hereby authorized to, after the closing of the Transaction, pay the net proceeds of the Transaction to the Agent (as defined in the Rushford Affidavit No. 1).

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