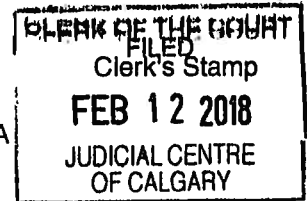


COURT FILE NUMBER 1601-11552
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANT NATIONAL BANK OF CANADA, IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN AMENDED AND RESTATED CREDIT AGREEMENT DATED JANUARY 15, 2016, AS AMENDED

RESPONDENT TWIN BUTTE ENERGY LTD.

IN THE MATTER OF THE RECEIVERSHIP OF TWIN BUTTE ENERGY LTD.

APPLICANT FTI CONSULTING CANADA INC. in its capacity as Court-appointed Receiver of the current and future assets, undertakings and properties of TWIN BUTTE ENERGY LTD.

DOCUMENT **APPLICATION**
(Interim Distribution and Holdback)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2

Phone: +1 403.267.8222
Fax: +1 403.264.5973
Email: howard.gorman@nortonrosefulbright.com /
aditya.badami@nortonrosefulbright.com
Attention: Howard A. Gorman, Q.C. / Aditya M. Badami
File No.: 01020497-0005

NOTICE TO THE RESPONDENTS

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

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

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

Date: February 20, 2018
Time: 2:00 p.m.
Where: Calgary Courts Centre
Before Whom: The Honourable Justice K. Yamauchi

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

Remedy claimed or sought:

1. FTI Consulting Canada Inc. in its capacity as Court-appointed receiver and manager (the **Receiver**) of the current and future assets, undertakings and properties of Twin Butte Energy Ltd. (**Twin Butte**) seeks the following relief:
 - a. abridging, if necessary, the time for service of this Application and supporting materials, and declaring service of same to be good and sufficient; and
 - b. an Order, substantially in the form attached hereto as **Schedule "A"**, authorizing the Receiver to make an interim distribution (the **Interim Distribution**) out of the assets of Twin Butte in the approximate amount of \$8,268,802 to certain unsecured creditors of Twin Butte having Proven Claims as such term is defined in the Claims Procedure Order dated May 1, 2017 in the within proceedings.

Grounds for making this application:

Interim Distribution and Holdback of Funds

2. The unsecured creditors of Twin Butte to whom distributions are proposed to be made all have Proven Claims as against the Twin Butte estate.
3. The Interim Distribution is just, appropriate, and in the best interests of the administration of the receivership estate.
4. The Receiver intends on retaining a holdback of funds in the amount of approximately \$4,819,287 in respect of:
 - a. the claim asserted by GeoCap Energy Corporation and Sutton Energy Ltd., which is presently the subject of settlement discussions;
 - b. the claim asserted by certain former executives whose claims are the subject of applications before this Honourable Court;
 - c. the tax claim of the Alberta Treasury Board and Minister of Finance;
 - d. the Receiver's and its legal counsel's fees and disbursements; and
 - e. contingencies and other unforeseen expenses that may arise in respect of the administration of the receivership estate.
5. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be relied on:

6. The Receivership Order;
7. The Thirteenth Report of the Receiver;
8. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

9. Rules 6.3(1), 6.9(1), and 6.28 - 6.36 of the Alberta *Rules of Court*.
10. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

11. The Alberta *Rules of Court*.
12. Section 122 of the *Bankruptcy and Insolvency Act*.
13. 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:

14. There are no irregularities complained of or objections relied on.

How the application is proposed to be heard or considered:

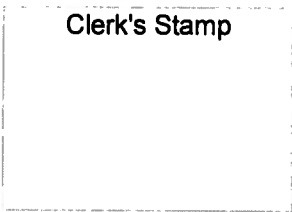
15. Oral submissions by counsel.

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 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 heard or considered.

SCHEDULE A

COURT FILE NUMBER 1601-11552
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA in its capacity
as Administrative Agent under that certain
amended and restated credit agreement
dated January 15, 2016, as amended



DEFENDANT TWIN BUTTE ENERGY LTD.

IN THE MATTER OF THE RECEIVERSHIP
OF TWIN BUTTE ENERGY LTD.

APPLICANT FTI CONSULTING CANADA INC. in its
capacity as Court-appointed receiver and
manager of the current and future assets,
undertakings and properties of TWIN BUTTE
ENERGY LTD.

DOCUMENT **ORDER**
(Interim Distribution and Holdback)
Norton Rose Fulbright Canada LLP

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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aditya.badami@nortonrosefulbright.com

Attention: Howard A. Gorman, Q.C. / Aditya M. Badami
File No.: 01020497-0005

DATE ON WHICH ORDER WAS PRONOUNCED: February 20, 2018

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice K. Yamauchi

UPON THE APPLICATION of FTI Consulting Canada Inc. in its capacity as Court-appointed receiver and manager (the **Receiver**) of the current and future assets, undertakings and properties of Twin Butte Energy Ltd. (the **Debtor**); **AND UPON HAVING READ** the Receivership Order dated September 1, 2016 (the **Receivership Order**), and the Thirteenth Report of the Receiver filed February 12, 2018 (**Thirteenth Report**); **AND UPON NOTING THAT** capitalized terms not defined herein are as

defined in the Thirteenth Report; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

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.

INTERIM DISTRIBUTION and HOLDBACK

2. The Receiver is authorized and directed to make distributions in accordance with the proposed initial distributions and holdbacks described in paragraphs 20-25 of the Thirteenth Report.

MISCELLANEOUS

3. The Receiver is at liberty to reapply for further advice and direction as may be necessary to give full force and effect to the terms of this Order.
4. Service of this Order by e-mail, facsimile, courier, regular mail or personal delivery shall constitute good and sufficient service of this Order.

J.C.Q.B.A.