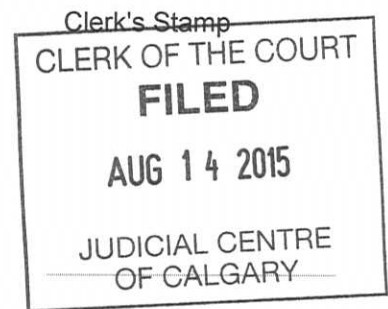


COURT FILE NUMBER 1501-09424
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF(S) NATIONAL BANK OF CANADA
DEFENDANT(S) WALDRON ENERGY CORPORATION
DOCUMENT **APPLICATION (Appoint Receiver)**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Norton Rose Fulbright Canada LLP
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Attention: Howard A. Gorman, Q.C. / Randal Van de Mosselaer
File No. 01124572-0581

NOTICE TO RESPONDENT(S):

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: Monday, August 17, 2015
Time: 10:00 A.M.
Where: Calgary Courts Centre
Before Whom: The Honourable Justice K.D. 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. Abridging, if necessary, the time for service of this application and deeming service good and sufficient.
2. Appointing FTI Consulting Canada Inc. ("FTI") as receiver and manager over the assets, undertakings and property of Waldron Energy Corporation ("**Waldron**") on the terms and conditions contained in the draft Receivership Order attached as Schedule A.

3. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may permit.

Grounds for making this application:

4. The National Bank of Canada (the "Bank"), as Lender, provided various secured loans to Waldron as Borrower under various loan agreements. The Loan Agreements, including amendments, include an Offering Letter dated February 16, 2010, as amended or restated May 31, 2010, October 25, 2010, April 14, 2011, September 19, 2011, April 19, 2012, June 20, 2012, October 26, 2012, March 28, 2013, August 8, 2013, October 8, 2013, November 13, 2013, April 10, 2014, September 23, 2014, and December 24, 2014, and providing for:
 - (a) a Revolving Operating Demand Loan;
 - (b) a Risk Management Facility; and
 - (c) a MasterCard Facility (collectively, the "**Loan Agreements**");
5. In addition, the Bank and Waldron entered into Loan Amending and Extension Agreements dated February 19, 2014, March 7, 2014, March 18, 2014, June 16, 2014 and April 27th, 2015 (collectively, the "**Extension Agreements**").
6. The Extension Agreement provided, *inter alia*, for the waiver of certain events of default, and consent by the Bank to an asset sale, the proceeds of which would be allocated to operating expenses and repayment of the principal due under the Loan Agreements.
7. In accordance with the Loan Agreements, the Bank advanced various loans to Waldron. As at August 6, 2015 and continuing to this date, the total indebtedness of Waldron to the Bank is in excess of \$7,738,541.66 (the "**Indebtedness**").
8. In addition, Waldron is indebted to Toscana Capital Corporation, ("**Toscana**") under a term loan and operating line of credit (the "**Toscana Facility**").
9. Pursuant to a Subordination Agreement between the Bank, Toscana, and Waldron dated February 28th, 2014, as amended and restated June 18th, 2014, and April 29th, 2015, the Toscana Facility ranks subordinate to the obligations of Waldron to the Bank under the Loan Agreements.
10. It is an express term of the Loan Agreements that the Indebtedness is repayable on demand by the Bank, and that the Security will become enforceable upon the occurrence of an event of default by Waldron.
11. The Loan Agreements provide that it is an event of default under the Loan Agreements if Waldron is in default of its obligations under any material agreement to which Waldron is a party, or if Waldron fails to make any payment to the Bank when due.
12. Waldron is currently in default under the Loan Agreements, as a result of the following:
 - (a) Waldron has failed to make payments on the Indebtedness when due;
 - (b) Waldron is in default under the Toscana Facility, and Toscana has issued a demand for immediate repayment thereunder; and

- (c) other events of default, including but not limited to events resulting in Material Adverse Effects as defined in the Loan Agreements.

(collectively, the "Defaults")

13. As a result of the Defaults, the Bank issued a Demand and Notice to Waldron pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 on August 7, 2015; however, Waldron has failed or neglected to repay the Indebtedness, or any part thereof.
14. It was a term of the Loan Agreements and associated security that upon default by Waldron, the Bank would be entitled to apply to the Court for the appointment of a receiver or a receiver and manager.
15. The appointment of FTI as receiver and manager or, alternatively, as receiver over the assets, undertakings and property of Waldron is just, equitable, convenient and necessary to preserve the Bank's security.
16. FTI has consented to act as receiver and manager or, alternatively, receiver over the assets, undertakings and property of Waldron.
17. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Materials or evidence to be relied on:

18. All pleadings and proceedings filed herein, including the Affidavit of Karen Koury sworn August 7, 2015.
19. The Consent to Act as Receiver executed by a duly authorized representative of FTI.
20. Such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

21. Part 6, Division 7, Rule 6.47.

Applicable Acts and regulations:

22. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and, particularly, section 243 thereon, and the *Judicature Act*, R.S.A. 2000, c. J-2, as amended and, particularly, section 13(2) thereof.

Any irregularity complained of or objection relied on:

23. N/A

How the application is proposed to be heard or considered:

24. Oral submissions by counsel at an application in Justice Chambers as scheduled.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

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.