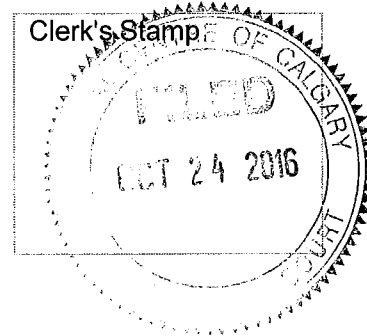


COURT FILE NUMBER 1501-09424
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA
DEFENDANT WALDRON ENERGY CORPORATION
DOCUMENT APPROVAL AND VESTING ORDER
(Sale by Receiver)



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, AB T2P 4J8
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I hereby certify this to be a true copy of the original Over
Dated this 24 day of Oct 2016
[Signature] M.
for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: October 24, 2016

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre, Justice Chambers

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B.E.C. Romaine

UPON THE APPLICATION by FTI Consulting Canada Inc., in its capacity as court-appointed receiver and manager (the "Receiver") of the undertaking, property and assets of Waldron Energy Corporation (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Purchase Agreement") between the Receiver and Sequoia Resources Corp. (the "Purchaser") dated October 18, 2016 and appended as Appendix A to the Third Report of the Receiver dated October 18, 2016 (the "Third Report"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Purchase Agreement (the "Purchased Assets");

AND UPON HAVING READ the receivership order dated August 17, 2015 (the "Receivership Order"), the Third Report and the Affidavit of Service of Lindsay Farr sworn October 21, 2016;

AND UPON HEARING the submissions of counsel for the Receiver and any other parties in attendance and 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.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning given to them in the Purchase Agreement.

APPROVAL OF TRANSACTIONS

3. The Transaction is hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary.
4. 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).
5. The actions, conduct and activities of the Receiver to date, as outlined in the Third Report are hereby authorized and approved.

VESTING OF PROPERTY

6. Effective immediately 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**"), subject only to approval of the transfer of applicable licences, permits, and approvals by the Alberta Energy Regulator ("**AER**") pursuant to legislation administered by the AER and the Permitted Encumbrances listed on Schedule "B" hereto, all of the Debtor's right, title, interest, legal, and beneficial ownership in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all claims by, through, or under the Debtor, and any and all estate, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens

(whether contractual, statutory, or otherwise), security interests, assignments, actions, levies, taxes, Municipal Taxes, reassessments, reserves, deferred reserves, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory, or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations, or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtor, whether or not they have attached or been perfected, registered, or filed, whether secured, unsecured, or otherwise, whether liquidated, unliquidated, or contingent, whether such claims came into existence prior to, subsequent to, or as a result of any previous order of this Court, contractually, by operation of law, or otherwise (all of the foregoing being collectively referred to hereinafter as, the "**Claims**"), by or of any and all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, Municipalities (as defined below), agencies, authorities, tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators, or other legal representatives which for greater certainty and without limiting the generality of the foregoing, shall include:

- (a) any encumbrances or charges held by any and all persons or entities, as 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 or real property registry system held by any and all persons or entities;
 - (c) any Claims held by or in favour of any person served (either directly or through their solicitors) with the Application;
 - (d) any and all Claims existing as of or before the Effective Time or after the Effective Time but which are related to, stem from, or are a re-characterization of any Claims arising, in any form or manner, as of or prior to the Effective Time, by or on behalf of any and all Municipalities in which any or all of the Purchased Assets are located in, governed by, or otherwise subject to; and,
 - (e) the beneficiary of any Claims created or provided for pursuant to any previous Orders in these proceedings including, without limitation, the Receivership Order,
- (collectively, the "**Claimants**")

for greater certainty, this Court orders that all encumbrances, Claims, any and all interests held by any Claimants, other than the Permitted Encumbrances described in the Purchase Agreement and listed in Schedule "B" hereto, affecting, relating, or otherwise currently in existence with respect to, the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

7. 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 immediately cancel any existing certificate of title to lands that form part of the Purchased Assets (the "**Lands**") and to issue a new certificate of title for the Lands in the name of the Purchaser (or its nominee), 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 the Permitted Encumbrances.
8. This Order shall be immediately registered by the Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c L-7 ("**LTA**") and notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
9. The Registrar is hereby directed in accordance with section 162 of the LTA to accept all of the Affidavits of Corporate Signing Authority submitted by the Receiver, in its capacity as receiver and manager of the Debtor and not in its personal capacity, substantially in the form attached hereto as Schedule "**C**", and to immediately register the transfers, assignments and conveyances contemplated by the Purchase Agreement immediately forthwith.
10. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall immediately cancel and discharge all Claims and any and all interests held on behalf of any and all Claimants, as registered against the interests of the Debtor in respect of the Purchased Assets and, without limiting the generality hereof, the Minister of Energy shall immediately cancel and discharge all security notices, and all assignments under section 426 (formerly section 177) of the *Bank Act* (Canada), and any and all interests, other than the Permitted Encumbrances.
11. The Minister of Energy for Alberta, acting pursuant to the *Mines and Minerals Act* (Alberta), shall immediately cancel and discharge all Claims in the nature of builders' liens against the interest of the Debtor in and to the Purchased Assets located in the Province of Alberta.
12. All of the Purchased Assets that are assigned or conveyed by the Receiver to the Purchaser pursuant to this Order and the Purchase Agreement shall, upon such assignment or conveyance and subject to the Permitted Encumbrances, be free and clear of and from any and all Claims, any and all rights of first refusal in relation to the Purchased Assets, and any and all rights and interests of any and all Claimants.

CLOSING OF THE SALE TRANSACTION

13. The closing of the Transaction shall be effected in accordance with the terms of the Purchase Agreement and such amendments to the Purchase Agreement as may be agreed to in writing between the Purchaser and the Receiver.
14. For the purposes of determining the nature and priority of any and all Claims and/or interests held by any and all Claimants in connection with the Purchased Assets, the net proceeds from the sale of the Purchased Assets (collectively, the "**Net Proceeds**"), if any, shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims as existing as of the Effective Time, interests and/or rights of any Claimants, and encumbrances, concerning the Purchased Assets, shall attach to the Net Proceeds 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.
15. 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 and/or any interests or rights held by any and all Claimants. For greater certainty, as of the Effective Time and upon the completion of the Transaction, the Purchaser shall have no obligations or liabilities whatsoever, other than the Permitted Encumbrances and the Assumed Obligations, with respect to or in connection with the Purchased Assets.
16. The Debtor and all persons who claim by, through or under the Debtor 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 (Municipal Taxes, tax or otherwise), royalty, rental, and equity of redemption of the Purchased Assets and, to the extent that any such persons remain in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
17. The Purchaser (or its nominee) shall be entitled to, subject to the Permitted Encumbrances, enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, any Claimants, or any person claiming by or through or against the Debtor.
18. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver or the Debtor.

19. 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).
20. Pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Purchase Agreement. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

PROPERTY AND MUNICIPAL TAXES

21. No amount of arrears for unpaid taxes and Municipal Taxes owing to any and all municipalities, including but in no way limited to those set out in Schedule "D" hereto (collectively referred to as, the "**Municipalities**") in respect of the Purchased Assets existing, in any way, manner, method, or form, prior to, as of, or at the Effective Time, are payable by the Receiver or the Purchaser. The Purchaser shall be responsible for any amounts that may become originally due and payable, in respect of the Purchased Assets, to the Municipalities after the Effective Time and shall in no way be responsible for any and all liabilities or obligations owing to any Municipality, with respect to the Purchased Assets, as a result of any Municipal Taxes, taxes, levies, reassessments, reserves, deferred reserves, or any other amounts of any kind which may be owing to the Municipalities, in relation to the Purchased Assets, as of or which in any way relate to, or arise, during a time prior to the Effective Time (collectively, the "**Municipal Obligations**"). For greater clarity, the Purchaser shall in no way be liable for any part of or all of the Municipal Obligations; however, notwithstanding anything in this order to the contrary, the Purchaser shall acquire the Purchased Assets subject to, and shall be liable for the payment of, the pro-rata portion of any municipal taxes levied against the Purchased Assets by any of the Municipalities in the 2016 calendar year for the period following the Effective Time.
22. The Receiver shall have no liability of any kind whatsoever to the Municipalities for any or all of the Municipal Obligations.
23. Any and all Claims, liabilities and obligations in connection with any or all of the Municipal Obligations or as otherwise owed to any of the Municipalities relating to the Purchased Assets,

shall hereby be extinguished as against the Purchased Assets and shall attach to the Net Proceeds, pursuant to and in accordance with paragraph 14 of this Order.

MISCELLANEOUS MATTERS

24. 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 Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

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 Debtor and shall not be void or voidable by creditors of the Debtor, 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.

- 25. 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.
- 26. No authorization or approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Purchase Agreement, other than authorizations, approvals or exemptions from requirements therefor previously obtained and currently in force, if any and the authorization or approval of the AER referenced in paragraph 6 above.
- 27. 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

28. Leave is hereby granted to any person, entity or party affected by this Order to apply to this Court for a further Order vacating, substituting, modifying or varying the terms of this Order, with such application to be brought on notice to the Receiver, the Purchaser, and any other affected party in accordance with the *Alberta Rules of Court*.

SERVICE OF THIS ORDER

29. 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.
30. Service of this Order on any party not attending this application is hereby dispensed with.

"B.E.C. Romane"

J.C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER **1501-09424**

COURT **COURT OF QUEEN'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PLAINTIFF **NATIONAL BANK OF CANADA**

DEFENDANT **WALDRON ENERGY CORPORATION**

DOCUMENT **RECEIVER'S CERTIFICATE**

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
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Facsimile: 403-260-9700
File: 79294/9
Email: ryan.zahara@blakes.com
james.reid@blakes.com**

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice K.D. Yamauchi of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated August 17, 2015, FTI Consulting Canada Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertaking, property and assets of Waldron Energy Corporation (the "**Debtor**").
- B. Pursuant to an Order of the Court dated October [●], 2016, the Court approved the asset purchase agreement dated October [●], 2016 (the "**Purchase Agreement**") between the Receiver and [●] (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Assets (as defined in the Purchase Agreement), which vesting is to be effective with respect to the 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 Assets; (ii) that the conditions to closing as set out in Article 9 of the Purchase 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 Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article [9] of the Purchase 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 and manager of the undertaking, property and assets of WALDRON ENERGY CORPORATION, and not in its personal or corporate capacity.

Per; _____

Name:

Title:

Schedule "B"

Permitted Encumbrances

Includes any of the following, and excepting any Encumbrances which relate to Municipal Taxes for any periods prior to the Effective Time:

- (a) easements, rights of way, servitudes, permits, licenses and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cable;
- (b) the right reserved to or vested in any Government Authority by the terms of any Title and Operating Document, lease, license, franchise, grant or permit or by any Applicable Law, to terminate any such Title and Operating Document, lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (c) the right reserved to or vested in any Government Authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements and limitations of general application;
- (d) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner;
- (e) liens granted in the ordinary course of business to a public utility or Government Authority in connection with operations on or in respect of the Lands;
- (f) the express or implied reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;
- (g) all royalty burdens, liens, adverse claims, penalties, conversions and other Encumbrances identified in the Land Schedule;
- (h) contracts for the purchase, processing, transportation or storage of Petroleum Substances or for the contract operation of any of the Assets that are terminable without penalty on thirty one (31) days or less notice;
- (i) the terms and conditions of the Leases and the Title and Operating Documents; and
- (j) any other circumstance, matter or thing disclosed in any Schedule hereto.

Additionally, the following items must be identified in a Schedule to qualify as a Permitted Encumbrance:

(A) any overriding royalty, net profits or other similar encumbrance applicable to the Petroleum and Natural Gas Rights for which Purchaser will assume the obligation for payment; (B) any existing potential alteration of the Debtor's interests in the Purchased Assets because of a payout conversion or farm-in, farm-out or other similar agreement; and (C) any security interest which would not be a Permitted Encumbrance under the preceding paragraphs of this definition.

Schedule "C"

FORM 31.1
LAND TITLES ACT
(Section 161)

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, [●], of FTI Consulting Canada Inc., the court-appointed receiver and manager of Waldron Energy Corporation (the "**Corporation**"), make oath and say:

- 1. I am authorized by the Corporation to execute the instrument (or caveat) without affixing a corporate seal.

SWORN BEFORE ME at the city)
of Calgary, in the Province)
of Alberta, this ____th)
day of [●], 2016)
) _____
) _____
) _____

SCHEDULE "D"
THE MUNICIPALITIES

Red Deer County

County of Paintearth No. 18

Municipal District of Greenview No. 16

Ponoka County

Camrose County

Paul First Nation

County of Barrhead No. 11

County of Wetaskiwin No. 10

Mountain View County

Kneehill County

Special Areas Board