

TAB B

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) WEDNESDAY, THE 28th DAY
)
MADAM JUSTICE PEPALL) OF JULY, 2010

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CANWEST GLOBAL
COMMUNICATIONS CORP., AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"

APPLICANTS

PLAN SANCTION ORDER



THIS MOTION made by Canwest Global Communications Corp. ("**Canwest**") and the other Applicants listed on Schedule "A" hereto (collectively, the "**Applicants**") and the Partnerships listed on Schedule "B" hereto (collectively, the "**Partnerships**" and, together with the Applicants, the "**CMI Entities**", and each a "**CMI Entity**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order sanctioning the restated consolidated plan of compromise, arrangement and reorganization accepted for filing by this Court on June 23, 2010, and as restated on July 16 2010 (the "**Plan**") concerning, affecting and involving Canwest, Canwest Media Inc. ("**CMI**"), Canwest Television GP Inc., Canwest Television Limited Partnership, Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc., Fox Sports World Canada Holdco Inc., Fox Sports World Canada Partnership, National Post Holdings Ltd., The National Post Company/La Publication National Post, MBS Productions Inc., Yellow Card Productions Inc., Global Centre Inc. and 4501063 Canada Inc., as the Plan may be further amended, varied or supplemented by the CMI Entities from time to time in accordance with the terms thereof and the Meeting Order, which is attached as Schedule "C" hereto, and pursuant to section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") for an order amending the

articles of Canwest and giving effect to the changes and transactions arising therefrom, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Thomas C. Strike sworn July 20, 2010 (the “**Strike Affidavit**”), the Sixteenth Report dated July 9, 2010 (the “**Monitor’s 16th Report**”) of FTI Consulting Canada Inc. in its capacity as Court-appointed monitor of the CMI Entities (the “**Monitor**”) and the Seventeenth Report dated July 21, 2010 of the Monitor (the “**Monitor’s 17th Report**”) and on hearing the submissions of counsel for the CMI Entities, the Special Committee of the board of directors of Canwest, the Monitor, the *ad hoc* committee of holders of 8% senior subordinated notes due 2012 issued by CMI (the “**Ad Hoc Committee**”), CIBC Asset-Based Lending Inc. (“**CIBC**”), the Management Directors of the Applicants, Shaw Communications Inc. (“**Shaw**”), the *ad hoc* group of Existing Shareholders (the “**Shareholder Group**”) and such other counsel as were present, no one else appearing although duly served with the Motion Record as appears from the Affidavit of Service, filed.

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Plan Sanction Order shall have the meanings ascribed to them in the Plan.

SERVICE AND MEETINGS

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein be and is hereby abridged and that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

3. **THIS COURT ORDERS** that there has been good and sufficient service and delivery of the Meeting Order and the Meeting Materials (as as defined in the Meeting Order) to all Affected Creditors.

4. **THIS COURT ORDERS** that the Meetings were duly convened and held, all in conformity with the CCAA and the Orders of the Court made in these proceedings, including the Meeting Order.

SANCTION OF THE PLAN

5. **THIS COURT ORDERS AND DECLARES** that (a) the Plan has been approved by the Required Majority in conformity with the CCAA; (b) the CMI Entities have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (c) the Court is satisfied that the CMI Entities have not done or purported to do anything that is not authorized by the CCAA; and (d) the CMI Entities have acted in good faith and with due diligence, and the Plan and all the terms and conditions of, and matters and transactions contemplated by, the Plan are fair and reasonable.

6. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA.

APPROVALS AND AUTHORIZATIONS

7. **THIS COURT ORDERS** that the Plan Emergence Agreement and all schedules thereto including the form of the PIF Schedule appended thereto is hereby approved, and the Monitor and the Plan Sponsor shall not incur any liability whatsoever with respect to (a) amounts to be paid out of the Plan Implementation Fund pursuant to the Plan Emergence Agreement or the Plan, (b) any costs or expenses incurred in connection with, in relation to or as a result of any payment made, required to be made or not made from the Plan Implementation Fund, or (c) any deficiency in the Plan Implementation Fund or any specific Account (as defined in the Plan Emergence Agreement) in the PIF Schedule provided that New Canwest and CTLP shall be liable for any such deficiency in accordance with section 5.1 of the Plan Emergence Agreement. The parties to the Plan Emergence Agreement are hereby authorized and directed to finalize the PIF Schedule in accordance with the provisions of the Plan Emergence Agreement.

PLAN IMPLEMENTATION

8. **THIS COURT ORDERS** that any two Directors or Officers are hereby authorized and directed to take all actions determined by such Directors and Officers to be necessary or appropriate in the sole opinion of such Directors and Officers to enter into, adopt, execute, deliver, implement and consummate the contracts, instruments, releases, all other agreements or documents to be created or which are to come into effect in connection with the Plan and the Plan Emergence Agreement and all matters contemplated under the Plan and the

Plan Emergence Agreement involving corporate, partnership or other action of or on behalf of the CMI Entities, and all such actions of the Directors and Officers are hereby approved and will occur in accordance with, and as contemplated by, the Plan and the Plan Emergence Agreement, in all respects and for all purposes without any requirement of further action by the shareholders or other security holders of the CMI Entities or any of the other Directors or Officers. Further, to the extent not previously given, all necessary approvals to take any such action shall be and are hereby deemed to have been obtained from the Directors and Officers or the shareholders or other security holders of the relevant CMI Entities, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution, and no shareholders' agreement, partnership agreement or agreement between a shareholder or partner and another Person limiting in any way the taking of any such steps or actions contemplated by the Plan shall be effective and shall be of, and is hereby deemed to have, no force or effect.

9. **THIS COURT ORDERS** that the Monitor and the CMI Entities are hereby authorized and directed to take all steps and actions, and to do all things, determined by the Monitor or the CMI Entities, respectively, to be necessary or appropriate to implement the Plan and the Plan Emergence Agreement in accordance with their respective terms and as contemplated thereby, and to enter into, execute, deliver, implement and consummate all of the steps, transactions and agreements, as required by the Monitor or the CMI Entities, respectively, contemplated by the Plan and the Plan Emergence Agreement.

10. **THIS COURT ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and the restructuring to be effected thereby are hereby approved, and upon the delivery of the Monitor's Certificate to the CMI Entities, the Ad Hoc Committee and the Plan Sponsor in accordance with section 6.4 of the Plan, shall be deemed to be implemented, shall be binding and effective in accordance with the provisions of the Plan, and shall enure to the benefit of and be binding upon the CMI Entities, all Affected Creditors, and all other Persons affected by the Plan.

11. **THIS COURT ORDERS** that the Monitor shall file with the Court a copy of the Monitor's Certificate referred to in paragraph 10 above as soon as reasonably practicable on or forthwith following the Plan Implementation Date after delivery thereof and shall post a copy of the Monitor's Certificate, once filed, on the Website.

TRANSACTIONS TO BE COMPLETED PRIOR TO THE PLAN IMPLEMENTATION DATE

12. **THIS COURT ORDERS** that effective upon the appointment of a third party firm as administrator of the CH Plan pursuant to the Plan, CTLP shall be released from any and all Claims as administrator of the CH Plan up to and including such date.

13. **THIS COURT ORDERS** that CMI is hereby authorized and directed to and shall cause 4414616 Canada to be dissolved pursuant to section 210(3) of the CBCA. CMI is hereby authorized and directed to and shall assume all debts, obligations and other liabilities of 4414616 Canada, if any, and upon such assumption, 4414616 Canada shall deemed to be fully released and discharged from all such debts, obligations and other liabilities. CMI is hereby authorized and directed to execute and file in the name of 4414616 Canada any elections, designations, returns or other document with federal or provincial tax authorities as may be necessary or appropriate.

14. **THIS COURT AUTHORIZES AND DIRECTS** the CMI Entities to take all necessary steps to cause the name “Canwest” to be removed from the corporate, business, trade, or partnership names of any of the CMI Entities and their Subsidiaries (other than the CTLP Plan Entities, CW Investments and their respective Subsidiaries and the Subsidiaries of 4501071 Canada).

15. **THIS COURT ORDERS** that the registered offices of 4501071 Canada, Canwest Finance, Canwest, CMI, National Post Holdings, National Post and Multisound Publishers shall be changed to c/o Osler, Hoskin & Harcourt LLP, PO Box 50, 1 First Canadian Place, Toronto, Ontario, M5X 1B8 and the CMI Entities (excluding the CTLP Plan Entities) are hereby authorized and directed to take all steps necessary to give effect to this paragraph 15, including, if necessary with respect to any provincially governed CMI Entity, the continuance of such CMI Entity under the laws of Canada or Ontario.

TRANSACTIONS TO BE COMPLETED ON THE PLAN IMPLEMENTATION DATE BEGINNING AT THE EFFECTIVE TIME

16. **THIS COURT ORDERS** that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Date, including the steps, compromises and

releases set out in paragraphs 17 to 61 below, are and shall be deemed to occur and be effected in the sequential order contemplated in section 5.5 of the Plan on the Plan Implementation Date, beginning at the Effective Time. The relief ordered in paragraphs 17 to 61 hereof is conditional upon, and shall not be effective until, the occurrence of the Plan Implementation Date.

17. **THIS COURT ORDERS** that the Cash Collateral Agreement shall be and is hereby deemed to be terminated and all obligations thereunder of the parties thereto shall be and are hereby deemed to be released, discharged and extinguished with prejudice.

18. **THIS COURT ORDERS** that National Post and National Post Holdings are hereby authorized and directed to and shall repay to CMI from the proceeds of the National Post Transaction all advances or loans made to them by CMI from and after the Filing Date.

19. **THIS COURT ORDERS** that the Plan Implementation Fund shall be established and funded in accordance with the Plan and the Plan Emergence Agreement to be held by the Monitor in accordance with paragraph 73 below.

20. **THIS COURT ORDERS** that the CTLP Limited Partnership Agreement shall be amended in accordance with section 5.5(d) of the Plan.

21. **THIS COURT ORDERS** that (a) all Claims relating to guarantees granted by any CMI Entity or any other Canwest Subsidiary (including Irish Holdco and Ireland Nominee) to the Noteholders and/or the Trustee, (b) the guarantees referred to in sub-paragraph (a) and any other security granted by any such CMI Entity or Canwest Subsidiary to the Noteholders and/or the Trustee, and (c) all rights of indemnity and subrogation arising under such guarantees and other security, shall be and are hereby deemed to be fully released and discharged, and, in consideration of such release and discharge of Irish Holdco, each of Irish Holdco and the Collateral Agent shall be and are hereby deemed to have released and discharged any security granted to it or for its benefit in respect of the Secured Intercompany Note, and Irish Holdco shall further be and is hereby deemed to have fully and finally released with prejudice the CMI Entities and Ireland Nominee from their obligations to pay any interest then accrued and unpaid on the Secured Intercompany Note and the Unsecured Intercompany Note and from the guarantees granted by the CMI Entities and Ireland Nominee in connection with the Secured Intercompany Note and the Unsecured Intercompany Note.

22. **THIS COURT ORDERS** that all contract defaults arising as a result of the CCAA Proceedings and the implementation of the Plan shall be and are hereby deemed to be cured.

23. **THIS COURT ORDERS** that CTLP is hereby authorized and directed to and shall pay or cause to be paid the CH Plan Settlement Amount to the CH Plan by way of certified cheque or wire transfer in immediately available funds payable to the CH Plan Trustee for the account of the CH Plan.

24. **THIS COURT ORDERS** that (a) the Retiree Terminal Deficiency Claim shall be and is hereby deemed to be fully and finally satisfied, discharged, and released and the CTLP Plan Entities shall be and are hereby deemed to be released of and from any liability in connection therewith; (b) the CEP Terminal Deficiency Claim shall be and is hereby deemed to be fully and finally satisfied, discharged and released with prejudice and the CTLP Plan Entities shall be and are hereby deemed to be released of and from any liability in connection therewith; (c) the CEP CH Plan Grievance shall be and is hereby deemed to be fully and finally satisfied and withdrawn with prejudice for all purposes, and the CEP, on behalf of the Current and Former Members, shall be and is hereby deemed to fully and finally release and forever discharge with prejudice the CMI Entities from any and all Claims in relation to or arising in connection with the CH Plan; and (d) the Claims in relation to the CH Plan against the Directors and Officers shall be and are hereby deemed to be fully and finally satisfied, discharged and released with prejudice for the purpose of the Claims Procedure Order and all other purposes, and the CEP on behalf of the Current and Former Members shall be and is hereby deemed to fully and finally release and forever discharge with prejudice the Directors and Officers from any and all Claims, including any Claims against the Directors or Officers arising from or in relation to the CH Plan.

25. **THIS COURT ORDERS** that the CMI Entities are hereby authorized and directed to and shall cause each of 4501063 Canada, MBS Productions and Global Centre to be dissolved under section 210(3) of the CBCA or section 237 of the OBCA, as applicable. In connection therewith, and as a consequence thereof:

- (a) each of 4501063 Canada, MBS Productions and Global Centre are hereby authorized and directed to and shall distribute all of its respective assets, rights and properties to CMI, including, in the case of 4501063 Canada, the shares it

holds in GP Inc., and, in all cases, any Canwest/CMI Group Intercompany Receivables held by such corporation and such assets, rights, and properties shall vest in CMI in accordance with paragraph 75 hereof; and

- (b) all debts, liabilities and other obligations of each of 4501063 Canada, MBS Productions and Global Centre shall be assumed by CMI, upon which assumption, each of 4501063 Canada, MBS Productions and Global Centre shall be deemed to be fully released and discharged with prejudice from all such debts, liabilities and other obligations.

26. **THIS COURT ORDERS** that in furtherance of the dissolutions set out at paragraph 25 above, CMI is hereby, in the case of each such corporation, authorized and directed to execute and file in the name of such corporation any elections, designations, returns or other document with federal or provincial tax authorities as may be necessary or appropriate.

27. **THIS COURT ORDERS** that Canwest is hereby authorized and directed to and shall transfer or cause to be transferred the Trademarks, the Copyrights and Other IP, the Other Canwest Assets and any and all Canwest/CMI Group Intercompany Receivables owing to it to CMI (and the Trademarks, Copyrights and Other IP, the Other Canwest Assets and any and all Canwest/CMI Group Intercompany Receivables shall vest in CMI in accordance with paragraph 76 hereof) in consideration for the issuance of one (1) common share of CMI. Canwest is hereby authorized and directed to and shall assign or cause to be assigned the Trademarks Licence Agreement, the Trademarks Licence, and the CW Media Trademarks Licence Agreements to CMI and CMI is hereby authorized and directed to and shall be deemed to assume Canwest's liabilities and obligations under the Trademarks Licence Agreement, the Trademarks Licence, the CW Media Trademarks Licence Agreements and under section 6.4 of the Omnibus Transition and Reorganization Agreement.

28. **THIS COURT ORDERS** that all Claims and Unaffected Claims against the CTLP Plan Entities excluding: (a) Intercompany Claims (other than the Fireworks Claim), (b) the Post-Filing Claims against the CTLP Plan Entities, and (c) the obligation of CTLP to pay the CH Plan Settlement Amount, shall be and are hereby deemed to be Claims and Unaffected Claims, as the case may be, against CMI on the following basis:

- (i) CMI is hereby authorized and directed to and shall assume the Fireworks Claim for consideration equal to \$1;
- (ii) CMI is hereby authorized and directed to and shall assume and become liable in the stead of the CTLP Plan Entities to the holders of such Claims and Unaffected Claims against the CTLP Plan Entities to pay the Assumption Consideration Amount;
- (iii) as consideration for the assumption by CMI referred to in this paragraph 28 of the obligations to pay distributions, or make payments from the Plan Implementation Fund, in respect of such Claims and Unaffected Claims against CTLP, CTLP is hereby authorized and directed to and shall concurrently with such assumption pay to CMI an amount equal to the CTLP Assumption Consideration Amount, which shall be satisfied as follows:
 - (A) by a reduction in the amount, if any, owing under the CTLP-CMI Receivable; and
 - (B) to the extent that the CTLP Assumption Consideration Amount exceeds the amount of the CTLP-CMI Receivable, by the issuance of the CTLP Assumption Consideration Note;
- (iv) as consideration for the assumption by CMI referred to in this paragraph 28 of the obligations to pay distributions, or make payments from the Plan Implementation Fund in respect of such Claims and Unaffected Claims against each other CTLP Plan Entity, each such CTLP Plan Entity is hereby authorized and directed to and shall concurrently with such assumption issue an Other CTLP Plan Entity Assumption Consideration Note; and
- (v) the holders of such Claims and Unaffected Claims shall be deemed to have no further claims against the CTLP Plan Entities and any such Claims and Unaffected Claims against the CTLP Plan Entities shall be and are hereby

released, extinguished and forever barred with prejudice as against the CTLP Plan Entities.

29. **THIS COURT ORDERS** that the assumption by CMI of all of the debts, obligations and other liabilities of the Canwest Subsidiaries provided for in the Plan be and is hereby authorized and approved.

30. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan the Court Charges and the Existing Security shall be and are hereby deemed to be released, terminated and discharged as they relate to (a) the New Canwest Assets; (b) the CW Investments Shares; (c) the assets of the CTLP Plan Entities; (d) the CTLP Assumption Consideration Note, if any; and (e) the Other CTLP Plan Entity Assumption Consideration Notes, if any, and any Canwest/CMI Group Intercompany Receivables owing to CMI by a CTLP Plan Entity, provided, however, that from and after the Plan Implementation Date, the Administration Charge shall apply and extend only to the Ordinary Creditors Pool and the Plan Implementation Fund.

31. **THIS COURT ORDERS** that all amounts owing by Canwest and the Canwest Subsidiaries (excluding the CTLP Group Entities) to a CTLP Plan Entity, immediately prior to the forgiveness referred to in this paragraph 31, shall be and are hereby deemed to be forgiven and released.

32. **THIS COURT ORDERS** that CMI is hereby authorized and directed to and shall be deemed to contribute the Other CTLP Plan Entity Assumption Consideration Notes, if any, and any Canwest/CMI Group Intercompany Receivables owing to it (other than amounts owing to it by CTLP) to the capital of CTLP and CTLP shall be deemed to acquire the same.

33. **THIS COURT ORDERS** that CMI is hereby authorized and directed to and shall be deemed to transfer and assign the New Canwest Assets to New Canwest which shall vest in New Canwest in accordance with paragraph 77 hereof and New Canwest is hereby authorized and directed to and shall be deemed to assume the New Canwest Liabilities. Upon the assumption by New Canwest of the New Canwest Liabilities, none of the CMI Entities (other than the CTLP Plan Entities) or the Directors and Officers shall have any further obligation or liability in respect of any of the New Canwest Liabilities and the CMI Entities (other than the CTLP Plan Entities) and the Directors and Officers shall be and are hereby deemed to be fully

released and discharged with prejudice from the New Canwest Liabilities. To the extent that CMI does not have legal or beneficial title to any of the New Canwest Assets immediately prior to the transfer of the New Canwest Assets to New Canwest and such legal and beneficial title of such New Canwest Assets is held by any one of the CMI Entities, such CMI Entity shall be and is hereby deemed to transfer to CMI all of its legal or beneficial interest in such New Canwest Assets immediately prior to the transfer of the New Canwest Assets by CMI to New Canwest.

34. **THIS COURT ORDERS** that New Canwest is hereby directed to and shall assume the defence and responsibility for the conduct of the Insured Litigation, including (a) the payment of the Insured Litigation Deductibles with respect thereto and (b) responsibility for the day-to-day case management of the Insured Litigation, including, without limitation, providing instructions to counsel, making employees available for examinations for discovery, providing documents, and providing witnesses at trial. New Canwest shall pay all Insured Litigation Deductibles in the same manner and to the same extent that Canwest, CMI, or any of the CTLP Plan Entities would otherwise have been required to pay such deductibles in respect of the Insured Litigation. For greater certainty, New Canwest shall not assume any liability of Canwest, CMI, or any of the CTLP Plan Entities with respect to the Insured Litigation beyond any obligation to make payment of any Insured Litigation Deductibles assumed in accordance with this paragraph 34, and distribution of any insurance proceeds received by New Canwest, and New Canwest shall not be responsible for any amounts payable by Canwest, CMI, or any of the CTLP Plan Entities with respect to such litigation, except to the extent that insurance proceeds are available and in such cases shall assist as reasonably necessary including making Employees available as necessary, at New Canwest's cost.

35. **THIS COURT ORDERS AND DIRECTS** that all Transfer Taxes shall be paid by New Canwest, subject to any applicable election available to reduce or eliminate such Transfer Taxes.

36. **THIS COURT ORDERS** that the Broadcast Licences held by GP Inc. as general partner and CMI as limited partner carrying on business as CTLP, shall be "surrendered" to the CRTC following the issuance of new broadcasting licences by the CRTC to GP Inc. and New Canwest carrying on business as CTLP.

37. **THIS COURT ORDERS** that in consideration for the transfer to New Canwest by CMI of the Canwest/CMI Group Intercompany Receivables owing to CMI by CTLP, the CTLP Assumption Consideration Note, if any, and any amounts receivable by CMI under the Shared Services Agreement and/or the Omnibus Transition and Reorganization Agreement, New Canwest shall concurrently with such transfer issue the New Canwest Note to CMI.

38. **THIS COURT ORDERS** that in consideration for the transfer to New Canwest by CMI of all other New Canwest Assets, New Canwest shall concurrently with such transfer issue one (1) million Class A common shares in New Canwest to CMI and shall be deemed to assume the New Canwest Liabilities.

39. **THIS COURT ORDERS** that all shares issued by New Canwest to CMI pursuant to paragraph 38 above shall be and are hereby deemed to be validly issued and outstanding as fully-paid and non-assessable shares.

40. **THIS COURT ORDERS** that as determined by CIBC and CMI prior to the Plan Implementation Date, the CIT Credit Agreement and the CIT Facility shall be repaid in full (which payment shall include payment of all fees, expenses and interest properly charged pursuant to the terms of the CIT Credit Agreement and CIT Facility) and terminated and any existing letters of credit issued under the CIT Credit Agreement and the CIT Facility shall be cash collateralized, replaced or addressed by the issuance of new back-to-back letters of credit.

41. **THIS COURT ORDERS** that the Canwest Articles of Reorganization substantially in the form attached as Schedule "D" hereto, are hereby approved, and further, pursuant to and in accordance with the Plan and section 191 of the CBCA, the articles of Canwest are hereby amended in accordance with the Canwest Articles of Reorganization and Canwest is hereby authorized and directed to file the Canwest Articles of Reorganization with the Director (as defined in the CBCA) on or about the Plan Implementation Date.

42. **THIS COURT ORDERS** that the Canwest New Shares and the Canwest New Preferred Shares into which the Existing Shares are changed shall be and are hereby deemed to have been validly created, issued and outstanding as fully-paid and non-assessable shares as of the Effective Time.

43. **THIS COURT ORDERS** that Canwest is hereby authorized and directed to and shall deliver to the Transfer Agent on the Plan Implementation Date the transfer notice contemplated by the terms of the Canwest New Preferred Shares.

44. **THIS COURT ORDERS AND DIRECTS** that the Shaw Designated Entity shall, following the delivery to the Transfer Agent of the notice pursuant to paragraph 43 above, purchase all of the Canwest New Preferred Shares held by the Existing Shareholders and shall pay \$11,000,000 to the Transfer Agent for distribution to such holders of the Canwest New Preferred Shares as of the Effective Time in consideration for the transfer to the Shaw Designated Entity of all of the issued and outstanding Canwest New Preferred Shares created pursuant to the Canwest Articles of Reorganization free and clear of all Encumbrances (as hereinafter defined).

45. **THIS COURT ORDERS AND DIRECTS** that the Shaw Designated Entity shall donate and surrender the Canwest New Preferred Shares acquired by it to Canwest for cancellation, and Canwest is hereby authorized and directed to and shall cancel such Canwest New Preferred Shares upon the surrender and donation thereof.

46. **THIS COURT ORDERS** that Canwest and CMI shall be and are hereby deemed to provide the Plan Sponsor with an irrevocable direction to pay the Subscription Price net of the Noteholder Pool to the Monitor and the Plan Sponsor is hereby directed to and shall pay the Subscription Price net of the Noteholder Pool to the Monitor.

47. **THIS COURT ORDERS AND DIRECTS** that the Plan Sponsor shall pay the portion of the Subscription Price equal to the Noteholder Pool to CMI and CMI is hereby authorized and directed to and shall establish the Noteholder Pool therefrom.

48. **THIS COURT ORDERS** pursuant to and in accordance with the Plan, CMI shall be and is hereby authorized and directed to distribute on the Plan Implementation Date from the Noteholder Pool to the Trustee, for the benefit of the Beneficial Noteholders, by way of wire transfer an amount equal to the Noteholder Pool in accordance with the wire transfer instructions provided by the Trustee to CMI.

49. **THIS COURT ORDERS AND DIRECTS** that the Trustee shall remit the Noteholder Pool to The Depository Trust & Clearing Corporation for distribution to each

Beneficial Noteholder of such Beneficial Noteholders' Noteholder Pro Rata Amount as of the Distribution Record Date in accordance with the policies, rules and regulations of the Depository.

50. **THIS COURT ORDERS** that upon receipt by the Trustee of the wire transfer of the Noteholder Pool as contemplated in paragraph 48 above, the CMI Entities shall have and shall be deemed to have no further liability or obligation to any of the Noteholders or the Trustee in respect of the Notes or the distributions contemplated by paragraphs 48 and 49 above.

51. **THIS COURT ORDERS AND DECLARES** that the distributions received by the Beneficial Noteholders and/or the Trustee on behalf of the Beneficial Noteholders under paragraphs 48 and 49 above on account of amounts not representing principal or unpaid and accrued interest to the Filing Date shall constitute amounts paid in lieu of interest accrued in respect of the Notes from and after the Filing Date.

52. **THIS COURT ORDERS** that CMI is hereby authorized and directed to and shall transfer and assign to 7316712 Canada all of the issued and outstanding shares of New Canwest, the New Canwest Note, and the CW Investments Shares and such transfer and assignment is hereby authorized and approved and all such shares of New Canwest, the New Canwest Note and the CW Investments Shares shall vest in 7316712 Canada in accordance with paragraph 79 hereof.

53. **THIS COURT ORDERS** that the Initial Directors, the Directors and Officers of GP Inc. and the Directors and Officers of the Subsidiaries controlled by CTLP shall resign and are hereby deemed to have resigned and to be replaced by directors and officers nominated by 7316712 Canada.

54. **THIS COURT ORDERS** that all Directors and Officers and any committee members of Canwest including the Special Committee, as applicable, and of CMI, National Post Holdings, CW Investments (other than the Shaw nominees) and their respective Subsidiaries and of 4501071 Canada shall resign and are hereby deemed to have resigned.

55. **THIS COURT ORDERS** that CMI is hereby authorized and directed to and shall be deemed to assign and transfer all of its rights and obligations under the Shareholders

Agreement to 7316712 Canada contemporaneously with the transfer of the CW Investments Shares to 7316712 Canada.

56. **THIS COURT ORDERS** that all Equity Compensation Plans shall be and are hereby deemed to be cancelled without compensation to their participants.

57. **THIS COURT ORDERS** that in addition to the releases referred to in paragraphs 12, 21 and 24 above, all of the releases set out in paragraphs 82 and 84 below shall be and shall be deemed to be effected and all Affected Claims and other matters and claims released pursuant to paragraphs 82 and 84 below shall be and shall be hereby deemed to be satisfied extinguished, released and forever barred with prejudice.

58. **THIS COURT ORDERS** that the Employees of the CTLP Group Entities shall continue to be employed by their existing employer within CTLP Group Entities on the Plan Implementation Date. Further, to the extent that Persons having existing independent contracts (written or oral) with one of the CTLP Group Entities on the Plan Implementation Date provide services to one or more of the CTLP Group Entities, such CTLP Group Entity shall continue to retain such Persons as independent contractors on the Plan Implementation Date.

59. **THIS COURT ORDERS** that all security interests in, and pledges of, the Irish Holdco Preference "A" Shares, granted by CMI, together with any Court Charges and the Existing Security in relation to such shares, shall be and are hereby deemed to be fully released and discharged with prejudice.

60. **THIS COURT ORDERS AND DIRECTS** that Irish Holdco shall redeem and shall be deemed to redeem 345,063 of the Irish Holdco Preference "A" Shares for the Irish Holdco Aggregate Redemption Price.

61. **THIS COURT ORDERS AND DIRECTS** that Irish Holdco shall fully satisfy its obligation to pay the Irish Holdco Aggregate Redemption Price by set-off of the full principal amount owing under (a) the Secured Intercompany Note and (b) the Unsecured Intercompany Note and by set-off of \$72,306,685 of the amount owing under the Irish Holdco Intercompany Receivable, so that after the completion of the foregoing set-off, CMI's obligations under the Secured Intercompany Note and under the Unsecured Intercompany Note shall be and shall be

deemed to be satisfied in full and the Irish Holdco Intercompany Receivable shall be and shall be deemed to be reduced to \$315.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

62. **THIS COURT ORDERS AND DECLARES** that pursuant to and in accordance with the Plan, any and all Affected Claims against Canwest, CMI, Yellow Card and the CTLP Plan Entities, and all Intercompany Claims against the CTLP Plan Entities not affected or otherwise dealt with by the provisions of section 5.5 of the Plan and that are owed, immediately after giving effect to paragraph 61 above, to Canwest or its Subsidiaries (other than the CTLP Group Entities and CW Investments and its Subsidiaries) (as determined immediately after giving effect to paragraph 61 above)) shall be and are hereby forever compromised, discharged and released with prejudice, and the ability of any Person to proceed against Canwest, CMI, Yellow Card and the CTLP Plan Entities in respect of or relating to any such Affected Claims and Intercompany Claims shall be and shall be deemed forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims and Intercompany Claims are hereby permanently stayed against the Plan Entities, subject only to the rights of Affected Creditors to receive distributions pursuant to the Plan and this Plan Sanction Order in respect of their Affected Claims, in the manner and to the extent provided for in the Plan.

63. **THIS COURT ORDERS** that, without limiting the provisions of the Claims Procedure Order or the Meeting Order, any Claims for which a CMI Notice of Dispute or a CMI Proof of Claim has not been filed by the CMI Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, whether or not a holder of such Claim has received notice of the claims process established by the Claims Procedure Order, shall be and are hereby forever barred, extinguished and released with prejudice. Nothing in the Plan extends or shall be interpreted as extending or amending the CMI Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order or the Meeting Order.

64. **THIS COURT ORDERS** that each Affected Creditor is hereby deemed to have consented and agreed to all of the provisions in the Plan, in its entirety, and each Affected

Creditor is hereby deemed to have executed and delivered to the Plan Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

65. **THIS COURT ORDERS** that on the Plan Implementation Date, following completion of the steps in the sequence set forth in section 5.5 of the Plan, all debentures, Notes, certificates, agreements, invoices and other instruments evidencing Affected Claims shall not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and this Plan Sanction Order and shall be and are hereby deemed to be cancelled and shall be and are hereby deemed to be null and void.

ESTABLISHMENT OF THE POOLS AND DISTRIBUTIONS AND PAYMENTS BY THE MONITOR

66. **THIS COURT ORDERS** that the Monitor shall receive and hold the Subscription Price net of the Noteholder Pool subject to the Administration Charge in trust for the benefit of the Affected Creditors of the Plan Entities (other than the Noteholders) in accordance with the Plan. The Monitor shall divide that part of the Subscription Price which it receives into and shall establish the Ordinary Creditors Pool, including the Ordinary CMI Creditors Sub-Pool and the Ordinary CTLP Creditors Sub-Pool and the Convenience Class Pool.

67. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Monitor on behalf of the CMI Entities shall be and is hereby authorized to make distributions on one or more Distribution Dates as may be set by the Monitor from time to time from the Convenience Class Pool to each Convenience Class Creditor with a Proven Distribution Claim on the Distribution Record Date or a Convenience Class Claim that subsequently becomes a Proven Distribution Claim by way of cheque in an amount equal to the lesser of (a) \$5,000 and (b) the value of such Convenience Class Creditor's Proven Distribution Claim, sent by prepaid ordinary mail to the last known address for such Convenience Class Creditor.

68. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Monitor on behalf of the CMI Entities shall be and is hereby authorized to make distributions on one or more Distribution Dates as may be set by the Monitor from time to time from the Ordinary CMI Creditors Sub-Pool to each Ordinary CMI Creditor holding a Proven Distribution

Claim as of the Distribution Record Date or a Claim that subsequently becomes a Proven Distribution Claim by way of cheque or wire transfer in an amount equal to the aggregate of such creditor's Ordinary CMI Creditor Pro Rata Amount of the Ordinary CMI Creditors Sub-Pool, sent by prepaid ordinary mail to the last known address for such Ordinary CMI Creditor.

69. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the Monitor on behalf of the CMI Entities shall be and is hereby authorized to make distributions on one or more Distribution Dates as may be set by the Monitor from time to time from the Ordinary CTLP Creditors Sub-Pool to each Ordinary CTLP Creditor holding a Proven Distribution Claim as of the Distribution Record Date or a Claim that subsequently becomes a Proven Distribution Claim by way of cheque or wire transfer in an amount equal to the aggregate of such creditor's Ordinary CTLP Creditor Pro Rata Amount of the Ordinary CTLP Creditors Sub-Pool, sent by prepaid ordinary mail to the last known address for such Ordinary CTLP Creditor.

70. **THIS COURT ORDERS** that an Affected Creditor holding an Unresolved Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Unresolved Claim becomes a Proven Distribution Claim in accordance with the Claims Procedure Order, the Meeting Order and the Plan.

71. **THIS COURT ORDERS** that on or after the Plan Implementation Date the Monitor shall make a determination based on the value of Proven Distribution Claims against the Plan Entities as at the Plan Implementation Date as to which Ordinary Creditors that did not file Convenience Class Claim Declarations with the Monitor by 5:00 p.m. (Toronto time) on July 15, 2010 would receive a larger distribution if they had filed Convenience Class Claim Declarations and such Ordinary Creditors will be deemed to have made valid Convenience Class Claim Declarations and the Monitor shall deal with such Ordinary Creditors as Convenience Class Creditors in all respects, including, for greater certainty, for the purposes of making distributions under the Plan.

72. **THIS COURT ORDERS** that all distributions and payments by the Monitor to the Ordinary Creditors and the Convenience Class Creditors under the Plan are for the account of the CMI Entities and the fulfilment of their obligations under the Plan.

73. **THIS COURT ORDERS** that the Plan Implementation Fund shall be held in trust by the Monitor, to be used by the Monitor in accordance with the Plan and the Plan Emergence Agreement.

74. **THIS COURT ORDERS AND DECLARES** that any distributions under the Plan or this Plan Sanction Order shall not constitute a “distribution” for the purposes of section 107 of the Corporations Tax Act (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act, 2007* (Ontario), section 34 of the *Income Tax Act* (British Columbia), section 104 of the *Social Service Tax Act* (British Columbia), section 49 of the *Alberta Corporate Tax Act*, section 22 of *The Income Tax Act (Manitoba)*, section 73 of *The Tax Administration and Miscellaneous Taxes Act* (Manitoba), section 14 of *An Act respecting the Ministère du Revenu (Québec)*, section 85 of *The Income Tax Act, 2000* (Saskatchewan), section 48 of *The Revenue and Financial Services Act* (Saskatchewan) and section 56 of the *Income Tax Act* (Nova Scotia) or any other similar provincial or territorial tax legislation (collectively, the “**Tax Statutes**”), and the Monitor in making any such payments is not “distributing”, nor shall be considered to “distribute” nor to have “distributed”, such funds for the purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of its making any payments ordered or permitted under the Plan and this Plan Sanction Order, and is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of payments made under the Plan and this Plan Sanction Order and any claims of this nature are hereby forever barred.

VESTING

75. **THIS COURT ORDERS** that, in connection with and subject to the dissolutions of 4501063 Canada, MBS Productions and Global Centre and the distribution of their assets, rights and properties to CMI set out in paragraph 25 above, any Canwest/CMI Group Intercompany Receivables held by such corporation, and such assets, rights and properties shall be vested into CMI free and clear from all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, pledges, title retention agreements, adverse claims or interests, options to acquire, rights of first refusal to purchase, rights of first offer to purchase, or other financial or monetary claims, whether or not they have attached or been perfected,

registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the forgoing (a) the Court Charges, (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, and (c) the Existing Security (collectively, “**Encumbrances**”).

76. **THIS COURT ORDERS** that, in connection with and subject to the transfer to CMI of the Trademarks, the Copyrights and Other IP, the Other Canwest Assets and any and all Canwest/CMI Group Intercompany Receivables owing to Canwest set out in paragraph 27, the Trademarks, the Copyrights and Other IP, the Other Canwest Assets and any and all Canwest/CMI Group Intercompany Receivables owing to Canwest shall be vested into CMI free and clear from all Encumbrances.

77. **THIS COURT ORDERS** that in connection with and subject to the transfer of the New Canwest Assets to New Canwest set out in paragraph 33, the New Canwest Assets shall be vested into New Canwest free and clear from all Encumbrances.

78. **THIS COURT ORDERS** that upon delivery by CMI of the Transfer Notice and payment of \$11,000,000 by the Shaw Designated Entity to the Transfer Agent pursuant to paragraph 44 above, the Shaw Designated Entity shall acquire all of the issued and outstanding Canwest New Preferred Shares free and clear from all Encumbrances.

79. **THIS COURT ORDERS** that in connection with and subject to the transfer and assignment by CMI of all of the issued and outstanding shares of New Canwest, the New Canwest Note, and the CW Investments Shares set out in paragraph 52 above, all of the issued and outstanding shares of New Canwest, the New Canwest Note and the CW Investments Shares shall be transferred to and vested in 7316712 Canada free and clear from all Encumbrances.

80. **THIS COURT ORDERS AND DECLARES** that the *Bulk Sales Act*, R.S.O. 1990, c. B-14 and similar legislation in other Provinces and section 6 of the *Retail Sales Tax Act*, R.S.O. 1990, c. R-31 and any equivalent or applicable legislation under any province or territory do not apply to the transactions contemplated in the Plan.

81. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of the CCAA Proceedings and the declarations of insolvency made in the CCAA Proceedings; and
- (b) any federal or provincial law;

the transactions contemplated in the Plan, the payments or distributions made in connection with the restructuring and recapitalization of the CMI Entities, whether before or after the Filing Date, and any action taken in connection therewith, including, without limitation, under this Plan Sanction Order, shall not be void or voidable and do not constitute nor shall they be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other challengeable transaction under any applicable federal or provincial Law, and the transactions contemplated in the Plan, the payments or distributions made in connection with the restructuring and recapitalization of the CMI Entities, whether before or after the Filing Date, and any action taken in connection therewith, do not constitute conduct meriting an oppression remedy and shall be binding on an interim receiver, receiver, liquidator or trustee in bankruptcy appointed in respect of Canwest or any of its Subsidiaries.

RELEASES

82. **THIS COURT ORDERS** that pursuant to and in accordance with section 7.3(a) of the Plan, on the Plan Implementation Date, without limiting in any way the releases and discharges of all Claims provided for in paragraphs 12, 21 and 24 of this Plan Sanction Order, Canwest, the CMI Entities and the Canwest Subsidiaries and each of their respective present and former shareholders, the Directors and Officers, members of the Special Committee or any pension or other committee or governance counsel, financial advisors (including RBC and Genuity), legal counsel and agents, the Monitor and its counsel, FTI, the Chief Restructuring Advisor, the Initial Directors, the Retiree Representative Counsel, the Retiree Representatives, CIBC and the Plan Sponsor and the present and former directors, officers and agents of each (collectively, the “**Released Parties**”) shall be and shall be deemed to be released and discharged with prejudice from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, including any and all Claims in

respect of statutory liabilities of Directors, Officers, and any alleged fiduciary (whether acting as a director, officer, member of the Special Committee or a pension or other committee or governance counsel or acting in any other capacity in connection with the administration of the CH Plan or any other pension or benefit plan of any of the CMI Entities) whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date relating to, arising out of or in connection with any claim, including any claim arising out of (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral, (ii) the business and affairs of Canwest, any of the CMI Entities or any of the Canwest Subsidiaries, (iii) the administration or management of the CH Plan or any other pension or benefit plans, (iv) the Plan, (v) the CCAA Proceedings and the Initial Order, (vi) any transaction referenced in the Support Agreement, the Subscription Agreement, the Shaw Support Agreement, the CTLP Limited Partnership Agreement or the Plan Emergence Agreement, and (vii) the Canwest Articles of Reorganization and related transactions, provided however that nothing in this paragraph 82 shall release or discharge:

- (a) Canwest or any of the Canwest Subsidiaries (other than the CTLP Plan Entities) from or in respect of (x) any Unaffected Claim or (y) its obligations to Affected Creditors under the Plan or under any Order;
- (b) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct or to have been grossly negligent or, in the case of Directors, in respect of any claim referred to in section 5.1(2) of the CCAA;
- (c) any Claim (other than a Claim of a Noteholder or the Trustee) against a CMI Entity which is not a Plan Entity, and any Affected Creditor shall be allowed to continue to assert such Claim against National Post Holdings, National Post, and any National Post Consolidated Bankruptcy Estate or against any such other CMI Entity which is not a Plan Entity; and
- (d) claims of creditors against Canwest Subsidiaries which are not CMI Entities.

For greater certainty and notwithstanding sub-paragraphs (a), (b), (c) and (d) above, all Claims including all Restructuring Period Claims filed against the Directors and Officers pursuant to the Claims Procedure Order or otherwise and all other claims against the Directors and Officers of Canwest and the Canwest Subsidiaries shall be and shall be deemed to be discharged, released and forever barred with prejudice, and the Directors and Officers shall have no further liability in respect thereto.

83. **THIS COURT ORDERS** that pursuant to and in accordance with the Plan, the ability of any Person to proceed against the Directors and Officers and the Initial Directors in respect of or relating to any Affected Claims shall be and shall be deemed to be forever discharged, extinguished, released and restrained with prejudice.

84. **THIS COURT ORDERS** that pursuant to and in accordance with section 7.3(b) of the Plan, at the Effective Time, the Noteholder Released Parties shall be and shall be deemed to be released and discharged with prejudice from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to, arising out of or in connection with the Notes (including any guarantee obligations under the Notes or the Indenture), the recapitalization of the CMI Entities, the Plan, the CCAA Proceedings, the Support Agreement and the Shaw Support Agreement and any other actions or matters related directly or indirectly to the foregoing; provided that nothing in this paragraph 84 will release or discharge any of the Noteholder Released Parties in respect of their obligations under the Plan and provided further that nothing in this paragraph 84 shall release or discharge a Noteholder Released Party if the Noteholder Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct, or to have been grossly negligent.

ACCESS TO PAST EMPLOYEES AND RECORDS

85. **THIS COURT ORDERS** that following the Plan Implementation Date:
- (a) New Canwest and CTLP shall make available to the Monitor on a reasonable basis up to five (5) management or other employees of New Canwest or the CTLP Group Entities, to be agreed upon between the Monitor and the Plan Sponsor, in order to assist the Monitor in carrying out its duties as set forth in the Plan Emergence Agreement, the Plan and this Plan Sanction Order (including, for greater certainty, the determination, resolution, litigation and/or settlement of Unresolved Claims of Affected Creditors and the windup, dissolution, liquidation, abandonment or bankruptcy of any Remaining Canwest Entities) until the discharge of the Monitor;
 - (b) New Canwest and CTLP shall make available to the Monitor on a reasonable basis the books and records of the CTLP Plan Entities and CW Investments and their respective Subsidiaries in its possession; and
 - (c) the Monitor shall make available to New Canwest on a reasonable basis the books and records of the Remaining Canwest Entities in its possession until the discharge of the Monitor.

THE MONITOR

86. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, shall be and is hereby authorized, directed and empowered to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan.

87. **THIS COURT ORDERS** that the Monitor shall be and is hereby authorized, directed and empowered to perform its functions and fulfil its obligations under the Plan Emergence Agreement, including to (a) administer and distribute the Plan Implementation Fund, (b) receive the Subscription Price net of the Noteholder Pool, (c) establish and hold the Ordinary Creditors Pool, including the Ordinary CMI Creditors Sub-Pool, the Ordinary CTLP Creditors Sub-Pool and the Convenience Class Pool, (d) resolve any Unresolved Claims, (e) effect the

distributions in respect of Proven Distribution Claims to the Ordinary Creditors and the Convenience Class Creditors and pay the Unaffected Claims (including without limitation, to resolve any unresolved Unaffected Claims) in accordance with the Plan and the Plan Emergence Agreement, (f) effect the liquidation, bankruptcy, winding-up or dissolution of Canwest and certain of its remaining Canwest Subsidiaries including, for the avoidance of doubt, the foreign Canwest Subsidiaries, (g) to act, if required, as trustee in bankruptcy, liquidator, receiver or a similar official of such entities, (h) liquidate any assets of the CMI Entities (other than the CTLP Plan Entities), including the Winnipeg Condo, not transferred to New Canwest pursuant to the Plan, and to contribute any net proceeds realized therefrom to the Plan Implementation Fund, (i) take all appropriate steps to collect all refunds, dividends, distributions or other amounts payable to Canwest or CMI, (j) implement a claims process to determine and resolve any Post-Filing Claim which are to be paid from the Plan Implementation Fund and (k) perform such other functions as the Court may order from time to time.

88. **THIS COURT ORDERS** that the Monitor shall be and is hereby authorized, directed and empowered to file on or after the Plan Implementation Date assignments in bankruptcy under the BIA for National Post and National Post Holdings and FTI shall be and is hereby authorized, directed and empowered to apply for the consolidation of and to act as trustee in bankruptcy of such entities, including the National Post Consolidated Bankruptcy Estate, if any.

89. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of the Monitor in the CCAA Proceedings are hereby approved and that the Monitor has satisfied all of its obligations up to and including the date of this Plan Sanction Order, and that in addition to the protections in favour of the Monitor as set out in the Initial Order and the CCAA, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of its duties under the Plan or as requested by the CMI Entities or with respect to any other duties or obligations in respect of the implementation of the Plan, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Subject to the foregoing, and in addition to the protections in favour of the Monitor as set out in the Orders of this Court, any claims against the Monitor in connection with the performance of its duties as Monitor are hereby released, stayed,

extinguished and forever barred with prejudice and the Monitor shall have no liability in respect thereof.

90. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor (including regarding the administration of the Plan Implementation Fund) and such further order securing, as security for costs, the full indemnity costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

91. **THIS COURT ORDERS** that upon fulfilment of its obligations under the Plan and the Plan Emergence Agreement, the Monitor shall be and is hereby authorized and directed to apply to Court for its discharge.

THE CHIEF RESTRUCTURING ADVISOR

92. **THIS COURT ORDERS** that the Chief Restructuring Advisor shall be and is hereby discharged and released with prejudice from its obligations on the Plan Implementation Date.

POST-FILING CLAIMS PROCESS

93. **THIS COURT ORDERS** that the process to solicit, identify and quantify Post-Filing Claims (other than Intercompany Claims) outlined in the Monitor's 17th Report (the "**Post-Filing Claims Procedure**") is hereby approved and the Monitor is authorized to take all steps and actions and do all things determined by the Monitor to be necessary or appropriate to carry out the Post-Filing Claims Procedure pursuant to the terms of the Post-Filing Claims Procedure Order issued by this Court as of the date hereof.

ADDITIONAL PROVISIONS

94. **THIS COURT ORDERS** that Canwest is hereby directed and authorized to apply to the TSX Venture Exchange to have the securities of Canwest listed on such exchange delisted from such exchange, which delisting shall be effective on or about the Effective Time on the Plan Implementation Date.

95. **THIS COURT ORDERS** that, subject to the performance by the CMI Entities of their obligations under the Plan, all obligations, contracts, agreements, leases or other arrangements to which any of the CMI Entities is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, unless disclaimed or resiliated or deemed to be disclaimed or resiliated by the CMI Entities pursuant to the Claims Procedure Order or the Meeting Order, and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (a) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
- (b) that the CMI Entities have sought or obtained relief or have taken steps as part of the Plan, the Initial Order or under the CCAA;
- (c) of any default or event of default arising as a result of the financial condition or insolvency of the CMI Entities;
- (d) of the effect upon the CMI Entities of the completion of any of the transactions contemplated under the Plan, including the transfer of the New Canwest Assets to New Canwest; or
- (e) of any compromises, settlements, restructurings or releases effected pursuant to the Plan.

96. **THIS COURT ORDERS** that from and after the Plan Implementation Date any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims

and any matter which is released pursuant to paragraphs 12, 21 and 24 of this Plan Sanction Order and section 7.3 of the Plan.

97. **THIS COURT ORDERS** that section 36.1 of the CCAA, sections 95 to 101 of the BIA and any other federal or provincial Law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any payments or distributions made in connection with the restructuring and recapitalization of the CMI Entities, whether before or after the Filing Date, including to any and all of the payments, distributions or transactions contemplated by and to be implemented pursuant to the Plan.

98. **THIS COURT ORDERS** that from and after the Plan Implementation Date the Noteholders and the Trustee shall have no Claims against National Post Holdings, National Post and the National Post Consolidated Bankruptcy Estate, if any, and that the Claims Procedure Order, the CMI Claims Bar Date, the Meeting Order and the Restructuring Period Claims Bar Date shall apply to resolve all Claims against National Post Holdings, National Post or the National Post Consolidated Bankruptcy Estate, if any.

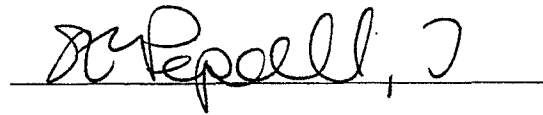
99. **THIS COURT DECLARES** that, after the Effective Time, the Applicants which are CTLP Plan Entities shall no longer be Applicants in the CCAA Proceedings, the stay of proceedings created pursuant to the Initial Order shall be terminated in respect of the CTLP Plan Entities and the Monitor shall be discharged from its duties as the Monitor of the CTLP Plan Entities, provided that in connection with the CTLP Plan Entities, the Monitor's powers and functions with respect to the resolution and administration of Unresolved Claims, making distributions under the Plan and duties under the Plan Emergence Agreement and the CCAA, including determining, resolving and paying Unaffected Claims related to the CTLP Plan Entities shall continue.

100. **THIS COURT ORDERS** that this Plan Sanction Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.

101. **THIS COURT ORDERS** that the CMI Entities, the Monitor and the Plan Sponsor may apply to this Court for advice and direction, or to seek relief in respect of, any matters arising from or under the Plan, the Plan Emergence Agreement and this Plan Sanction

Order, including without limitation the interpretation of this Plan Sanction Order, the Plan and the Plan Emergence Agreement or the implementation thereof, and for any further Order that may be required, on notice to any party likely to be affected by the Order sought or on such notice as this Court orders.

102. **THIS COURT ORDERS AND REQUESTS** the aid and recognition (including assistance pursuant to section 17 of the CCAA) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this court in carrying out the terms of this Plan Sanction Order.

A handwritten signature in black ink, appearing to read "J. Repall", is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 28 2010

PER / PAR: JSD

SCHEDULE "A"

APPLICANTS

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. MBS Productions Inc.
4. Yellow Card Productions Inc.
5. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
6. Canwest Television GP Inc.
7. Fox Sports World Canada Holdco Inc.
8. Global Centre Inc.
9. Multisound Publishers Ltd.
10. Canwest International Communications Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Western Communications Inc.
13. Canwest Finance Inc./Financiere Canwest Inc.
14. National Post Holdings Ltd.
15. Canwest International Management Inc.
16. Canwest International Distribution Limited
17. Canwest MediaWorks Turkish Holdings (Netherlands)
18. CGS International Holdings (Netherlands)
19. CGS Debenture Holding (Netherlands)
20. CGS Shareholding (Netherlands)
21. CGS NZ Radio Shareholding (Netherlands)
22. 4501063 Canada Inc.
23. 4501071 Canada Inc.
24. 30109, LLC
25. CanWest MediaWorks (US) Holdings Corp.

TAB C



Office of the Superintendent
of Bankruptcy Canada

Bureau du surintendant
des faillites Canada

An Agency of
Industry Canada

Un organisme
d'industrie Canada

District of: ONTARIO
Division No.: 09 - Toronto
Court No.: 31-456922
Estate No.: 31-456922

In the Matter of the Bankruptcy of:
4514866 CANADA INC.
Debtor

FTI CONSULTING CANADA INC.
Trustee

ORDINARY ADMINISTRATION

Security: \$0

Date and time of bankruptcy: October 25, 2011, 16:12

Date of trustee appointment: October 25, 2011

Meeting of creditors:

Chair:

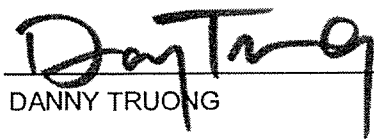
CERTIFICATE OF APPOINTMENT Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify, that:

- the aforementioned debtor filed an assignment under section 49 of the Bankruptcy and Insolvency Act;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.


DANNY TRUONG

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, ONTARIO, M4T 1M2, 877/376-9902

Canada

TAB D

**ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 21ST
)
MADAM JUSTICE PEPALL) DAY OF OCTOBER, 2011

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C., 1985, C. c-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF CANWEST GLOBAL COMMUNICATIONS CORP., AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"**

Applicants

**ORDER
(CMI TRANSITION)**

THIS MOTION, made by FTI Consulting Canada Inc. in its capacity as the Court-appointed Monitor ("**Monitor**") of Canwest Global Communications Corp. and the other Applicants listed on **Schedule "A"** hereto (other than Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc., Canwest Television GP Inc. & Fox Sports World Canada Holdco Inc.) and The National Post Company/La Publication National Post (collectively, the "**Remaining CMI Entities**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order modifying the rights, duties and obligations of the CMI Trustee (as defined below) set forth in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") and other ancillary relief (as described in greater detail below) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Twenty-Fourth Report of the Monitor and on hearing the submission of counsel to the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

1. **THIS COURT ORDERS** that the time for service of the Motion Record shall be and is hereby abridged, if necessary, and that the motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.
2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the consolidated plan of compromise, arrangement and reorganization accepted for filing by this Court on June 23, 2010, as restated on July 16, 2010, concerning, affecting and involving Canwest Global, Canwest Media Inc. (now 4514866 Canada Inc.) ("**CMI**"), Canwest Television GP Inc., Canwest Television Limited Partnership, Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc., Fox Sports World Canada Holdco Inc., Fox Sports World Canada Partnership, National Post Holdings Ltd. (now 4514858 Canada Inc.), The National Post Company/La Publication National Post, MBS Productions Inc., Yellow Card Productions Inc., Global Centre Inc. and 4501063 Canada Inc., as may be amended (the "**Plan**").
3. **THIS COURT ORDERS** that this Order shall become operative upon the bankruptcy of CMI and shall bind any trustee in bankruptcy that may be appointed in respect of CMI (the "**CMI Trustee**").
4. **THIS COURT ORDERS** that the Monitor shall:
 - (a) continue to hold the Ordinary CMI Creditors Sub-Pool and the Convenience Class Pool in trust for the benefit of the Affected Creditors of the Plan Entities (other than the Noteholders) in accordance with the Plan and the Plan Sanction Order dated July 28, 2010 (the "**Plan**");

Sanction Order") and continue to be authorized, empowered and directed to make distributions thereunder in accordance with the Plan and the Plan Sanction Order until further order of this Court;

- (b) continue to hold and maintain the Plan Implementation Fund in accordance with the Plan Emergence Agreement and the Plan;
- (c) continue to be authorized, directed and empowered to liquidate any assets of the CMI Entities (other than the CTLP Entities) not transferred to New Canwest and to contribute any net proceeds realized therefrom to the Plan Implementation Fund in accordance with the September 27 Order, the Plan, the Plan Sanction Order and the Plan Emergence Agreement and any such assets shall continue to not constitute property of the CMI Entities (and as such shall not vest in any CMI Trustee);
- (d) continue to be empowered with the rights and powers granted, and continue to be authorized and directed to perform its functions and fulfill its obligations, under the Plan, the Plan Emergence Agreement, the Plan Sanction Order and the Order dated September 27, 2010 (the "**September 27 Order**"), including, without limitation, to take such additional actions and execute such documents, in the name of and on behalf of any of Canwest and the Canwest Subsidiaries (other than the CTLP Plan Entities), as the Monitor considers necessary or desirable in order to perform its functions and fulfill its obligations under the September 27 Order, the Plan, the Plan Sanction Order and the Plan Emergence Agreement, and to facilitate the completion of these proceedings, the winding up of the estates of Canwest and the Canwest Subsidiaries (other than the CTLP Plan Entities) and the completion of the Wind-up Strategy (as defined in the September 27 Order), and

where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons including Canwest and the Canwest Subsidiaries and without interference from any other Person, including any trustee in bankruptcy of Canwest or the Canwest Subsidiaries; and

- (e) return to Court in order to seek such further authority or directions as the Monitor considers appropriate with respect to the proceedings of CMI under the CCAA.

5. **THIS COURT ORDERS** that the time periods for the CMI Trustee to perform its statutory obligations prescribed by Sections 16, 21, 22, 24, 27, 102 of the BIA (save for such reports as may be required pursuant to subsection 27(c) of the BIA) are hereby extended until further Order of this Honourable Court, and until such Order is made, the CMI Trustee shall be relieved from performing any such obligations.

6. **THIS COURT ORDERS** that the Noteholders and the Trustee shall have no Claims against CMI and that the Claims Procedure Order, the CMI Claims Bar Date, the Meeting Order and the Restructuring Period Claims Bar Date shall apply to resolve all Claims against CMI.

7. **THIS COURT ORDERS** that the Monitor, in the name of and on behalf of CMI, is authorized and directed to pay to the CMI Trustee appointed in respect of CMI a retainer of \$10,000 for its fees and disbursements from the Plan Implementation Fund, without any personal liability to the Monitor in connection therewith.

8. **THIS COURT ORDERS AND DECLARES** that in addition to the protections in favour of the Monitor as set out in the Initial Order, the CCAA, the Plan, the Plan Sanction Order and the September 27 Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties

under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor.



ENTERED AT / INSERTE A TOSCANA
OR / DANS LE REGISTRE NO.:

OCT 25 2011

PER/PAR:



Schedule "A"

The Applicants

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. 30109, LLC
4. 4501063 Canada Inc.
5. 4501071 Canada Inc.
6. Canwest Finance Inc./Financiere Canwest Inc.
7. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
8. Canwest International Communications Inc.
9. Canwest International Distribution Limited
10. Canwest International Management Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Canwest MediaWorks Turkish Holdings (Netherlands) B.V.
13. Canwest MediaWorks (US) Holdings Corp.
14. Canwest Television GP Inc.
15. CGS Debenture Holding (Netherlands) B.V.
16. CGS International Holdings (Netherlands) B.V.
17. CGS NZ Radio Shareholding (Netherlands) B.V.
18. CGS Shareholding (Netherlands) B.V.
19. Fox Sports World Canada Holdco Inc.
20. Global Centre Inc.
21. MBS Productions Inc.
22. Multisound Publishers Ltd.
23. National Post Holdings Ltd.
24. Western Communications Inc.
25. Yellow Card Productions Inc.

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

Court File No: CV-09-8396-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CANWEST
GLOBAL COMMUNICATIONS CORP., AND THE OTHER APPLICANTS LISTED ON
SCHEDULE "A"

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(CMI TRANSITION)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
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199 Bay Street
Toronto, Canada M5L 1B9

David R. Byers LSUC#: 22992W
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Lawyers for the Monitor

TAB E

OIL AND GAS RIGHTS AND SEISMIC DATA AND RELATED RIGHTS CONVEYANCE

THIS AGREEMENT made November ____, 2011.

BETWEEN:

GLOBAL RESOURCES LIMITED PARTNERSHIP, by its **General Partner, Shapco Resources Ltd.**, a limited partnership organized under the laws of the Province of Alberta (the "**Vendor**")

- and -

SHAPCO RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta (the "**Purchaser**")

- and -

UNITED RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta ("**United**")

WHEREAS the Vendor is the beneficial owner of the Oil and Gas Rights and Seismic Data and the Purchaser is the General Partner of the Vendor.

AND WHEREAS pursuant to 8.1(f) of the Amended and Restated Limited Partnership Agreement dated November 30, 1988, as amended from time to time among the General Partner, Global Communications Limited (a predecessor in interest to 4514866 Canada Inc., formerly known as Canwest Media Inc.) and Collins Barrow Limited, Thorne, Ernst & Whinney Inc. and Clarkson Gordon Inc. (the "**Partnership Agreement**"), the General Partner is entitled to an assignment from the Partnership of an undivided 50% interest in the Partnership's interest in the Oil and Gas Rights and the Seismic Data.

AND WHEREAS United holds legal title to the Seismic Data for the Vendor and is joining as a party to this Agreement solely for the purposes of acknowledging that by this Agreement, it stands possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, for the Vendor as to an undivided 50% interest and the Purchaser as to an undivided 50% interest.

AND WHEREAS FTI Consulting Canada Inc. was appointed by the order of the Superior Court of Justice (Ontario) (the "**Court**") made October 6, 2009 to act as the monitor of 4514866 Canada Inc. (formerly known as Canwest Media Inc.), the limited partner of the Vendor ("**Canwest**"), and certain related broadcast entities (the "**Monitor**") pursuant to their proceedings under the Companies' Creditors Arrangement Act ("**CCAA**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, covenants and agreements hereinafter set forth and contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the Schedules hereto, the following terms shall have the following meanings:

- (a) "**Agreement**" means this Agreement and the Schedules attached hereto;
- (b) "**Assets**" means the Oil and Gas Rights and an undivided 50% interest in the Seismic Data;
- (c) "**Effective Date**" means the date of delivery of the Monitor's Certificate;

- (d) "**Facilities**" means all of the facilities used or useful in the production, processing, transmission or treatment of Petroleum Substances, including, without limitation, pipelines, flow lines, gathering systems, batteries, compressors and plants;
- (e) "**General Partner**" means Shapco Resources Ltd.;
- (f) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, county, municipal, local or other governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, board, bureau, agency, commissioner, tribunal or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- (g) "**GST**" means the goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada);
- (h) "**Lands**" means the lands set forth and described in Schedule "A" and includes the Petroleum Substances within, upon or under such lands, together with the right to explore for and recover same insofar as such are granted by Leases to such lands;
- (i) "**Leases**" means collectively the leases, reservations, permits, licenses or other documents of title by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances underlying all or any part of the Lands including, without limitation, the leases set forth and described in Schedule "A";
- (j) "**Miscellaneous Interests**" means the interest of the Vendor in and to all property, other than the PNG Rights and the Tangibles, that pertain to the PNG Rights, the Tangibles, the Lands or the Leases and to which the Vendor is entitled at the Effective Date, including, but not limited to, the interest of the Vendor in and to:
 - (i) all contracts, agreements, documents, production sales contracts, books and records and all seismic, geological, geophysical, production and engineering information and reports relating to the PNG Rights;
 - (ii) all Petroleum Substances in the course of production from the Lands or lands with which the Lands have been pooled or unitized but not at the Effective Date beyond the wellhead;
 - (iii) all subsisting rights to enter upon, use and occupy the surface of any of the Lands or any lands with which the same have been pooled or unitized;
 - (iv) all wells for the purpose of production of Petroleum Substances, the injection of water or otherwise, situate on the Lands or on lands with which the Lands have been pooled or unitized and all casing in such wells; and
 - (v) any right, estate or interest in or to any asset which relates to but does not comprise part of the PNG Rights,excluding the Seismic Data;
- (k) "**Monitor's Certificate**" means the certificate substantially in the form attached to the Court's approval and vesting order;
- (l) "**Oil and Gas Rights**" means an undivided 50% of Vendor's interest in and to:
 - (i) any right, use, lease or privilege to explore for, drill, take or receive the proceeds from the sale of Petroleum Substances within, upon or under the Lands (including lands pooled or unitized therewith) insofar as such rights are granted by the Leases (the "**PNG Rights**");

- (ii) all Tangibles used or useful in connection with production, gathering, treatment, storage, compression, processing, transportation, injection, removal or other operations relating to the Leases or the Lands (including lands pooled or unitized therewith), whether the same be situate within, upon or under the Lands (or lands pooled or unitized therewith) or Leases or elsewhere, including roadways; and
 - (iii) the Miscellaneous Interests;
- (m) **"Permitted Encumbrances"** means any of the following:
- (i) liens for taxes, assessments and governmental charges which are not due or delinquent or if due, the validity of which are being diligently contested in good faith by or on behalf of the Vendor;
 - (ii) easements, rights of way, servitudes or other similar rights in land including rights of way and servitudes for highways or other roads, railways, sewers, drains, gas and oil pipelines, gas or water mains or electric light, power, telephone, telegraph or cable television conduits, poles, wires or cables;
 - (iii) the right reserved to or vested in any governmental agency or authority by the terms of any lease, license, franchise, grant or permit or by any applicable law, to terminate such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iv) the right reserved or vested in any governmental agency or authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements as to production rates on the operations of any property;
 - (v) rights reserved to or vested in any governmental agency or authority to control or regulate any of the Oil and Gas Rights in any manner;
 - (vi) trust obligations incurred in the ordinary course of business;
 - (vii) the terms and conditions of the Leases and any other agreements or documents included within the Miscellaneous Interests;
 - (viii) the terms and conditions of agreements for the sale of Petroleum Substances;
 - (ix) penalties which are disclosed in Schedule "A" and which have arisen under operating procedures or similar agreements as a consequence of elections by the Vendor not to participate in operations on the Lands to which the penalty applies;
 - (x) undetermined or inchoate liens incurred or created in the ordinary course of business or a lien created as security in favour of the Person conducting the operation of the Assets to which such liens relate for the Vendor's proportionate share of the costs and expenses of such operations which are not due or delinquent or are being contested in good faith;
 - (xi) the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interest therein and statutory exceptions to title;
 - (xii) liens granted in the ordinary course of business to a public utility or governmental agency or authority in connection with the operations conducted with respect to any of the Oil and Gas Rights;
 - (xiii) the burdens, encumbrances, royalties, adverse claims, (including reductions and conversions) and penalties set forth in Schedule "A";

- (xiv) mechanics', builders' or materialman's lien in respect of services rendered or goods supplied, but only insofar as such liens relate to goods or services for which payment is not due, or the validity of which is being diligently contested by or on behalf of the Vendor; and
- (xv) all rights of first refusal, pre-emptive purchase rights and similar rights except to the extent applicable but not complied with for transactions that occurred prior to the date hereof;
- (n) "**Petroleum Substances**" means petroleum, natural gas and related hydrocarbons in the Lands and all substances associated therewith or any of them insofar as the same are granted by the Leases;
- (o) "**Seismic Data**" means the information obtained by conducting geophysical surveys, and all processing and interpretation of such data and information, including all associated Seismographic Material, all as more particularly set forth in Schedule "B";
- (p) "**Seismographic Material**" means shot-point location maps, surveyors ground elevation records and notes, lists of latitudes and departures regarding shot-point locations, drillers logs, shooters records, observers reports, seismographic magnetic tapes, monitor records, field records and record sections relating to the Seismic Data and any data or material resulting from the processing of the foregoing, including one normal and one reversed sepia final film section;
- (q) "**Tangibles**" means the interest of the Vendor in and to all tangible depreciable property and Facilities situate in, on or about the Lands (or lands pooled or unitized therewith), appurtenant thereto or used in connection therewith or with production, processing, transmission or treatment of Petroleum Substances or operations thereon or relative thereto or appurtenant to or used in connection with all producing or shut-in wells located in the Lands (or lands pooled or unitized therewith); and
- (r) "**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii).

1.2 Interpretation

- (a) The headings herein contained are intended for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) If any covenant, obligation or provision contained in this Agreement or the application thereof to any person or circumstance is, to any extent, found to be invalid or unenforceable, the remainder of this Agreement or the application thereof to any person or circumstance shall not be affected thereby and each covenant, obligation and provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- (c) The words in all the covenants, provisos, conditions and agreements herein contained, which impart the singular number or the masculine gender shall be read and construed as applying to the plural and each and every corporate, male or female party hereto and to its and their heirs, executors, administrators, personal representatives, successors and assigns, as the case or context requires.
- (d) All references to dollar amounts herein are references to Canadian Dollars.

1.3 Schedules

The following Schedules are attached hereto and are incorporated into and form a part of this Agreement. If there is a conflict between the body of this Agreement and any Schedule, the provisions of the body of this Agreement shall govern and prevail to the extent of the conflict.

Schedule "A" - Description of Lands and Leases

Schedule "B" - Seismic Data

**ARTICLE 2
CONVEYANCE**

2.1 Conveyance

The Vendor hereby assigns, transfers, conveys and sets over the Assets to the Purchaser and the Purchaser hereby accepts the Assets directly from the Vendor, as of and from the Effective Date, to have and to hold the same together with all benefits and advantages to be derived therefrom, absolutely, subject to the terms and conditions of the Leases and any other agreements relating thereto.

2.2 Allocation of Consideration

The conveyance of the Assets is made pursuant to Section 8.1(e) of the Partnership Agreement for the consideration set out in the immediately preceding paragraph thereof. The fair market value attributable to the Assets shall be allocated amongst the Assets as follows:

to PNG Rights (80% of Purchase Price for Oil and Gas Rights)	\$2,304.00
to Tangibles (20% of Purchase Price for Oil and Gas Rights less \$1.00)	\$575.00
to Miscellaneous Interests	\$1.00
to Seismic Data	\$12,228
Sub-Total:	\$15,108.00
GST (5% of amount allocated to Tangibles, Miscellaneous Interests and Seismic Data)	\$640.20
Total	\$15,748.20

The Purchaser, as General Partner, will be allocated for income tax purposes any income or gain realized by the Partnership as a result of the assignment of the interests, properties and rights outlined in this Agreement.

2.3 Goods and Services Tax

The Purchaser hereby remits to the Vendor GST in the amount of \$640.20.

2.4 Payment of Sales Tax and Registration Charges on Transfer

- (a) In addition to Taxes set forth in Clause 2.3, the Purchaser shall be liable for and shall pay all land transfer Taxes, sales Taxes and all other similar taxes, duties, registration fees or other like charges of any jurisdiction properly payable upon and in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser, and such Taxes shall be payable in addition to the consideration set out above.
- (b) The Vendor shall not be liable for any Taxes in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser as contemplated in this Agreement.

2.5 Adjustments

The consideration for the Assets shall not be subject to adjustments. All benefits and obligations associated with the Assets prior to the Effective Date have been taken into account in the determination of the fair market value of the Assets.

2.6 Effective Date

The transfer and assignment of the Assets from the Vendor to the Purchaser shall be effective as of the Effective Date.

2.7 United As Bare Trustee, Nominee and Agent of Vendor and Purchaser

United, by its execution of this Agreement, acknowledges and confirms that as the holder of legal title to the Seismic Data, it does, by this Agreement, now stand possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, the Purchaser, as to an undivided 50% interest and the Vendor, as to an undivided 50% interest.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor is a limited partnership duly organized, validly subsisting and in good standing under the laws of the Province of Alberta;
- (b) the Vendor is the sole beneficial owner of the Assets and all rights and interests therein and has full right, power and authority to sell, transfer and assign the Assets to the Purchaser in accordance with the terms and conditions of this Agreement;
- (c) it does not warrant title to the Assets, but does warrant that to its knowledge, the Assets are free and clear of all mortgages, encumbrances, charges and other third party rights and interests of every nature and kind whatsoever and howsoever created or arising and any existing or contingent statutory rights, obligations, liabilities or transfer impediments, created by, through or under the Vendor or any predecessor in interest to the Vendor, other than Permitted Encumbrances and those set forth in Schedule "A";
- (d) the Vendor has not, nor has any predecessor in interest, granted any options or rights to acquire or use in any manner its undivided interest in the Assets or any part thereof;
- (e) neither the entering into of this Agreement nor the performance of same by the Vendor violates or will violate any agreement, document or instrument to which the Vendor is a party or subject, or any law, regulation, rule, order, judgment, by-law or ordinance of any jurisdiction, regulatory body, authority or instrumentality binding on the Vendor;
- (f) this Agreement constitutes a legal, valid and binding agreement of the Vendor, enforceable against the Vendor in accordance with its terms; and
- (g) the Vendor is a resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.2 Negation

The Vendor makes no representations or warranties of any kind or nature, express or implied, in fact or by law, except as expressly set forth in Clause 3.1, and in particular, and without limiting the generality of the

foregoing, the Vendor hereby expressly negates and disclaims, and the Vendor and Vendor Group shall not be liable for, any representations or warranties with respect to:

- (a) its title to Assets, except as set forth in Clause 3.1(c);
- (b) the quality, condition, merchantability, serviceability or suitability or fitness for any particular purpose of the Assets;
- (c) the quality, quantity or recoverability of the Petroleum Substances within, upon or under the Lands or any lands pooled or unitized therewith;
- (d) the value of the Assets or the future revenues or cash flows applicable thereto;
- (e) any engineering, geological, production or other information or interpretations thereof, or any economic evaluations respecting the Assets; or
- (f) the environmental condition of any of the Lands or other assets comprising the Assets or any environmental liability related thereto.

Without restricting the generality of the foregoing, the Purchaser acknowledges that with the exception of the representations and warranties in Clause 3.1(c) and the performance of the Vendor of its obligations under this Agreement, the Purchaser is acquiring the Assets on an "as is where is" basis and that it has made its own independent investigation, analysis, evaluation and inspection of the Assets and the state and condition thereof, and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

3.3 No Merger

The representations and warranties contained in Clause 3.1 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Vendor in connection with the transactions contemplated by this Agreement.

3.4 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly organized, validly subsisting and in good standing under the laws of its jurisdiction of incorporation and the laws of those jurisdictions in which the Purchaser is required to be registered;
- (b) the Purchaser has all requisite power and authority to enter into this Agreement and to acquire the Assets on the terms described herein and to perform its other obligations under this Agreement;
- (c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which the Purchaser is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser or of the constating documents or bylaws of the Purchaser;
- (d) this Agreement has been duly executed and delivered by the Purchaser and all documents required hereunder to be executed and delivered by the Purchaser have been duly executed and delivered and this Agreement and such documents constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms; and
- (e) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Vendor may have any obligation or liability.

3.5 No Merger

The representations and warranties contained in Clause 3.4 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Purchaser in connection with the transactions contemplated by this Agreement.

3.6 Survival

The representations and warranties of the Vendor and the Purchaser contained in this Agreement and contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated hereby shall continue and remain in full force and effect for the benefit of the parties for a period of one (1) year following the Effective Date. Each of the Vendor and the Purchaser hereby release and remise the other from and against any claims for which notice has not been given within such one (1) year period.

3.7 Acknowledgement

The parties hereto acknowledge and agree that an obligation under this Agreement to provide written notice of a claim within one (1) year following the Effective Date and in the manner specified under this Agreement is intended by the parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each party has agreed to assume in connection with the subject hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

ARTICLE 4 COVENANTS OF THE VENDOR

4.1 Vendor's Liability and Indemnity Obligations

The Vendor shall:

- (a) be liable to the Purchaser, its successors and assigns, and their respective directors, officers, employees, agents and contractors or any of them (the "**Purchaser Group**"); and
- (b) as a separate and independent covenant, indemnify and save the Purchaser Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by the Purchaser Group as a result of a breach of any of the representations and warranties of the Vendor contained in Clause 3.1 hereof, provided that the aggregate liability of the Vendor shall not, in any event, exceed the amount in Clause 2.2.

ARTICLE 5 COVENANTS OF THE PURCHASER

5.1 Purchaser's Liability and Indemnity Obligations

The Purchaser shall:

- (a) be liable to the Vendor, its successors and assigns, and their respective directors, officers, employees, agent and contractors or any of them (the "**Vendor Group**"); and
- (b) as a separate and independent covenant, indemnify and save the Vendor Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand

whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by Vendor Group (i) as a result of a breach of any of the representations and warranties of the Purchaser contained in Clause 3.4 hereof or (ii) pertaining to environmental damage or contamination or other environmental problems pertaining to the Assets, however or by whomsoever the same occurred, whether such claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses arose prior to or subsequent to the Closing Date, including, without limitation, any matters relating to:

- (i) underground, air groundwater or surface contamination;
- (ii) the abandonment or plugging of any well or wells;
- (iii) the restoration or reclamation of any part of the assets comprising the Assets;
- (iv) the breach of applicable government rules and regulations in effect at any time; or
- (v) the removal of or failure to remove any foundations, structures or equipment from the Lands.

ARTICLE 6 CONDITIONS

6.1 Conditions for the Benefit of Canwest

Neither the Vendor, the Purchaser nor United shall be obligated to complete the transactions contemplated by this Agreement unless the Monitor shall have obtained an order of the Court, in form and substance acceptable to the Monitor, acting reasonably, enabling the Vendor to assign to the Purchaser all of the right, title and interest of the Vendor in and to the Assets and the Monitor is in a position to deliver the Monitor's Certificate.

ARTICLE 7 GENERAL PROVISIONS

7.1 Further Assurances

The parties hereto shall, at any time and from time to time at the request of the other, execute and deliver any and all such further instruments or assurances as may be necessary or desirable to give effect to the transactions contemplated by this Agreement.

7.2 Subrogation

The assignment, transfer and conveyance effected by this Agreement is made with full right of substitution and subrogation of the Purchaser in and to all covenants, warranties and representations by others heretofore given or made in respect of the Assets or any part thereof to the Vendor or, to the extent permissible, to a predecessor in interest to the Vendor.

7.3 Amendment

This Agreement may only be amended by written instrument signed by the parties hereto.

7.4 Assignment

This Agreement may not be assigned by either party.

7.5 Entire Agreement

There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein.

7.6 Enurement

The terms and conditions of this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

7.7 Time

Time shall be of the essence hereof.

7.8 Notice

Any notice required or permitted by any of the provisions of this Agreement may be given to the parties in writing at the following addresses, or such other addresses as the parties may specify in writing from time to time:

TO THE VENDOR AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

TO THE PURCHASER AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

Notices shall be effective if delivered personally to the above parties or if mailed by prepaid registered mail to the above addresses, and if so mailed, shall be deemed to have been received ten days after deposit in a postal station. If there should be at the time of mailing or between the time of mailing and actual receipt thereof, a mail strike, slowdown or other labour dispute which may affect the delivery of such notice by mail, then such notice shall only be effective if actually delivered.

7.9 Governing Law

This Agreement shall be governed and construed, in all respects, in accordance with the laws of the Province of Alberta.

7.10 Counterpart and Facsimile Execution

This Agreement may be executed by facsimile and by counterpart execution with each such counterpart considered an original and the counterparts taken together constituting one Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**GLOBAL RESOURCES LIMITED PARTNERSHIP, by its
General Partner, Shapco Resources Ltd.**

Per: _____
Leonard Shapiro

SHAPCO RESOURCES LTD.

Per: _____
Leonard Shapiro

UNITED RESOURCES LTD.

Per: _____
Leonard Shapiro

Schedule "A"

LANDS AND LEASES

Attached

Schedule "B"

SEISMIC DATA

Attached.

OIL AND GAS RIGHTS AND SEISMIC DATA AND RELATED RIGHTS CONVEYANCE

THIS AGREEMENT made November ____, 2011.

BETWEEN:

TABER GLOBAL LIMITED PARTNERSHIP, by its General Partner, Shapco Resources Ltd., a limited partnership organized under the laws of the Province of Alberta (the "**Vendor**")

- and -

SHAPCO RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta (the "**Purchaser**")

- and -

UNITED RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta ("**United**")

WHEREAS the Vendor is the beneficial owner of the Oil and Gas Rights and Seismic Data and the Purchaser is the General Partner of the Vendor.

AND WHEREAS pursuant to 8.1(f) of the Amended and Restated Limited Partnership Agreement dated November 30, 1988, as amended from time to time among the General Partner, Global Communications Limited (a predecessor in interest to 4514866 Canada Inc., formerly known as Canwest Media Inc.) and Collins Barrow Limited, Thorne, Ernst & Whinney Inc. and Clarkson Gordon Inc. (the "**Partnership Agreement**"), the General Partner is entitled to an assignment from the Partnership of an undivided 50% interest in the Partnership's interest in the Oil and Gas Rights and the Seismic Data.

AND WHEREAS United holds legal title to the Seismic Data for the Vendor and is joining as a party to this Agreement solely for the purposes of acknowledging that by this Agreement, it stands possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, for the Vendor as to an undivided 50% interest and the Purchaser as to an undivided 50% interest.

AND WHEREAS FTI Consulting Canada Inc. was appointed by the order of the Superior Court of Justice (Ontario) (the "**Court**") made October 6, 2009 to act as the monitor of 4514866 Canada Inc. (formerly known as Canwest Media Inc.), the limited partner of the Vendor ("**Canwest**"), and certain related broadcast entities (the "**Monitor**") pursuant to their proceedings under the Companies' Creditors Arrangement Act ("**CCAA**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, covenants and agreements hereinafter set forth and contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the Schedules hereto, the following terms shall have the following meanings:

- (a) "**Agreement**" means this Agreement and the Schedules attached hereto;
- (b) "**Assets**" means the Oil and Gas Rights and an undivided 50% interest in the Seismic Data;
- (c) "**Effective Date**" means the date of delivery of the Monitor's Certificate;

- (d) "**Facilities**" means all of the facilities used or useful in the production, processing, transmission or treatment of Petroleum Substances, including, without limitation, pipelines, flow lines, gathering systems, batteries, compressors and plants;
- (e) "**General Partner**" means Shapco Resources Ltd.;
- (f) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, county, municipal, local or other governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, board, bureau, agency, commissioner, tribunal or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- (g) "**GST**" means the goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada);
- (h) "**Lands**" means the lands set forth and described in Schedule "A" and includes the Petroleum Substances within, upon or under such lands, together with the right to explore for and recover same insofar as such are granted by Leases to such lands;
- (i) "**Leases**" means collectively the leases, reservations, permits, licenses or other documents of title by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances underlying all or any part of the Lands including, without limitation, the leases set forth and described in Schedule "A";
- (j) "**Miscellaneous Interests**" means the interest of the Vendor in and to all property, other than the PNG Rights and the Tangibles, that pertain to the PNG Rights, the Tangibles, the Lands or the Leases and to which the Vendor is entitled at the Effective Date, including, but not limited to, the interest of the Vendor in and to:
 - (i) all contracts, agreements, documents, production sales contracts, books and records and all seismic, geological, geophysical, production and engineering information and reports relating to the PNG Rights;
 - (ii) all Petroleum Substances in the course of production from the Lands or lands with which the Lands have been pooled or unitized but not at the Effective Date beyond the wellhead;
 - (iii) all subsisting rights to enter upon, use and occupy the surface of any of the Lands or any lands with which the same have been pooled or unitized;
 - (iv) all wells for the purpose of production of Petroleum Substances, the injection of water or otherwise, situate on the Lands or on lands with which the Lands have been pooled or unitized and all casing in such wells; and
 - (v) any right, estate or interest in or to any asset which relates to but does not comprise part of the PNG Rights,excluding the Seismic Data;
- (k) "**Monitor's Certificate**" means the certificate substantially in the form attached to the Court's approval and vesting order;
- (l) "**Oil and Gas Rights**" means an undivided 50% of Vendor's interest in and to:
 - (i) any right, use, lease or privilege to explore for, drill, take or receive the proceeds from the sale of Petroleum Substances within, upon or under the Lands (including lands pooled or unitized therewith) insofar as such rights are granted by the Leases (the "**PNG Rights**");

- (ii) all Tangibles used or useful in connection with production, gathering, treatment, storage, compression, processing, transportation, injection, removal or other operations relating to the Leases or the Lands (including lands pooled or unitized therewith), whether the same be situate within, upon or under the Lands (or lands pooled or unitized therewith) or Leases or elsewhere, including roadways; and
 - (iii) the Miscellaneous Interests;
- (m) **"Permitted Encumbrances"** means any of the following:
- (i) liens for taxes, assessments and governmental charges which are not due or delinquent or if due, the validity of which are being diligently contested in good faith by or on behalf of the Vendor;
 - (ii) easements, rights of way, servitudes or other similar rights in land including rights of way and servitudes for highways or other roads, railways, sewers, drains, gas and oil pipelines, gas or water mains or electric light, power, telephone, telegraph or cable television conduits, poles, wires or cables;
 - (iii) the right reserved to or vested in any governmental agency or authority by the terms of any lease, license, franchise, grant or permit or by any applicable law, to terminate such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iv) the right reserved or vested in any governmental agency or authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements as to production rates on the operations of any property;
 - (v) rights reserved to or vested in any governmental agency or authority to control or regulate any of the Oil and Gas Rights in any manner;
 - (vi) trust obligations incurred in the ordinary course of business;
 - (vii) the terms and conditions of the Leases and any other agreements or documents included within the Miscellaneous Interests;
 - (viii) the terms and conditions of agreements for the sale of Petroleum Substances;
 - (ix) penalties which are disclosed in Schedule "A" and which have arisen under operating procedures or similar agreements as a consequence of elections by the Vendor not to participate in operations on the Lands to which the penalty applies;
 - (x) undetermined or inchoate liens incurred or created in the ordinary course of business or a lien created as security in favour of the Person conducting the operation of the Assets to which such liens relate for the Vendor's proportionate share of the costs and expenses of such operations which are not due or delinquent or are being contested in good faith;
 - (xi) the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interest therein and statutory exceptions to title;
 - (xii) liens granted in the ordinary course of business to a public utility or governmental agency or authority in connection with the operations conducted with respect to any of the Oil and Gas Rights;
 - (xiii) the burdens, encumbrances, royalties, adverse claims, (including reductions and conversions) and penalties set forth in Schedule "A";

- (xiv) mechanics', builders' or materialman's lien in respect of services rendered or goods supplied, but only insofar as such liens relate to goods or services for which payment is not due, or the validity of which is being diligently contested by or on behalf of the Vendor; and
- (xv) all rights of first refusal, pre-emptive purchase rights and similar rights except to the extent applicable but not complied with for transactions that occurred prior to the date hereof;
- (n) "**Petroleum Substances**" means petroleum, natural gas and related hydrocarbons in the Lands and all substances associated therewith or any of them insofar as the same are granted by the Leases;
- (o) "**Seismic Data**" means the information obtained by conducting geophysical surveys, and all processing and interpretation of such data and information, including all associated Seismographic Material, all as more particularly set forth in Schedule "B";
- (p) "**Seismographic Material**" means shot-point location maps, surveyors ground elevation records and notes, lists of latitudes and departures regarding shot-point locations, drillers logs, shooters records, observers reports, seismographic magnetic tapes, monitor records, field records and record sections relating to the Seismic Data and any data or material resulting from the processing of the foregoing, including one normal and one reversed sepia final film section;
- (q) "**Tangibles**" means the interest of the Vendor in and to all tangible depreciable property and Facilities situate in, on or about the Lands (or lands pooled or unitized therewith), appurtenant thereto or used in connection therewith or with production, processing, transmission or treatment of Petroleum Substances or operations thereon or relative thereto or appurtenant to or used in connection with all producing or shut-in wells located in the Lands (or lands pooled or unitized therewith); and
- (r) "**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii).

1.2 Interpretation

- (a) The headings herein contained are intended for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) If any covenant, obligation or provision contained in this Agreement or the application thereof to any person or circumstance is, to any extent, found to be invalid or unenforceable, the remainder of this Agreement or the application thereof to any person or circumstance shall not be affected thereby and each covenant, obligation and provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- (c) The words in all the covenants, provisos, conditions and agreements herein contained, which impart the singular number or the masculine gender shall be read and construed as applying to the plural and each and every corporate, male or female party hereto and to its and their heirs, executors, administrators, personal representatives, successors and assigns, as the case or context requires.
- (d) All references to dollar amounts herein are references to Canadian Dollars.

1.3 Schedules

The following Schedules are attached hereto and are incorporated into and form a part of this Agreement. If there is a conflict between the body of this Agreement and any Schedule, the provisions of the body of this Agreement shall govern and prevail to the extent of the conflict.

Schedule "A" - Description of Lands and Leases

Schedule "B" - Seismic Data

**ARTICLE 2
CONVEYANCE**

2.1 Conveyance

The Vendor hereby assigns, transfers, conveys and sets over the Assets to the Purchaser and the Purchaser hereby accepts the Assets directly from the Vendor, as of and from the Effective Date, to have and to hold the same together with all benefits and advantages to be derived therefrom, absolutely, subject to the terms and conditions of the Leases and any other agreements relating thereto.

2.2 Allocation of Consideration

The conveyance of the Assets is made pursuant to Section 8.1(e) of the Partnership Agreement for the consideration set out in the immediately preceding paragraph thereof. The fair market value attributable to the Assets shall be allocated amongst the Assets as follows:

to PNG Rights (80% of Purchase Price for Oil and Gas Rights)	\$192.00
to Tangibles (20% of Purchase Price for Oil and Gas Rights less \$1.00)	\$47.00
to Miscellaneous Interests	\$1.00
to Seismic Data	\$13,609.00
Sub-Total:	\$13,849.00
GST (5% of amount allocated to Tangibles, Miscellaneous Interests and Seismic Data)	\$682.85
Total	\$14,531.85

The Purchaser, as General Partner, will be allocated for income tax purposes any income or gain realized by the Partnership as a result of the assignment of the interests, properties and rights outlined in this Agreement.

2.3 Goods and Services Tax

The Purchaser hereby remits to the Vendor GST in the amount of \$682.85.

2.4 Payment of Sales Tax and Registration Charges on Transfer

- (a) In addition to Taxes set forth in Clause 2.3, the Purchaser shall be liable for and shall pay all land transfer Taxes, sales Taxes and all other similar taxes, duties, registration fees or other like charges of any jurisdiction properly payable upon and in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser, and such Taxes shall be payable in addition to the consideration set out above.
- (b) The Vendor shall not be liable for any Taxes in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser as contemplated in this Agreement.

2.5 Adjustments

The consideration for the Assets shall not be subject to adjustments. All benefits and obligations associated with the Assets prior to the Effective Date have been taken into account in the determination of the fair market value of the Assets.

2.6 Effective Date

The transfer and assignment of the Assets from the Vendor to the Purchaser shall be effective as of the Effective Date.

2.7 United As Bare Trustee, Nominee and Agent of Vendor and Purchaser

United, by its execution of this Agreement, acknowledges and confirms that as the holder of legal title to the Seismic Data, it does, by this Agreement, now stand possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, the Purchaser, as to an undivided 50% interest and the Vendor, as to an undivided 50% interest.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor is a limited partnership duly organized, validly subsisting and in good standing under the laws of the Province of Alberta;
- (b) the Vendor is the sole beneficial owner of the Assets and all rights and interests therein and has full right, power and authority to sell, transfer and assign the Assets to the Purchaser in accordance with the terms and conditions of this Agreement;
- (c) it does not warrant title to the Assets, but does warrant that to its knowledge, the Assets are free and clear of all mortgages, encumbrances, charges and other third party rights and interests of every nature and kind whatsoever and howsoever created or arising and any existing or contingent statutory rights, obligations, liabilities or transfer impediments, created by, through or under the Vendor or any predecessor in interest to the Vendor, other than Permitted Encumbrances and those set forth in Schedule "A";
- (d) the Vendor has not, nor has any predecessor in interest, granted any options or rights to acquire or use in any manner its undivided interest in the Assets or any part thereof;
- (e) neither the entering into of this Agreement nor the performance of same by the Vendor violates or will violate any agreement, document or instrument to which the Vendor is a party or subject, or any law, regulation, rule, order, judgment, by-law or ordinance of any jurisdiction, regulatory body, authority or instrumentality binding on the Vendor;
- (f) this Agreement constitutes a legal, valid and binding agreement of the Vendor, enforceable against the Vendor in accordance with its terms; and
- (g) the Vendor is a resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.2 Negation

The Vendor makes no representations or warranties of any kind or nature, express or implied, in fact or by law, except as expressly set forth in Clause 3.1, and in particular, and without limiting the generality of the

foregoing, the Vendor hereby expressly negates and disclaims, and the Vendor and Vendor Group shall not be liable for, any representations or warranties with respect to:

- (a) its title to Assets, except as set forth in Clause 3.1(c);
- (b) the quality, condition, merchantability, serviceability or suitability or fitness for any particular purpose of the Assets;
- (c) the quality, quantity or recoverability of the Petroleum Substances within, upon or under the Lands or any lands pooled or unitized therewith;
- (d) the value of the Assets or the future revenues or cash flows applicable thereto;
- (e) any engineering, geological, production or other information or interpretations thereof, or any economic evaluations respecting the Assets; or
- (f) the environmental condition of any of the Lands or other assets comprising the Assets or any environmental liability related thereto.

Without restricting the generality of the foregoing, the Purchaser acknowledges that with the exception of the representations and warranties in Clause 3.1(c) and the performance of the Vendor of its obligations under this Agreement, the Purchaser is acquiring the Assets on an "as is where is" basis and that it has made its own independent investigation, analysis, evaluation and inspection of the Assets and the state and condition thereof, and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

3.3 No Merger

The representations and warranties contained in Clause 3.1 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Vendor in connection with the transactions contemplated by this Agreement.

3.4 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly organized, validly subsisting and in good standing under the laws of its jurisdiction of incorporation and the laws of those jurisdictions in which the Purchaser is required to be registered;
- (b) the Purchaser has all requisite power and authority to enter into this Agreement and to acquire the Assets on the terms described herein and to perform its other obligations under this Agreement;
- (c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which the Purchaser is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser or of the constituting documents or bylaws of the Purchaser;
- (d) this Agreement has been duly executed and delivered by the Purchaser and all documents required hereunder to be executed and delivered by the Purchaser have been duly executed and delivered and this Agreement and such documents constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms; and
- (e) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Vendor may have any obligation or liability.

3.5 No Merger

The representations and warranties contained in Clause 3.4 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Purchaser in connection with the transactions contemplated by this Agreement.

3.6 Survival

The representations and warranties of the Vendor and the Purchaser contained in this Agreement and contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated hereby shall continue and remain in full force and effect for the benefit of the parties for a period of one (1) year following the Effective Date. Each of the Vendor and the Purchaser hereby release and remise the other from and against any claims for which notice has not been given within such one (1) year period.

3.7 Acknowledgement

The parties hereto acknowledge and agree that an obligation under this Agreement to provide written notice of a claim within one (1) year following the Effective Date and in the manner specified under this Agreement is intended by the parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each party has agreed to assume in connection with the subject hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

ARTICLE 4 COVENANTS OF THE VENDOR

4.1 Vendor's Liability and Indemnity Obligations

The Vendor shall:

- (a) be liable to the Purchaser, its successors and assigns, and their respective directors, officers, employees, agents and contractors or any of them (the "**Purchaser Group**"); and
- (b) as a separate and independent covenant, indemnify and save the Purchaser Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by the Purchaser Group as a result of a breach of any of the representations and warranties of the Vendor contained in Clause 3.1 hereof, provided that the aggregate liability of the Vendor shall not, in any event, exceed the amount in Clause 2.2.

ARTICLE 5 COVENANTS OF THE PURCHASER

5.1 Purchaser's Liability and Indemnity Obligations

The Purchaser shall:

- (a) be liable to the Vendor, its successors and assigns, and their respective directors, officers, employees, agent and contractors or any of them (the "**Vendor Group**"); and
- (b) as a separate and independent covenant, indemnify and save the Vendor Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand

whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by Vendor Group (i) as a result of a breach of any of the representations and warranties of the Purchaser contained in Clause 3.4 hereof or (ii) pertaining to environmental damage or contamination or other environmental problems pertaining to the Assets, however or by whomsoever the same occurred, whether such claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses arose prior to or subsequent to the Closing Date, including, without limitation, any matters relating to:

- (i) underground, air groundwater or surface contamination;
- (ii) the abandonment or plugging of any well or wells;
- (iii) the restoration or reclamation of any part of the assets comprising the Assets;
- (iv) the breach of applicable government rules and regulations in effect at any time; or
- (v) the removal of or failure to remove any foundations, structures or equipment from the Lands.

ARTICLE 6 CONDITIONS

6.1 Conditions for the Benefit of Canwest

Neither the Vendor, the Purchaser nor United shall be obligated to complete the transactions contemplated by this Agreement unless the Monitor shall have obtained an order of the Court, in form and substance acceptable to the Monitor, acting reasonably, enabling the Vendor to assign to the Purchaser all of the right, title and interest of the Vendor in and to the Assets and the Monitor is in a position to deliver the Monitor's Certificate.

ARTICLE 7 GENERAL PROVISIONS

7.1 Further Assurances

The parties hereto shall, at any time and from time to time at the request of the other, execute and deliver any and all such further instruments or assurances as may be necessary or desirable to give effect to the transactions contemplated by this Agreement.

7.2 Subrogation

The assignment, transfer and conveyance effected by this Agreement is made with full right of substitution and subrogation of the Purchaser in and to all covenants, warranties and representations by others heretofore given or made in respect of the Assets or any part thereof to the Vendor or, to the extent permissible, to a predecessor in interest to the Vendor.

7.3 Amendment

This Agreement may only be amended by written instrument signed by the parties hereto.

7.4 Assignment

This Agreement may not be assigned by either party.

7.5 Entire Agreement

There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein.

7.6 Enurement

The terms and conditions of this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

7.7 Time

Time shall be of the essence hereof.

7.8 Notice

Any notice required or permitted by any of the provisions of this Agreement may be given to the parties in writing at the following addresses, or such other addresses as the parties may specify in writing from time to time:

TO THE VENDOR AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

TO THE PURCHASER AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

Notices shall be effective if delivered personally to the above parties or if mailed by prepaid registered mail to the above addresses, and if so mailed, shall be deemed to have been received ten days after deposit in a postal station. If there should be at the time of mailing or between the time of mailing and actual receipt thereof, a mail strike, slowdown or other labour dispute which may affect the delivery of such notice by mail, then such notice shall only be effective if actually delivered.

7.9 Governing Law

This Agreement shall be governed and construed, in all respects, in accordance with the laws of the Province of Alberta.

7.10 Counterpart and Facsimile Execution

This Agreement may be executed by facsimile and by counterpart execution with each such counterpart considered an original and the counterparts taken together constituting one Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

GLOBAL TABER LIMITED PARTNERSHIP, by its General Partner, Shapco Resources Ltd.

Per: _____
Leonard Shapiro

SHAPCO RESOURCES LTD.

Per: _____
Leonard Shapiro

UNITED RESOURCES LTD.

Per: _____
Leonard Shapiro

Schedule "A"

LANDS AND LEASES

Attached

Schedule "B"

SEISMIC DATA

Attached.

OIL AND GAS RIGHTS AND SEISMIC DATA AND RELATED RIGHTS CONVEYANCE

THIS AGREEMENT made November ____, 2011.

BETWEEN:

SHAPCO-GLOBAL EXPLORATION LIMITED PARTNERSHIP, by its **General Partner, Shapco Resources Ltd.**, a limited partnership organized under the laws of the Province of Alberta (the "**Vendor**")

- and -

SHAPCO RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta (the "**Purchaser**")

- and -

UNITED RESOURCES LTD., a body corporate incorporated under the laws of the Province of Alberta ("**United**")

WHEREAS the Vendor is the beneficial owner of the Oil and Gas Rights and Seismic Data and the Purchaser is the General Partner of the Vendor.

AND WHEREAS pursuant to 8.1(e) of the Amended and Restated Limited Partnership Agreement dated November 30, 1988, among the Purchaser, Global Communications Limited (a predecessor in interest to 4514866 Canada Inc. (formerly known as Canwest Media Inc.)) and 133159 Canada Inc., as amended from time to time (the "**Partnership Agreement**"), the General Partner is entitled to an assignment from the Partnership of an undivided 50% interest in the Partnership's interest in the Oil and Gas Rights and the Seismic Data.

AND WHEREAS United holds legal title to the Seismic Data for the Vendor and is joining as a party to this Agreement solely for the purposes of acknowledging that by this Agreement, it stands possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, for the Vendor as to an undivided 50% interest and the Purchaser as to an undivided 50% interest.

AND WHEREAS FTI Consulting Canada Inc. was appointed by the order of the Superior Court of Justice (Ontario) (the "**Court**") made October 6, 2009 to act as the monitor of 4514866 Canada Inc. (formerly known as Canwest Media Inc.), the limited partner of the Vendor ("**Canwest**"), and certain related broadcast entities (the "**Monitor**") pursuant to their proceedings under the Companies' Creditors Arrangement Act ("**CCAA**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, covenants and agreements hereinafter set forth and contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the Schedules hereto, the following terms shall have the following meanings:

- (a) "**Agreement**" means this Agreement and the Schedules attached hereto;
- (b) "**Assets**" means the Oil and Gas Rights and an undivided 50% interest in the Seismic Data;
- (c) "**Effective Date**" means the date of delivery of the Monitor's Certificate;

- (d) "**Facilities**" means all of the facilities used or useful in the production, processing, transmission or treatment of Petroleum Substances, including, without limitation, pipelines, flow lines, gathering systems, batteries, compressors and plants;
- (e) "**General Partner**" means Shapco Resources Ltd.;
- (f) "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, county, municipal, local or other governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, board, bureau, agency, commissioner, tribunal or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- (g) "**GST**" means the goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada);
- (h) "**Lands**" means the lands set forth and described in Schedule "A" and includes the Petroleum Substances within, upon or under such lands, together with the right to explore for and recover same insofar as such are granted by Leases to such lands;
- (i) "**Leases**" means collectively the leases, reservations, permits, licenses or other documents of title by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances underlying all or any part of the Lands including, without limitation, the leases set forth and described in Schedule "A";
- (j) "**Miscellaneous Interests**" means the interest of the Vendor in and to all property, other than the PNG Rights and the Tangibles, that pertain to the PNG Rights, the Tangibles, the Lands or the Leases and to which the Vendor is entitled at the Effective Date, including, but not limited to, the interest of the Vendor in and to:
 - (i) all contracts, agreements, documents, production sales contracts, books and records and all seismic, geological, geophysical, production and engineering information and reports relating to the PNG Rights;
 - (ii) all Petroleum Substances in the course of production from the Lands or lands with which the Lands have been pooled or unitized but not at the Effective Date beyond the wellhead;
 - (iii) all subsisting rights to enter upon, use and occupy the surface of any of the Lands or any lands with which the same have been pooled or unitized;
 - (iv) all wells for the purpose of production of Petroleum Substances, the injection of water or otherwise, situate on the Lands or on lands with which the Lands have been pooled or unitized and all casing in such wells; and
 - (v) any right, estate or interest in or to any asset which relates to but does not comprise part of the PNG Rights,excluding the Seismic Data;
- (k) "**Monitor's Certificate**" means the certificate substantially in the form attached to the Court's approval and vesting order;
- (l) "**Oil and Gas Rights**" means an undivided 50% of Vendor's interest in and to:
 - (i) any right, use, lease or privilege to explore for, drill, take or receive the proceeds from the sale of Petroleum Substances within, upon or under the Lands (including lands pooled or unitized therewith) insofar as such rights are granted by the Leases (the "**PNG Rights**");

- (ii) all Tangibles used or useful in connection with production, gathering, treatment, storage, compression, processing, transportation, injection, removal or other operations relating to the Leases or the Lands (including lands pooled or unitized therewith), whether the same be situate within, upon or under the Lands (or lands pooled or unitized therewith) or Leases or elsewhere, including roadways; and
 - (iii) the Miscellaneous Interests;
- (m) "Permitted Encumbrances" means any of the following:
- (i) liens for taxes, assessments and governmental charges which are not due or delinquent or if due, the validity of which are being diligently contested in good faith by or on behalf of the Vendor;
 - (ii) easements, rights of way, servitudes or other similar rights in land including rights of way and servitudes for highways or other roads, railways, sewers, drains, gas and oil pipelines, gas or water mains or electric light, power, telephone, telegraph or cable television conduits, poles, wires or cables;
 - (iii) the right reserved to or vested in any governmental agency or authority by the terms of any lease, license, franchise, grant or permit or by any applicable law, to terminate such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (iv) the right reserved or vested in any governmental agency or authority to levy taxes on Petroleum Substances or the income or revenue attributable thereto and governmental requirements as to production rates on the operations of any property;
 - (v) rights reserved to or vested in any governmental agency or authority to control or regulate any of the Oil and Gas Rights in any manner;
 - (vi) trust obligations incurred in the ordinary course of business;
 - (vii) the terms and conditions of the Leases and any other agreements or documents included within the Miscellaneous Interests;
 - (viii) the terms and conditions of agreements for the sale of Petroleum Substances;
 - (ix) penalties which are disclosed in Schedule "A" and which have arisen under operating procedures or similar agreements as a consequence of elections by the Vendor not to participate in operations on the Lands to which the penalty applies;
 - (x) undetermined or inchoate liens incurred or created in the ordinary course of business or a lien created as security in favour of the Person conducting the operation of the Assets to which such liens relate for the Vendor's proportionate share of the costs and expenses of such operations which are not due or delinquent or are being contested in good faith;
 - (xi) the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interest therein and statutory exceptions to title;
 - (xii) liens granted in the ordinary course of business to a public utility or governmental agency or authority in connection with the operations conducted with respect to any of the Oil and Gas Rights;
 - (xiii) the burdens, encumbrances, royalties, adverse claims, (including reductions and conversions) and penalties set forth in Schedule "A";

- (xiv) mechanics', builders' or materialman's lien in respect of services rendered or goods supplied, but only insofar as such liens relate to goods or services for which payment is not due, or the validity of which is being diligently contested by or on behalf of the Vendor; and
- (xv) all rights of first refusal, pre-emptive purchase rights and similar rights except to the extent applicable but not complied with for transactions that occurred prior to the date hereof;
- (n) "**Petroleum Substances**" means petroleum, natural gas and related hydrocarbons in the Lands and all substances associated therewith or any of them insofar as the same are granted by the Leases;
- (o) "**Seismic Data**" means the information obtained by conducting geophysical surveys, and all processing and interpretation of such data and information, including all associated Seismographic Material, all as more particularly set forth in Schedule "B";
- (p) "**Seismographic Material**" means shot-point location maps, surveyors ground elevation records and notes, lists of latitudes and departures regarding shot-point locations, drillers logs, shooters records, observers reports, seismographic magnetic tapes, monitor records, field records and record sections relating to the Seismic Data and any data or material resulting from the processing of the foregoing, including one normal and one reversed sepia final film section;
- (q) "**Tangibles**" means the interest of the Vendor in and to all tangible depreciable property and Facilities situate in, on or about the Lands (or lands pooled or unitized therewith), appurtenant thereto or used in connection therewith or with production, processing, transmission or treatment of Petroleum Substances or operations thereon or relative thereto or appurtenant to or used in connection with all producing or shut-in wells located in the Lands (or lands pooled or unitized therewith); and
- (r) "**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, and (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii).

1.2 Interpretation

- (a) The headings herein contained are intended for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) If any covenant, obligation or provision contained in this Agreement or the application thereof to any person or circumstance is, to any extent, found to be invalid or unenforceable, the remainder of this Agreement or the application thereof to any person or circumstance shall not be affected thereby and each covenant, obligation and provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- (c) The words in all the covenants, provisos, conditions and agreements herein contained, which impart the singular number or the masculine gender shall be read and construed as applying to the plural and each and every corporate, male or female party hereto and to its and their heirs, executors, administrators, personal representatives, successors and assigns, as the case or context requires.
- (d) All references to dollar amounts herein are references to Canadian Dollars.

1.3 Schedules

The following Schedules are attached hereto and are incorporated into and form a part of this Agreement. If there is a conflict between the body of this Agreement and any Schedule, the provisions of the body of this Agreement shall govern and prevail to the extent of the conflict.

Schedule "A" - Description of Lands and Leases

Schedule "B" - Seismic Data

**ARTICLE 2
CONVEYANCE**

2.1 Conveyance

The Vendor hereby assigns, transfers, conveys and sets over the Assets to the Purchaser and the Purchaser hereby accepts the Assets directly from the Vendor, as of and from the Effective Date, to have and to hold the same together with all benefits and advantages to be derived therefrom, absolutely, subject to the terms and conditions of the Leases and any other agreements relating thereto.

2.2 Allocation of Consideration

The conveyance of the Assets is made pursuant to Section 8.1(e) of the Partnership Agreement for the consideration set out in the immediately preceding paragraph thereof. The fair market value attributable to the Assets shall be allocated amongst the Assets as follows:

to PNG Rights (80% of Purchase Price for Oil and Gas Rights)	\$50,816.00
to Tangibles (20% of Purchase Price for Oil and Gas Rights less \$1.00)	\$12,703.00
to Miscellaneous Interests	\$1.00
to Seismic Data	\$8,493.00
Sub-Total:	\$72,013.00
GST (5% of amount allocated to Tangibles, Miscellaneous Interests and Seismic Data)	\$1,059.85
Total	\$73,072.85

The Purchaser, as General Partner, will be allocated for income tax purposes any income or gain realized by the Partnership as a result of the assignment of the interests, properties and rights outlined in this Agreement.

2.3 Goods and Services Tax

The Purchaser hereby remits to the Vendor GST in the amount of \$1,059.85.

2.4 Payment of Sales Tax and Registration Charges on Transfer

- (a) In addition to Taxes set forth in Clause 2.3, the Purchaser shall be liable for and shall pay all land transfer Taxes, sales Taxes and all other similar taxes, duties, registration fees or other like charges of any jurisdiction properly payable upon and in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser, and such Taxes shall be payable in addition to the consideration set out above.
- (b) The Vendor shall not be liable for any Taxes in connection with the sale, assignment and transfer of the Assets from the Vendors to the Purchaser as contemplated in this Agreement.

2.5

2.6 Adjustments

The consideration for the Assets shall not be subject to adjustments. All benefits and obligations associated with the Assets prior to the Effective Date have been taken into account in the determination of the fair market value of the Assets.

2.7 Effective Date

The transfer and assignment of the Assets from the Vendor to the Purchaser shall be effective as of the Effective Date.

2.8 United As Bare Trustee, Nominee and Agent of Vendor and Purchaser

United, by its execution of this Agreement, acknowledges and confirms that as the holder of legal title to the Seismic Data, it does, by this Agreement, now stand possessed of the Seismic Data as the bare trustee, nominee and agent, and for the benefit of, the Purchaser, as to an undivided 50% interest and the Vendor, as to an undivided 50% interest.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor is a limited partnership duly organized, validly subsisting and in good standing under the laws of the Province of Alberta;
- (b) the Vendor is the sole beneficial owner of the Assets and all rights and interests therein and has full right, power and authority to sell, transfer and assign the Assets to the Purchaser in accordance with the terms and conditions of this Agreement;
- (c) it does not warrant title to the Assets, but does warrant that to its knowledge, the Assets are free and clear of all mortgages, encumbrances, charges and other third party rights and interests of every nature and kind whatsoever and howsoever created or arising and any existing or contingent statutory rights, obligations, liabilities or transfer impediments, created by, through or under the Vendor or any predecessor in interest to the Vendor, other than Permitted Encumbrances and those set forth in Schedule "A";
- (d) the Vendor has not, nor has any predecessor in interest, granted any options or rights to acquire or use in any manner its undivided interest in the Assets or any part thereof;
- (e) neither the entering into of this Agreement nor the performance of same by the Vendor violates or will violate any agreement, document or instrument to which the Vendor is a party or subject, or any law, regulation, rule, order, judgment, by-law or ordinance of any jurisdiction, regulatory body, authority or instrumentality binding on the Vendor;
- (f) this Agreement constitutes a legal, valid and binding agreement of the Vendor, enforceable against the Vendor in accordance with its terms; and
- (g) the Vendor is a resident of Canada within the meaning of the *Income Tax Act* (Canada).

3.2 Negation

The Vendor makes no representations or warranties of any kind or nature, express or implied, in fact or by law, except as expressly set forth in Clause 3.1, and in particular, and without limiting the generality of the foregoing, the Vendor hereby expressly negates and disclaims, and the Vendor and Vendor Group shall not be liable for, any representations or warranties with respect to:

- (a) its title to Assets, except as set forth in Clause 3.1(c);
- (b) the quality, condition, merchantability, serviceability or suitability or fitness for any particular purpose of the Assets;
- (c) the quality, quantity or recoverability of the Petroleum Substances within, upon or under the Lands or any lands pooled or unitized therewith;
- (d) the value of the Assets or the future revenues or cash flows applicable thereto;
- (e) any engineering, geological, production or other information or interpretations thereof, or any economic evaluations respecting the Assets; or
- (f) the environmental condition of any of the Lands or other assets comprising the Assets or any environmental liability related thereto.

Without restricting the generality of the foregoing, the Purchaser acknowledges that with the exception of the representations and warranties in Clause 3.1(c) and the performance of the Vendor of its obligations under this Agreement, the Purchaser is acquiring the Assets on an "as is where is" basis and that it has made its own independent investigation, analysis, evaluation and inspection of the Assets and the state and condition thereof, and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

3.3 No Merger

The representations and warranties contained in Clause 3.1 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Vendor in connection with the transactions contemplated by this Agreement.

3.4 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly organized, validly subsisting and in good standing under the laws of its jurisdiction of incorporation and the laws of those jurisdictions in which the Purchaser is required to be registered;
- (b) the Purchaser has all requisite power and authority to enter into this Agreement and to acquire the Assets on the terms described herein and to perform its other obligations under this Agreement;
- (c) the execution and delivery of this Agreement and each and every agreement or document to be executed and delivered hereunder and the consummation of the transactions contemplated herein will not violate, nor be in conflict with, any provision of any agreement or instrument to which the Purchaser is a party or is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser or of the constituting documents or bylaws of the Purchaser;
- (d) this Agreement has been duly executed and delivered by the Purchaser and all documents required hereunder to be executed and delivered by the Purchaser have been duly executed and delivered and this Agreement and

such documents constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms; and

- (e) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this transaction for which the Vendor may have any obligation or liability.

3.5 No Merger

The representations and warranties contained in Clause 3.4 hereof shall be deemed to apply to and be contained in all conveyances, assignments, transfers and other documents delivered by the Purchaser in connection with the transactions contemplated by this Agreement.

3.6 Survival

The representations and warranties of the Vendor and the Purchaser contained in this Agreement and contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated hereby shall continue and remain in full force and effect for the benefit of the parties for a period of one (1) year following the Effective Date. Each of the Vendor and the Purchaser hereby release and remise the other from and against any claims for which notice has not been given within such one (1) year period.

3.7 Acknowledgement

The parties hereto acknowledge and agree that an obligation under this Agreement to provide written notice of a claim within one (1) year following the Effective Date and in the manner specified under this Agreement is intended by the parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each party has agreed to assume in connection with the subject hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

ARTICLE 4 COVENANTS OF THE VENDOR

4.1 Vendor's Liability and Indemnity Obligations

The Vendor shall:

- (a) be liable to the Purchaser, its successors and assigns, and their respective directors, officers, employees, agents and contractors or any of them (the "**Purchaser Group**"); and
- (b) as a separate and independent covenant, indemnify and save the Purchaser Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by the Purchaser Group as a result of a breach of any of the representations and warranties of the Vendor contained in Clause 3.1 hereof, provided that the aggregate liability of the Vendor shall not, in any event, exceed the amount in Clause 2.2.

ARTICLE 5 COVENANTS OF THE PURCHASER

5.1 Purchaser's Liability and Indemnity Obligations

The Purchaser shall:

- (a) be liable to the Vendor, its successors and assigns, and their respective directors, officers, employees, agent and contractors or any of them (the "Vendor Group"); and
- (b) as a separate and independent covenant, indemnify and save the Vendor Group harmless from and against,

any and all claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses (including an amount paid to settle or defend an action, cause of action, claim or demand whatsoever or to satisfy a judgment, incurred by any of them in respect of any civil, criminal or administrative action or proceeding to which any of them is made a party) which may be brought against or suffered, sustained, paid or incurred by Vendor Group (i) as a result of a breach of any of the representations and warranties of the Purchaser contained in Clause 3.4 hereof or (ii) pertaining to environmental damage or contamination or other environmental problems pertaining to the Assets, however or by whomsoever the same occurred, whether such claims, proceedings, causes of action, losses, damages, liabilities, costs, charges, disbursements, fines, penalties or expenses arose prior to or subsequent to the Closing Date, including, without limitation, any matters relating to:

- (i) underground, air groundwater or surface contamination;
- (ii) the abandonment or plugging of any well or wells;
- (iii) the restoration or reclamation of any part of the assets comprising the Assets;
- (iv) the breach of applicable government rules and regulations in effect at any time; or
- (v) the removal of or failure to remove any foundations, structures or equipment from the Lands.

**ARTICLE 6
CONDITIONS**

6.1 Conditions for the Benefit of Canwest

Neither the Vendor, the Purchaser nor United shall be obligated to complete the transactions contemplated by this Agreement unless the Monitor shall have obtained an order of the Court, in form and substance acceptable to the Monitor, acting reasonably, enabling Vendor to assign to the Purchaser all of the right, title and interest of Vendor in and to the Assets and the Monitor is in a position to deliver the Monitor's Certificate.

**ARTICLE 7
GENERAL PROVISIONS**

7.1 Further Assurances

The parties hereto shall, at any time and from time to time at the request of the other, execute and deliver any and all such further instruments or assurances as may be necessary or desirable to give effect to the transactions contemplated by this Agreement.

7.2 Subrogation

The assignment, transfer and conveyance effected by this Agreement is made with full right of substitution and subrogation of the Purchaser in and to all covenants, warranties and representations by others heretofore given or made in respect of the Assets or any part thereof to the Vendor or, to the extent permissible, to a predecessor in interest to the Vendor.

7.3 Amendment

This Agreement may only be amended by written instrument signed by the parties hereto.

7.4 Assignment

This Agreement may not be assigned by either party.

7.5 Entire Agreement

There are no representations, warranties, collateral agreements or conditions affecting this transaction other than as are expressed or referred to herein.

7.6 Enurement

The terms and conditions of this Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

7.7 Time

Time shall be of the essence hereof.

7.8 Notice

Any notice required or permitted by any of the provisions of this Agreement may be given to the parties in writing at the following addresses, or such other addresses as the parties may specify in writing from time to time:

TO THE VENDOR AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

TO THE PURCHASER AT:

1055 – 20 Avenue N.W., Suite 200
Calgary, Alberta
T2M 1E7

Notices shall be effective if delivered personally to the above parties or if mailed by prepaid registered mail to the above addresses, and if so mailed, shall be deemed to have been received ten days after deposit in a postal station. If there should be at the time of mailing or between the time of mailing and actual receipt thereof, a mail strike, slowdown or other labour dispute which may affect the delivery of such notice by mail, then such notice shall only be effective if actually delivered.

7.9 Governing Law

This Agreement shall be governed and construed, in all respects, in accordance with the laws of the Province of Alberta.

7.10 Counterpart and Facsimile Execution

This Agreement may be executed by facsimile and by counterpart execution with each such counterpart considered an original and the counterparts taken together constituting one Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**SHAPCO-GLOBAL EXPLORATION LIMITED
PARTNERSHIP, by its General Partner, Shapco Resources
Ltd.**

Per: _____
Leonard Shapiro

SHAPCO RESOURCES LTD.

Per: _____
Leonard Shapiro

UNITED RESOURCES LTD.

Per: _____
Leonard Shapiro

Schedule "A"

LANDS AND LEASES

Attached

Schedule "B"

SEISMIC DATA

Attached.