

Clerk's Stamp:

COURT FILE NUMBER 1901-07098
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF SAFEWAY HOLDINGS (ALBERTA) LTD.
DEFENDANTS PETROCAPITA OIL AND GAS L.P., PETROCAPITA
G.P. I LTD., PETROCAPITA PROCESSING L.P.
AND PETROCAPITA GP II LTD.
DOCUMENT **ORDER – APPROVING DISTRIBUTION AND
DISCHARGING RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attn: Derek Pontin
Ph. (403) 268-6301 (403) 268-3100
File No.: 575359-2

DATE ON WHICH ORDER WAS PRONOUNCED: January 19, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Madam Justice Eidsvik

UPON THE APPLICATION Hudson & Company Insolvency Trustees Inc. ("**Hudson**"), in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Petrocapita Oil and Gas L.P., Petrocapita G.P. I Ltd., Petrocapita Processing L.P., and Petrocapita GP II (collectively, the "**Debtors**" or "**Petrocapita**") for an order for the final distribution of proceeds, approval of the Receiver's fees and disbursements and those of its counsel, approval of the Receiver's activities, and discharge of the Receiver; AND UPON hearing read the Receiver's Fourth Report dated January 11, 2021 (the "**Receiver's Report**"); AND UPON hearing counsel for the Receiver, and such other interested parties as may appear in person or by counsel; AND UPON being satisfied that it is appropriate to do so;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF ACTIVITIES AND ACCOUNTS

2. The Receiver's accounts for fees and disbursements, as set out in the Receiver's Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Dentons Canada LLP and MLT Aikins LLP for their fees and disbursements, as set out in the Receiver's Report, are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities as set out in the Receiver's Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Receiver's Report, are hereby ratified and approved.

SETTLEMENT WITH ALBERTA DEPARTMENT OF ENERGY

5. The Receiver's proposed settlement with Alberta Department of Energy ("Energy") is approved and the Receiver is authorized and directed to pay to Energy the sum of \$22,783.60 in full and final satisfaction of all rental arrear claims of Energy against the Receiver and Petrocapita (the "Settlement Amount") with respect to the Purchased Assets (as defined in the Approval and Vesting Order dated August 13, 2020). Upon payment of the Settlement Amount, Energy will complete the transfer of all leases comprising Purchased Assets to Revitalize Energy Inc., or its nominee. For certainty, the Settlement Amount is in consideration only of claims of Energy against the Receiver and Petrocapita, and shall not compromise the claims of Energy as against any other party.

DISTRIBUTIONS

6. The Receiver's amended Final Statement of Receipts and Disbursements, as attached to this Order as Schedule "A", is approved.
7. The Receiver's amended Summary of Proposed Distribution, as attached to this Order as Schedule "B", is approved, and the Receiver is authorized and directed to make the distributions to the creditors stated and in keeping with the Receiver's review of creditor priorities, as set out in the Fourth Report.

RELEASE AND STAY

8. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the

part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.

9. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.

DISCHARGE OF RECEIVER

10. Upon the Receiver filing with the Clerk of the Court a Receiver's Completion Certificate, substantially in the form attached hereto as Schedule "C", confirming that the distribution directed at paragraph 7 of this Order has been completed, then the Receiver shall be discharged as Receiver of the Debtors, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

MISCELLANEOUS

11. The Receiver shall continue to hold any physical books and records of Petrocapita for a period of 30 days from the date of this Order, for any entitled party to claim possession and take transfer of the same, and thereafter to have any remaining books and records destroyed.
12. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
13. Service of this Order on any party not attending this application is hereby dispensed with.



Justice of the Court of Queen's Bench of Alberta

Schedule "A"

**IN THE MATTER OF THE RECEIVERSHIP OF
PETROCAPITA OIL AND GAS L.P., et al.
Hudson & Company Insolvency Trustees Inc., Receiver
Statement of Receipts and Disbursements
For the period of June 11, 2019 to January 8, 2021**

RECEIPTS	Totals
Operating receipts - sale of oil and related products	\$ 1,636,280.38
Net of joint-interest-billings	<u>60,411.83</u>
Net oil sale receipts	1,575,868.55
Proceeds from en bloc asset sale	551,623.92
Accounts receivable collections	312,118.21
Refunds of security deposits, net	144,134.51
GST collected	102,001.30
Fund on hand at date of receivership	50,602.84
GST refund	43,690.19
TOTAL RECEIPTS	<u>\$ 2,780,039.52</u>
DISBURSEMENTS	
Operating expenses (well maintenance, supplies, etc.)	531,658.99
Outside consulting, including staffing, wellsite operators, etc.	499,346.66
Other disbursements incl. royalties, GORR's, surface rentals, etc.	309,371.41
Receiver's fees and costs to October 31, 2020	270,047.00
Legal fees and costs to October 21, 2020	243,358.37
Transport and trucking costs	116,350.74
Insurance	113,365.00
Occupation rent	66,309.00
GST remitted to CRA	47,733.10
GST paid on disbursements	26,835.66
GST on Receiver's fees and costs	13,502.37
GST on legal fees and costs	12,135.81
PST paid on disbursements	6,653.79
Other administrative costs	4,445.62
PST paid on legal fees and costs	354.75
TOTAL DISBURSEMENTS	<u>\$ 2,261,468.27</u>
Excess of Receipts over Disbursements/ Remaining Funds on Hand	<u><u>\$ 518,571.25</u></u>

Schedule "B"

**IN THE MATTER OF THE RECEIVERSHIP OF
PETROCAPITA OIL AND GAS L.P., et al.
Hudson & Company Insolvency Trustees Inc., Receiver
Summary of Proposed Distribution - Amended**

Funds on hand as at January 8, 2021	\$ 518,571.25
 Expected receipts	
Refund of security deposit from the AER, net (Jan 12/21)	60,516.57
Subtotal	<hr/> 579,087.82
 Remaining Unpaid Disbursements	
Vermillion River utility charges	18,433.30
Settlement to Energy	22,783.60
Receiver's Fees - November 1, 2020 to January 8, 2021	17,500.00
Receiver's Fees - Estimated to close	15,000.00
Receiver's Fees - Estimated GST	1,625.00
Receiver's counsel - October 22 to January 8, 2021	15,000.00
Receiver's counsel - Estimated to close	15,000.00
Receiver's counsel - Estimated GST	1,500.00
Subtotal	<hr/> 106,841.90
Direct Property Taxes - RM's for June 11, 2019 to July 31, 2020	<hr/> 195,297.57
 Net Funds Remaining	 276,948.35
 Payment of Pre-Filing Tax Amounts	
County of Vermillion River (lesser of 62.5% of \$276,948.35 or \$95,429.55)	95,429.55
Regional Municipality of Manitou Lake (lesser of 33.5% of \$276,948.35 or \$1,149,065.81)	92,777.70
Regional Municipality of Britannia (lesser of 4.0% of \$276,948.35 or \$144,739.74)	11,077.93
 Net Remaining	 <hr/> \$ 77,663.17 <hr/>

Schedule "C"

Form of Receiver's Completion Certificate

COURT FILE NUMBER	1901-00238
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	SAFEWAY HOLDINGS (ALBERTA) LTD.
DEFENDANTS	PETROCAPITA OIL AND GAS L.P., PETROCAPITA G.P. I LTD., PETROCAPITA PROCESSING L.P., AND PETROCAPITA GP II LTD.
DOCUMENT	RECEIVER'S COMPLETION CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DENTONS CANADA LLP 1500, 850 – 2 nd Street SW Calgary, Alberta T2P 0R8 Attention: Derek Pontin Phone: (403) 268-6301 Fax: (403) 268-3100

Clerk's Stamp

RECITALS

- A. Pursuant to an Order ("**Receivership Order**") granted by the Court of Queen's Bench of Alberta on June 11, 2019 on application of Safeway Holdings (Alberta) Ltd. ("**Safeway**"), Hudson & Company Insolvency Trustees Inc. was appointed as receiver and manager ("**Receiver**") of the assets, properties, and undertakings Petrocapita Oil and Gas L.P. and Petrocapita G.P. I Ltd.
- B. Following a subsequent application by the Receiver, the Court granted an Amended Receivership Order dated August 19, 2019, which expanded the Receiver's appointment to include the assets, properties, and undertakings of Petrocapita Processing L.P. and Petrocapita GP II Ltd. ("**Amended Receivership Order**").
- C. Pursuant to an Order of the Court dated January **[Date]**, 2021 (the "**Discharge Order**"), the Court ordered that the Receiver would be discharged as Receiver of the Petrocapita Oil and Gas L.P., Petrocapita G.P. I Ltd., Petrocapita Processing L.P., and Petrocapita GP II Ltd. upon the delivery by the Receiver to the Purchaser of a certificate confirming that all matters set out in paragraph**[s]** **[#]** of the Discharge Order have been completed.

D. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES the following:

1. All matters set out in paragraph[s] [#] of the Discharge Order have been completed.
2. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

HUDSON & COMPANY INSOLVENCY TRUSTEES INC. in its capacity as Receiver of the undertakings, property and assets of PETROCAPITA OIL AND GAS L.P., PETROCAPITA G.P. I LTD., PETROCAPITA PROCESSING L.P., AND PETROCAPITA GP II LTD., and not in its personal capacity.

Per: _____

Name:

Title: