

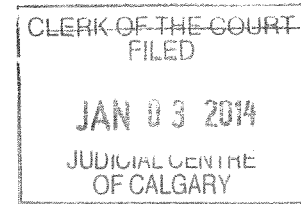
COURT FILE NUMBER

1301-14151

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY



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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALSTON ENERGY INC.

DOCUMENT

AFFIDAVIT

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
Attention: David LeGeyt / Derek M. Pontin
Ph. (403) 268-3075/6301 Fx. (403) 268-3100
File No.: 549521-6

AFFIDAVIT NO. 1 OF NEIL BURROWS

Sworn January 3, 2014

I, Neil Burrows, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the Vice President Finance and CFO of Alston Energy Inc. ("**Alston**" or the "**Company**") and as such I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

2. All capitalized terms in this Affidavit shall have the meaning ascribed to them in the Affidavit No. 1 of Don Umbach filed in these proceedings on December 6, 2013 (the "**Initial Affidavit**") unless otherwise indicated in this Affidavit.

Relief Sought

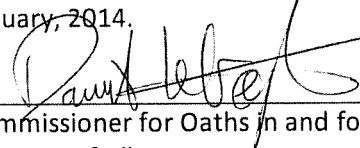
3. I make this Affidavit in support of the Application of Alston for the following relief:
 - (a) an Order, in substantially the form attached to the Application as Schedule "A", granting an extension to the Stay Period (as defined in the Amended and Restated Initial Order, dated December 9, 2013, granted in these proceedings (the "**Initial Order**")) to and including March 7, 2014; and
4. I have reviewed the proposed First Report of the Monitor (the "**First Report**") and agree with the summaries and conclusions contained therein.

Extension of the Stay Period

5. Alston is seeking an extension of the Stay Period to and including March 7, 2014. This will allow Alston time to continue operations, implement a proposed claims procedure, continue to work with the Monitor and Sayer Energy Advisors in respect of developing a strategic alternative and continue with Alston's restructuring efforts, and obtain interim financing.
6. To date, Alston has taken a number of steps in respect of its restructuring efforts, including:
 - (a) communicating with stakeholders, the Monitor, and Sayer Energy Advisors about these CCAA proceedings generally, and Alston's restructuring options;
 - (b) communicating with parties who have previously expressed interest in completing a corporate or asset transaction with Alston to inform them of the CCAA proceedings, and request further expressions of interest or offers from them;
 - (c) communicating with prospective interim financing lenders;
 - (d) contemplating a proof of claims process;
 - (e) responding to information requests from the Monitor and meeting with the Monitor; and
 - (f) continuing operations in the field in a "business as usual" fashion.
7. As set out in the Initial Affidavit and above, Alston anticipates making an Application in the near future for approval of interim financing. Alston also anticipates making an Application in the near future for the approval of a proof of claims process. Before making those applications Alston requires the opportunity to engage with its primary stakeholders to discuss those topics. I am advised by Alston's legal counsel and the Monitor that the holiday season and the travel schedules of certain individuals prevented such meetings from occurring during the 30 days since Alston obtained the Initial Order, and so those Applications cannot be made at this time.

8. Alston respectfully requests an extension of these proceedings to allow those communications to occur. Thereafter Alston expects to apply to this Honourable Court for the approval of interim financing as soon as possible, and approval of a claims procedure order in due course.
9. Alston believes that the current circumstances make the requested extension of the Stay Period appropriate, reasonable and necessary, and that Alston has acted, and is acting, in good faith and with due diligence in these proceedings. Alston verily believes the continuation of these proceedings is in the best interests of Alston, its creditors and other stakeholders.
10. I make this Affidavit in support of an application for the relief described in paragraph 3 of this Affidavit.

Sworn before me in the City of Calgary in)
the Province of Alberta, the 3rd day of)
January, 2014.)


_____)
Commissioner for Oaths in and for the)
Province of Alberta)

David LeGeyt
Barrister & Solicitor



_____)
Neil Burrows