



COURT FILE NUMBER 1301-14743

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CENTURY SERVICES LP, BY ITS GENERAL PARTNER,  
CENTURY SERVICES INC.

DEFENDANT ATIKWA RESOURCES INC.

DOCUMENT APPLICATION BY ALVAREZ AND MARSAL CANADA  
INC., IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTY OF ATIKWA  
RESOURCES INC. FOR A SALE APPROVAL AND  
VESTING ORDER

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT DENTONS CANADA LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
Attention: David LeGeyt / Afshan Naveed  
Ph. (403) 268-3075/7015 Fx. (403) 268-3100  
File No.: 529227-10

#### NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You may have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: December 12, 2014

Time: 2:30 p.m.

Where: Calgary Courts Centre,  
601 - 5 Street SW,  
Calgary, AB T2P 5P7

Before: The Honourable Madam Justice J. Strekaf

Go to the end of this document to see what you can do and when you must do it.

**Remedy sought:**

1. The Applicant respectfully seeks the following relief:
  - (a) an Order, in substantially the form attached hereto as Schedule "A", (i) validating service of this Application and the supporting materials; (ii) approving the Asset Purchase and Sale Agreement dated the 12<sup>th</sup> day of November, 2014 made between Alvarez and Marsal Canada Inc. ("**A&M**"), in its capacity as the receiver and manager of the undertakings, property, and assets of Atikwa Resources Inc. ("**Atikwa**"), and not in its personal capacity (the "**Receiver**"), as vendor, and McLand Resources Ltd. ("**McLand**") as purchaser (the "**Agreement**"); (iii) authorizing the Receiver to take such steps as are necessary to close the transactions contemplated by the Agreement; and (iv) vesting the assets subject to the Agreement in the Purchaser free and clear of all claims and encumbrances (other than Permitted Encumbrances as defined in the Agreement) arising by, through or against Atikwa or the Receiver;
  - (b) an Order, in substantially the form attached hereto as Schedule "B", sealing on the Court file Confidential Appendix B, Confidential Appendix C, and Confidential Appendix D to the Frist Report of the Receiver dated December 8, 2014 in these proceedings (collectively the "**Confidential Materials**") until further order of this Court; and
  - (c) such other relief as may be sought by the Applicant and granted by this Honourable Court.

**Grounds for making this application:**

2. Effective January 31, 2014, A&M was appointed receiver and manager of the undertakings, property and assets of Atikwa.
3. On or about August 24, 2014 the Receiver engaged NRG Divestitures Inc. to market Atikwa's oil and natural gas assets (the "**Assets**") as a receivership asset sale. This was done with the support of the Plaintiff in these proceedings, Century Services LP, by its general partner, Century Services Inc. ("**Century**").
4. The receiver received an offer from McLand for the purchase of all of Atikwa's Assets in Alberta and Saskatchewan. This represented the best available offer for these Assets.
5. Following receipt of the McLand offer, the Receiver negotiated and executed the Agreement with McLand.
6. The Receiver believes the sale of the Assets to McLand in accordance with the terms of the Agreement is fair, just, reasonable and in the best interests of Atikwa's stakeholders.
7. Century supports the sale of the Assets in accordance with the terms of the Agreement.

8. The Confidential Materials contain commercially sensitive information which should not be made public prior to the closing of the transactions contemplated in the Agreement as doing so could negatively impact Atikwa's stakeholders.
9. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

10. The First Report of the Receiver dated December 8, 2014, filed.
11. The Confidential Materials, not filed.
12. Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

13. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and the regulations thereunder.
14. *Judicature Act*, RSA 2000, c J-2, as amended, and the regulations thereunder.
15. *Personal Property Security Act*, RSA 2000, c P-7, as amended, and the regulations thereunder.
16. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

**How the application is proposed to be heard or considered:**

17. In person before the Honourable Madam Justice J. Strekaf Chambers.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

**SCHEDULE "A"**

COURT FILE NUMBER	1301-14743
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CENTURY SERVICES LP, BY ITS GENERAL PARTNER, CENTURY SERVICES INC.
DEFENDANT	ATIKWA RESOURCES INC.
APPLICANT	<b>ALVAREZ AND MARSAL CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF ATIKWA RESOURCES INC.</b>
DOCUMENT	<b><u>Order</u> (Sale Approval and Vesting Order)</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>DENTONS CANADA LLP</b> Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8 <b>Attention: David LeGeyt / Afshan Naveed</b> Ph. (403) 268-3075/7015 Fx. (403) 268-3100 File No.: 529227-10
DATE ON WHICH ORDER WAS PRONOUNCED:	<b>December 12, 2014</b>
LOCATION WHERE ORDER WAS PRONOUNCED:	<b>Calgary, Alberta</b>
NAME OF JUSTICE WHO MADE THIS ORDER:	<b>The Honourable Madam Justice J. Strekaf</b>

**UPON** the application of Alvarez and Marsal Canada Inc. in its capacity as Court-appointed receiver and manager (the "Receiver") of the assets, undertakings and property of Atikwa Resources Inc. (the "Debtor") for an Order approving an Asset Purchase and Sale Agreement dated November 12, 2014 (the "Agreement") made between the Receiver as vendor and McLand Resources Ltd. as purchaser (the "Purchaser"); **AND UPON** having read the First Report of the Receiver dated December 8, 2014, filed,

and Confidential Appendix B, Confidential Appendix C, and Confidential Appendix D, all not filed, to the First Report of the Receiver, and the Affidavit of Service of Gail Wheatley sworn \_\_\_\_\_ (the "Service Affidavit");

**AND UPON** hearing from counsel to the Receiver, counsel to the Purchaser, counsel to Century Services LP, by its general partner, Century Services Inc. ("**Century**"), and other interested parties;

**AND UPON** it appearing that all interested and affected parties have been served with notice of the within Application;

**AND UPON** it appearing that the sale of Assets (as that term is defined in the Agreement) as proposed is just, fair and appropriate in all the circumstances;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**Interpretation**

1. All capitalized terms used herein and not otherwise defined shall have the same meaning given to them in the Agreement.

**Service**

2. The manner of service of the within Application and the materials in support thereof is good and sufficient and is hereby validated and approved, the time for service and notice thereof is abridged to the time actually given (if necessary), the within Application is properly returnable today and further service of the Application and materials in support thereof, on any party other than those listed and in any other manner other than as set out in the Service Affidavit, is hereby dispensed with.

**Approval of Sale and Vesting of the Assets**

3. The sale and conveyance of the Assets to the Purchaser, in accordance with the terms and conditions of the Agreement, be and is hereby authorized and approved.
4. The Receiver is hereby authorized and directed to execute all deeds, documents and agreements, and to do all things reasonably necessary to complete the sale and conveyance of

the Assets, close the Agreement and the transactions contemplated therein, and carry out the terms of the Agreement and this Order.

5. Upon the Receiver filing with this Honorable Court a certificate in the form attached hereto as Schedule "A" (the "**Receiver's Certificate**") certifying that the sale of the Assets has closed substantially in accordance with the terms of the Agreement and all purchase monies due and owing in respect of such sale have been tendered to the Receiver, then:
  - (a) the Assets shall be vested in the name of the Purchaser free of all estate, right, title, interest, royalty, rental, claim, and equity of redemption of the Debtor and all persons who claim by, through or under the Debtor in respect of the Assets, subject only to the Permitted Encumbrances;
  - (b) the Debtor and all persons who claim by, through or under the Debtor in respect of the Assets, save and except the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental, claim, and equity of redemption of the Assets and, to the extent that any such person remains in possession or control of any of the Assets, they shall forthwith deliver possession of same to the Purchaser or its nominee; and
  - (c) the Purchaser shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
6. Upon the filing of the Receiver's Certificate, subject only to the Permitted Encumbrances and approval of the transfer of applicable licenses, permits and approvals by the Alberta Energy Regulator ("**AER**") pursuant to section 24 of the *Oil and Gas Conservation Act* ("**OGCA**") and section 18 of the *Pipeline Act*, all of the debtor's right, title and interest in the Assets shall vest in the Purchaser free and clear from all security interests, claim, estate, security, right, title, interest and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory, or otherwise), options, agreements, disputes, debts, encumbrances or other rights, limitations or restrictions of any nature whatsoever, against the Debtor including without any limitation of

rights or interests of any of the stakeholders or creditors of the Debtor, whether or not they have attached or been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to as the “Claims”); whether such Claims against the debtor came into existence prior to, subsequent to or as a result of any previous Order of this Court, by or of all persons or entities of any kind whatsoever, including without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in that capacity as principals or agents, trustees, executors, administrators or other legal representatives (collectively the “Claimants”), including for greater certainty and without limiting the generality of the foregoing (i) any Claims held by or in favour of the persons served (either directly or through solicitors) with the Application herein, and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order in these proceedings, including, without limitation the Receivership Order in these proceedings.

7. The Receiver is authorized and empowered, in respect of the Assets and the Agreement, to execute and deliver: (a) such additional, related and ancillary documents and assurances governing or giving effect to the conveyance of the Assets free and clear of all Claims other than Permitted Encumbrances, which, in the Receivers discretion are reasonably necessary or advisable to conclude the transactions contemplated in the Agreement or in furtherance of the transfer of the Assets and/or this Order; and (b) any and all instruments and documents in respect of the Assets as may be required by the Registrar of the Land Titles Office of Alberta, any other government department or agency, including without limitation the Minister of Energy for Alberta acting pursuant to the *Mines and Minerals Act*, or as deemed necessary by the Receiver, and the Registrar of the Land Titles Office of Alberta and all other government departments or agencies are hereby directed, notwithstanding any restrictions in the *Land Titles Act* (Alberta), including the provisions of section 191(1) of the *Land Titles Act* (Alberta), to effect registration of any such instrument or document so executed by the Receiver, provided that the transfer of any applicable AER licences, permits or approvals is subject to approval by the AER pursuant to section 24 of the OGCA and section 18 of the *Pipeline Act*, and nothing in this Order requires AER to grant such approval.

8. For greater certainty, and subject only to the Permitted Encumbrances, the Purchaser shall, by virtue of the completion of the Agreement, have no liability of any kind whatsoever to any Claimants.
9. Upon the filing of the Receiver's Certificate, the Receiver and the Purchaser may discharge, or authorize the discharge of, any security registration or registrations in the Personal Property Registry or other registry of the Province where the Assets are located as may be required to properly convey clear title of the Assets to the Purchaser, except that the Receiver and the Purchaser may only discharge the security registration of a party not served with notice of this Application if that party does not object to the discharge of their registration within 10 days after being served with this Order.
10. Any conveyance or transfer of Assets made pursuant to the provisions of this Order shall be valid and enforceable and not be rendered invalid or unenforceable and the rights and remedies of the parties thereto shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declaration of insolvency made herein; (ii) any Bankruptcy Order sought or issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* ("**BIA**") in respect of the Debtor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
  - (a) the transaction contemplated hereby shall not create or be deemed to constitute a breach by the Debtor of any Third Party Agreement to which the Debtor is party; and
  - (b) the Purchaser shall not have liability to any person whatsoever as a result of any breach of any Third Party Agreement cause by or resulting from the creation, execution, delivery or performance of any transaction contemplated hereby.
11. Notwithstanding (i) the pendency of these proceedings and the declaration of insolvency made herein, (ii) any Bankruptcy Order sought or issued pursuant to the BIA in respect of any of the Debtor, and (iii) the provisions of the BIA, or any other applicable federal or provincial legislation or common law, the Agreement and transaction contemplated thereby shall constitute legal,



valid and binding obligations of the Debtor enforceable against the Debtor in accordance with the terms thereof, and no transaction contemplated therein will be void or voidable at the instance of creditors and claimants and do not constitute nor shall they be deemed to constitute settlements, fraudulent preferences, assignments, fraudulent conveyances, oppressive conduct, or other reviewable transactions under the BIA, or any other applicable federal or provincial legislation or common law.

**Sale Proceeds**

12. Until further Order of this Honourable Court, the net proceeds arising out of the Agreement shall be held by the Receiver or the Receiver's counsel and such net proceeds shall stand in the place and stead of the Assets and all Claims against the Assets shall attach solely to such net proceeds with the same validity, priority and in the same amounts and subject to the same defences that were or may have been available immediately prior to the closing of the transaction as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the closing of the transaction.

**Miscellaneous**

13. This Court hereby requests the aid and recognition 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 in carrying out the terms of this Order and the Agreement.
14. The Receiver, the Debtor, the Purchaser, or any interested party may apply to this Court for advice and direction on notice to any party likely to be affected by the Order sought or on such notice as this Court directs.
15. The Receiver shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

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Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A"**

COURT FILE NUMBER	1301-14743
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CENTURY SERVICES LP, BY ITS GENERAL PARTNER, CENTURY SERVICES INC.
DEFENDANT	ATIKWA RESOURCES INC.
APPLICANT	<b>ALVAREZ AND MARSAL CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF ATIKWA RESOURCES INC.</b>
DOCUMENT	<b><u>RECEIVER'S CERTIFICATE</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>DENTONS CANADA LLP</b> Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8 <b>Attention: David LeGeyt / Afshan Naveed</b> Ph. (403) 268-3075/7015 Fx. (403) 268-3100 File No.: 529227-10

Alvarez and Marsal Canada Inc. (the "Receiver"), the Receiver in these proceedings, hereby certifies that the Asset Purchase and Sale Agreement dated November 12, 2014 between the Receiver and McLand Resources Ltd. has closed this \_\_\_\_ day of \_\_\_\_\_, 2014, and all purchase monies due and owing have been tendered to the Receiver.

**ALVAREZ AND MARSAL CANADA INC.**, in its capacity as Court-appointed Monitor in these proceedings, and not in its personal capacity.

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Per:

**SCHEDULE "B"**

COURT FILE NUMBER	1301-14743
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CENTURY SERVICES LP, BY ITS GENERAL PARTNER, CENTURY SERVICES INC.
DEFENDANT	ATIKWA RESOURCES INC.
APPLICANT	<b>ALVAREZ AND MARSAL CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF ATIKWA RESOURCES INC.</b>
DOCUMENT	<b><u>Order</u> (Sealing Confidential Appendices to the First Report of the Receiver)</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>DENTONS CANADA LLP</b> Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8 <b>Attention: David LeGeyt / Afshan Naveed</b> Ph. (403) 268-3075/7015 Fx. (403) 268-3100 File No.: 529227-10
DATE ON WHICH ORDER WAS PRONOUNCED:	<b>December 12, 2014</b>
LOCATION WHERE ORDER WAS PRONOUNCED:	<b>Calgary, Alberta</b>
NAME OF JUSTICE WHO MADE THIS ORDER:	<b>The Honourable Madam Justice J. Strekaf</b>

**UPON** the application of Alvarez and Marsal Canada Inc. in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and property of Atikwa Resources Inc. (the "**Debtor**"); **AND UPON** having read the First Report of the Receiver, dated December 8, 2014, filed without the Confidential Materials (defined below); **AND UPON** having read Confidential Appendix B, Confidential Appendix C, and Confidential Appendix D, all not filed, to the first Report of the Receiver

(the “Confidential Materials”) and the Affidavit of Service of Gail Wheatley sworn, \_\_\_\_\_ (the “Service Affidavit”); **AND UPON** hearing from counsel to the Receiver, counsel to the Plaintiff, and other interested parties; **IT IS HEREBY ORDERED AND DECLARED THAT:**

1. The manner of service of the within Application and the materials in support thereof is good and sufficient and is hereby validated and approved, the time for service and notice thereof is abridged to the time actually given (if necessary), the within Application is properly returnable today and further service of the Application and materials in support thereof, on any party other than those listed and in any other manner other than as set out in the Service Affidavit, is hereby dispensed with.
2. Division 4 of Part 6 of the Alberta Rules of Court does not apply to this Application.
3. Until the earlier of (i) the Receiver filing with this Honourable Court of the Receiver’s Certificate (as defined in the Order (Sale and Vesting Order) dated December 12, 2014 in these proceedings) or (ii) further Order of this Honourable Court, the Confidential Materials shall be sealed and remain sealed by the Clerk of the Court, kept confidential and not form part of the public record, and not be available for public inspection unless and until otherwise ordered by this Court, upon seven days’ notice to all interested parties.
4. The Clerk of the Court is hereby directed to place the sealed Confidential Materials separate and apart from all other contents of the Court file in a sealed envelope attached to a notice that sets out the title to these proceedings, the aforementioned description of the documents contained therein, and a statement that the contents of the envelope are sealed pursuant to this Order.
5. The Receiver shall serve, by courier, facsimile transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings, and service on any or all other parties is hereby dispensed with. Service affected as aforesaid shall be good and sufficient service.

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Justice of the Court of Queen’s Bench of Alberta