



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

APPLICATION

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

NOTICE TO RESPONDENTS

This application is made on behalf of Alston Energy Inc. in these proceedings. 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: January 7, 2014

Time: ~~4:00 p.m. 11:30 am~~ 4:00 p.m.

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

Before: The Honourable B.E.C. Romaine

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

Remedy sought:

1. The Applicant, Alston Energy Inc. ("**Alston**"), respectfully seeks the following relief:
 - (a) an Order, substantially in the form attached hereto as Schedule "A", granting an extension of the Stay Period (as defined below) to and including March 7, 2014; and
 - (b) such other relief as may be sought by the Applicant and granted by this Honourable Court.

Grounds for making this application:

2. The Amended and Restated Initial Order, among other things, granted a stay of proceedings as against Alston (the "**Stay Period**") to and including January 8, 2014.
3. Since the granting of the Amended and Restated Initial Order, Alston has taken steps to stabilize its business and operations, work closely with Sayer Energy Advisors ("**Sayer**"), the Monitor, and various stakeholders.
4. Alston has taken a number of initial steps, including:
 - (a) commencing discussions with certain suppliers and service providers, and other stakeholders;
 - (b) meeting with representatives of Sayer Energy Advisors and the Monitor and working toward a strategic alternative, or asset dispositions;
 - (c) commencing dialogue with proposed interim financing providers;
 - (d) continuing communications with parties who have previously expressed interest in completing a transaction with Alston; and
 - (e) focusing on the continuity and stability of operations to ensure Alston continues to operate in a "business as usual" fashion.
5. Alston is working in good faith and with due diligence in these proceedings and believes it is in the best interests of Alston and all stakeholders to continue in these proceedings.

Material or evidence to be relied on:

6. Initial Affidavit No. 1 of Don Umbach, sworn December 6, 2013;
7. Affidavit No.1 of Neil Burrows, sworn January 3, 2014;

8. The First Report of the Monitor, dated January 3, 2014; and
9. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

10. Companies' Creditors Arrangement Act, RSC 1985, c C-36, as amended, and the regulations thereunder;
11. *Business Corporations Act*, RSA 2000, c B-9, as amended, and the regulations thereunder;
12. 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:

1. In person before the Honourable Madam Justice Romaine in 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"

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ORDER

(Stay Extension)

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Calgary, Alberta T2P 0R8

Attention: David LeGeyt / Derek M. Pontin

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File No.: 549521-6

DATE ON WHICH ORDER WAS
PRONOUNCED:

January 7, 2014

LOCATION WHERE ORDER WAS
PRONOUNCED:

Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS
ORDER:

The Honourable B.E.C. Romaine

ORDER

(Stay Extension)

UPON the application of Alston Energy Inc. ("**Alston**"); AND UPON having read the Affidavit No. 1 of Neil Burrows, dated _____ (the "**Burrows Affidavit**"), the First Report of the Monitor, dated January 3, 2014 (the "**First Report**"), and the Affidavit of _____, dated January ____, 2014 (the "**Service Affidavit**"), filed, and such other material in the pleadings and proceedings as are deemed necessary; AND UPON hearing counsel for Alston, counsel for the Monitor, and other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of notice of this application is abridged to the time actually given and service of the Application and supporting material as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Amended and Restated Initial Order granted by Madam Justice B.E.C. Romaine in this Action, dated December 9, 2013 (the "Initial Order").

Extension of Stay

3. The stay of proceedings currently in place in these CCAA Proceedings (the "Stay") is hereby confirmed and extended up to and including March 7, 2014.

Miscellaneous

4. The Applicants 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 effected as aforesaid shall be good and sufficient service.

Justice of the Court of Queen's Bench of Alberta