

COURT FILE NO. 1701-02184
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFFS THE BANK OF NOVA SCOTIA and ALBERTA
TREASURY BRANCHES
DEFENDANTS VIRGINIA HILLS OIL CORP. and DOLOMITE
ENERGY INC.



IN THE MATTER OF THE RECEIVERSHIP
OF VIRGINIA HILLS OIL CORP. and
DOLOMITE ENERGY INC.

APPLICANT ALVAREZ & MARSAL CANADA INC. in its
capacity as Court-appointed Receiver and Manager
of the assets, undertakings and property of
VIRGINIA HILLS OIL CORP. and DOLOMITE
ENERGY INC.

DOCUMENT **ORDER (Advice and Directions, Distribution
of Funds)**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT
Torys LLP
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Attention: Kyle Kashuba
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File No. 39108-2002

I hereby certify this to be a true copy of
the original order

Dated this 20 day of June 2017


for Clerk of the Court

DATE UPON WHICH ORDER WAS PRONOUNCED: Tuesday, June 20, 2017
NAME OF JUSTICE WHO MADE THIS ORDER: Mr. Justice K.D. Yamauchi
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION being made by Alvarez & Marsal Canada Inc. (the “**Applicant**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, properties and undertakings (the “**Property**”) of Virginia Hills Oil Corp. (“**VHO**”) and Dolomite Energy Inc. (“**Dolomite**”, and with VHO the “**Debtors**”); **AND UPON** having read the Application and the Third Report of the Receiver, both filed June 14, 2017 (the “**Third Report**”); **AND UPON** hearing counsel for the Receiver, counsel for The Bank of Nova Scotia (“**BNS**”, as Agent for a syndicate of secured lenders), counsel for Alberta Treasury Branches (“**ATB**”), counsel for Prairie Provident Resources Canada Inc. (the “**Purchaser**”) and from any other interested parties who may be present; **AND UPON** it appearing that all interested and affected parties have been served with notice of this Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the 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 the time for service of this Application is abridged to that actually given.
2. The Receiver is hereby authorized to make a further distribution of funds to BNS on account of amounts owing by VHO to BNS, and to ATB on account of amounts owing by Dolomite to ATB, as an interim distribution and in partial repayment of the indebtedness owing to BNS by VHO, and to ATB in partial repayment of the indebtedness owing to the ATB by Dolomite, subject to the Receiver holding sufficient funds to satisfy the costs of the receivership proceedings and any remaining obligations to the Purchaser under the Purchase and Sale Agreement dated February 13, 2017.
3. It is hereby ordered and declared that the pre-receivership linear tax claims of the Municipalities (as that terms is described and defined in the Third Report) form unsecured claims only as against the Debtors, and do not form secured claims against the Debtors’ Property, including for greater certainty the Property sold to the Purchaser (the “**Transaction Properties**”), nor are Permitted Encumbrances (as that term is described and defined in the Approval and Vesting Order granted in these proceedings on March 21, 2017, as amended), and the Municipalities have no further claims or remedies as against the

Transaction Properties, the Purchaser or the funds held by the Receiver from the sale of the Debtors' Property.

4. The actions, conduct and activities of the Receiver as reported in the Third Report, are hereby authorized and approved.
5. 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.
6. Service of this Order on any party not attending this Application is hereby dispensed with.

"K.O. Yamauchi"

Justice of the Alberta Court of Queen's Bench