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AUG 13 2018

JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER 1701-05131

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS PRIVATE EQUITY OAK LP by its General Partner
PE12PXPE(OAK) GP LTD.

RESPONDENTS OAK POINT ENERGY LTD., KEMEX LTD., KEMEX
TECHNOLOGIES LTD., INSITE TECHNOLOGIES LTD.

AND IN THE MATTER OF THE RECEIVERSHIP OF OAK
POINT ENERGY LTD., KEMEX LTD., KEMEX
TECHNOLOGIES LTD., INSITE TECHNOLOGIES LTD.

DOCUMENT **THIRD REPORT OF THE RECEIVER**

AUGUST 13, 2018

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. Effective April 13, 2017 (the “Receivership Date”), pursuant to an order (the “Receivership Order”) of the Court of Queen’s Bench of Alberta (the “Court”) granted in these proceedings in Action No. 1701-05131 (the “Receivership Proceedings”), Alvarez & Marsal Canada Inc. was appointed receiver and manager (the “Receiver”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, including but not limited to real property and wherever situate including all proceeds thereof (the “Property”) of Oak Point Energy Ltd. (“Energy”) and Kemex Ltd., Kemex Technologies Ltd. and Insite Technologies Ltd. (collectively the “IP Companies” and the IP Companies together with Energy referred to as “Oak Point” or the “Company”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, (the “BIA”) and section 13(2) of the *Judicature Act*, RSA 2000, c J-2.
2. The Receiver has completed the Receivership Proceedings, including but not limited to the sale of all Property of Oak Point and is now seeking a final distribution of funds and its discharge as Receiver.
3. The purpose of this third report of the Receiver (the “Third Report” or “this Report”) is to provide this Honourable Court with information in respect of the following:
 - a) the activities, generally, of the Receiver since the Second Report;
 - b) an update on the closing of the sale of the intellectual property approved previously by the Court;
 - c) approval of the fees and disbursements of the Receiver and its counsel;
 - d) disposal and/or destruction of the records of Oak Point in the possession of the Receiver;

- e) the actual cash flow results for the period from April 13, 2017 to August 8, 2018 (the “Reporting Period”);
 - f) repayment of the Receiver’s borrowings and final distribution of funds to Oak Equity; and
 - g) the Receiver’s request for its discharge.
4. Capitalized words or terms not defined or ascribed a meaning in the Third Report are as defined or ascribed a meaning in the Receivership Order or the previous two reports.
5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

6. In preparing this Third Report, the Receiver has relied primarily upon information obtained prior to and during the Receivership Proceedings, the representations of certain former management and employees of Oak Point and financial and other information contained in the Company’s books and records. The Receiver has not performed an audit, review or other verification of such information.

BACKGROUND AND OVERVIEW

7. Energy was a small private oil sands company whose core assets included undeveloped lands and non-producing oil sands leases in the Athabasca area of Northern Alberta. The oil sands leases were sold to Suncor Energy Inc. (“Suncor”) and the sale was approved by the Court on November 27, 2017 and closed on January 16, 2018.
8. The IP Companies held various US and Canadian patents and other intellectual property (“IP”) related to the development of steam facilities for oil sands extraction using SAGD operations. The IP was sold by way of a credit bid to PRIVATE EQUITY OAK LP by its General Partner PE12PXPE(OAK) GP LTD (“Oak Equity”), the Applicants in the Receivership Proceedings.

9. The Company had no operations and no other material assets.
10. Further background to the Company and its financial circumstances is contained in the materials filed in support of and relating to the Receivership Order and the previous two reports of the Receiver. These documents and other relevant information have been posted by the Receiver on its website at: www.alvarezandmarsal.com/Oakpoint (the “Receiver’s Website”).

ONGOING ACTIVITIES OF THE RECEIVER

11. Since the Second Report, the Receiver’s ongoing activities have included, but are not limited to, the following:
 - a) attending various meetings and holding various communications with Oak Equity, concerning updates on the receivership proceedings of Energy;
 - b) closing the sale of the IP to the Applicant;
 - c) continued instructions and interaction with the Receiver’s independent legal counsel, Osler, Hoskin & Harcourt LLP (“Osler”), in respect of closing the sale of the IP and the Receivership Proceedings generally;
 - d) ensuring the statutory filing requirements of the Receiver are current and properly reported to the Canada Revenue Agency;
 - e) continued review and instructions to the IP Companies’ patent agents in the United States and Canada with respect to the maintenance of various patents held by the IP Companies and the transfer and transition of the contracts to Oak Equity;

CLOSING OF THE IP SALE TO OAK EQUITY

12. Court approval of the IP Transfer Agreement and Vesting Order was obtained on May 15, 2018. A Sealing Order was also obtained on that date sealing the unredacted IP Transfer Agreement until further order of the Court.

13. All matters pertaining to the transfer of the IP have been completed and the Receiver's Certificate confirming the transaction has been completed to the satisfaction of the Receiver executed on July 25, 2017 and filed with the Court.

DESTRUCTION OF RECORDS

14. The Receiver is in custody of numerous records of Oak Point and is incurring costs to store the records at an offsite location. The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any records not required by the Receiver or Oak Equity in respect of the IP. To the best of the Receiver's knowledge all Directors of the Company have all resigned and the Receiver has had no contact with the Directors since shortly after the commencement of the Receivership Proceedings.

APPROVAL OF PROFESSIONAL FEES AND DISBURSEMENTS

15. The Receiver seeks approval from this Honourable Court of its fees and disbursements and those of its legal counsel's from the Receivership Date to the date of the discharge of the Receiver as well as post discharge fees to complete the administration (the "Taxation Period").
16. The total fees and disbursements of A&M, in its capacity as the court-appointed Receiver of Oak Point, paid during the Taxation Period aggregate \$261,042 (excluding GST). A summary of the invoices for the Receiver's fees and disbursements is attached as Appendix A to this Report and a full copy of the invoices are available for review if required.
17. The total fees and disbursements of Osler, the Receiver's independent legal counsel paid during the Taxation Period aggregate respectively \$178,311 (excluding GST). A summary of the invoices for the fees and disbursements are attached as Appendix B to this Report and full copies of the invoices are available for review if required.

18. In addition to the professional fees and disbursements paid to the date of this report, the Receiver and its counsel have unbilled fees and fees to complete estimated at \$30,000 and \$10,000 respectively.
19. The Receiver and its counsel's fee accounts outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work.
20. The Receiver is respectfully of the view that its and its counsel's fees and costs are fair and reasonable under the circumstances and respectfully requests that this Honourable Court approve and pass the accounts of the Receiver's and its counsel during the Taxation Period.

RECEIPTS AND DISBURSEMENTS – APRIL 13, 2017 TO AUGUST 8, 2018

21. The following is a statement of the Receiver's consolidated receipts and disbursements of the Company during the Reporting Period:

Oak Point Energy Ltd. - In Receivership	
Interim Statement of Receipts & Disbursements	
April 13, 2017 to August 8, 2018	
Receipts	
Cash on hand at date of Receivership	\$ 121,301
Receiver's Certificate (borrowings)	\$ 325,000
Sale of Assets	\$ 2,087,998
Miscellaneous refunds	\$ 3,775
Bank Interest	\$ 7,177
	\$ 2,545,251
Disbursements	
Professional remuneration	
Receiver's fees	\$ 261,042
Pre-receivership advisory fees	\$ 53,435
Legal fees	\$ 178,311
General & Administrative Expenses	
IT Services	\$ 14,277
Patent agent services	\$ 64,648
Marketing consultant commissions	\$ 202,033
Storage fees	\$ 13,284
Contractor Fees	\$ 10,355
Office move expenses	\$ 2,603
Miscellaneous Expenses	\$ 4,262
Office rent and corporate insurance	\$ 42,752
Property taxes & Surface Lease fees	\$ 14,931
Repayment of Receiver's borrowing including interest	\$ 377,687
Receivership filing fees	\$ 280
Bank fees	\$ 32
GST Paid on disbursements	\$ 36,728
	\$ 1,276,659
Cash on hand	\$ 1,268,592

22. The most significant realization was from the sale of the oil sands leases to Suncor. The sale proceeds are net of the settlement agreement with Diamond Head. The IP sale was a credit bid and accordingly no proceeds are included in the R&D arising from the IP Transfer Agreement.

RECEIVER'S BORROWINGS

23. Pursuant to paragraph 20 of the Receivership Order, the Receiver was empowered to borrow up to a cumulative amount of \$1,000,000 (or such greater amount as the Court may further Order)
24. The Receiver issued one Receiver's Certificate in the amount of \$325,000. The terms of the Receiver's Certificate included an interest rate of 12% per annum. The Receiver's Certificate is attached together as Appendix E to the Receiver's First Report.
25. Pursuant to paragraph 20 of the Receivership order, the Receiver's Certificate No. 1 has a charge over the whole of the Property by way of a fixed and specific charge as security. Accordingly, the Receiver's borrowings including interest was repaid from the estate realizations.

FINAL DISTRIBUTION AND DISCHARGE OF RECEIVER

26. Pursuant to paragraph 12 of the Receivership Order, the monies collected during the Receivership Proceedings, shall be held by the Receiver to be paid or distributed in accordance with the terms of the Receivership Order or any order of this Court.
27. The Court previously approved the distribution of the remaining net sale proceeds derived from the closing of the Suncor APA, less an amount, to be determined at the Receiver's sole discretion, to be retained to cover potential claims and future costs of the administration of the estate. No funds were distributed pursuant to that Court approval.
28. As noted in the First Report, the Receiver is advised by its counsel and received a legal opinion that the Oak Equity security as against the Property is valid and enforceable and ranks in priority to subsequently perfected interest in Oak Point's real and personal property, and all unperfected interests of all other creditors. The Receiver is not aware of any material claims that are not permitted encumbrances

under the Suncor APA, IP Transfer Agreement or that would rank in priority to the security of Oak Equity.

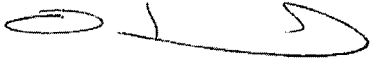
29. As the Receivership Proceedings are now complete, the Receiver requests to distribute the remaining funds, after paying final costs of the Receivership, to Oak Equity.
30. The Receiver will complete the final regulatory filings and minor administrative matters following its discharge. The Receiver submits that completion of these items are immaterial and can be addressed post discharge, as necessary.
31. Lastly, the Receiver respectfully requests that this Honourable Court discharge absolutely, forever and unconditionally the Receiver from any and all claims arising from, relating to, or in connection with the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on gross negligence or wilful misconduct on the part of the Receiver.

RECOMMENDATIONS

32. The Receiver respectfully recommends that this Court grant an Order:
 - a) allowing the Receiver to immediately destroy the records other than any records requested by Oak Equity;
 - b) approving the actions, conduct and activities of the Receiver throughout the Receivership Proceedings and as reported in the Third Report or previous Receiver's Reports filed in the Receivership Proceedings;
 - c) approving the fees and disbursements of the Receiver and its counsel;
 - d) approving the final distribution of funds to Oak Equity; and
 - e) discharging the Receiver.

All of which is respectfully submitted this 13th day of August 2018.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Receiver of Oak Point and not in
its personal or corporate capacity**

A handwritten signature in black ink, appearing to read 'Orest Konowalchuk', with a stylized flourish at the end.

Orest Konowalchuk, CPA, CA, CIRP, LIT

APPENDIX A

Schedule of Receiver's Fees and Disbursements

Statement of Account						
Receiver Fees in relation to the Receivership of Oak Point Energy Ltd.						
April 13, 2017 to August 8, 2018						
Invoice #	Date	Account	Amount	Tax	Total	Notes
2	6/26/2017	A&M Canada Inc.	\$ (86,517.25)	\$ (4,325.86)	\$ (90,843.11)	Professional fees from April 13, 2017 to May 31, 2017
3	8/10/2017	A&M Canada Inc.	\$ (43,735.61)	\$ (2,186.78)	\$ (45,922.39)	Professional fees from June 1 to July 31, 2017
4	10/18/2017	A&M Canada Inc.	\$ (13,356.86)	\$ (667.84)	\$ (14,024.70)	Professional fees for the period August 1 to September 30, 2017
5	1/25/2018	A&M Canada Inc.	\$ (59,078.00)	\$ (2,953.90)	\$ (62,031.90)	A&M professional fees October 1, 2017 to January 15, 2018
6	3/26/2018	A&M Canada Inc.	\$ (18,687.51)	\$ (934.38)	\$ (19,621.89)	Professional fees for receivership duties (Jan.16, 2018 to March 15, 2018)
7	6/21/2018	A&M Canada Inc.	\$ (29,066.83)	\$ (1,453.34)	\$ (30,520.17)	A&M professional fees for March 16 to May 31, 2018
8	8/2/2018	A&M Canada Inc.	\$ (10,599.76)	\$ (529.99)	\$ (11,129.75)	A&M professional fees for June 1 to July 31, 2018
TOTAL			\$ (261,041.82)	\$ (13,052.09)	\$ (274,093.91)	

Estimated Receiver Fees to Complete Administration				
August 1, 2018 to Completion				
Invoice #	Amount \$	Tax	Total	Notes
9	\$30,000.00	\$ 1,500.00	\$ 31,500.00	Cost to complete administration of the estate including, but not limited to, regulatory duties, transfer of IP information to purchaser, destruction of Oak's records

*A&M's invoice #1 was for pre-receivership advisory work

APPENDIX B

Schedule of Legal Fees and Disbursements

Statement of Account						
Legal Fees in relation to the Receivership of Oak Point Energy Ltd.						
April 13, 2017 to August 8, 2018						
Invoice #	Date	Account	Amount	Tax	Total	Notes
12035018	6/26/2017	Osler, Hoskin & Harcourt LLP	\$ (4,692.00)	\$ (234.60)	\$ (4,926.60)	Legal fees April through to May 2017
12044234	8/3/2017	Osler, Hoskin & Harcourt LLP	\$ (2,177.35)	\$ (108.87)	\$ (2,286.22)	Legal fees for June 2017
12054039	9/5/2017	Osler, Hoskin & Harcourt LLP	\$ (952.00)	\$ (47.60)	\$ (999.60)	Legal fees for July 2017
12087624	11/15/2017	Osler, Hoskin & Harcourt LLP	\$ (13,921.95)	\$ (696.10)	\$ (14,618.05)	Legal fees for September/October 2017
12110620	1/24/2018	Osler, Hoskin & Harcourt LLP	\$ (64,363.30)	\$ (3,215.67)	\$ (67,578.97)	legal fees for November 2017
12107673	4/24/2018	Osler, Hoskin & Harcourt LLP	\$ (54,293.06)	\$ (2,714.65)	\$ (57,007.71)	Legal fees for December 2017
12117099	4/24/2018	Osler, Hoskin & Harcourt LLP	\$ (14,847.95)	\$ (742.40)	\$ (15,590.35)	Legal fees for January 2018
12126878	4/24/2018	Osler, Hoskin & Harcourt LLP	\$ (3,750.10)	\$ (187.51)	\$ (3,937.61)	Legal fees for February 2018
12147248	5/24/2018	Osler, Hoskin & Harcourt LLP	\$ (6,423.22)	\$ (321.16)	\$ (6,744.38)	Legal fee for April 2018
12164663	6/26/2018	Osler, Hoskin & Harcourt LLP	\$ (8,985.20)	\$ (449.27)	\$ (9,434.47)	Legal fee for May 2018
12174640	7/25/2018	Osler, Hoskin & Harcourt LLP	\$ (1,680.00)	\$ (84.00)	\$ (1,764.00)	Legal fee for June 2018
12181883	8/2/2018	Osler, Hoskin & Harcourt LLP	\$ (1,001.00)	\$ (49.55)	\$ (1,050.55)	Legal Fees for July 2018
12065467	8/2/2018	Osler, Hoskin & Harcourt LLP	\$ (1,224.00)	\$ (61.20)	\$ (1,285.20)	Legal fees for August 2017
TOTAL			\$(178,311.13)	\$(8,912.58)	\$(187,223.71)	

Estimated Legal Fees to Complete Administration						
August 1, 2018 to Completion						
Amount \$	Tax	Total	Notes			
\$ 10,000.00	\$ 500.00	\$ 10,500.00	For legal services rendered from August 1, 2018 to completion.			