

CLERK OF THE COURT
FILED
SEP 27 2016
JUDICIAL CENTRE
OF CALGARY

Clerk's stamp:

COURT FILE NUMBER 1601-11708
COURT 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 A PLAN OF
ARRANGEMENT OF QUATTRO EXPLORATION
PRODUCTION LTD.

APPLICANT QUATTRO EXPLORATION AND PRODUCTION
LTD.

DOCUMENT **APPLICATION (STAY EXTENSION)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY SUBMITTING THIS DOCUMENT
BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
3500 Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta T2P 4J8
Attention: Ryan Zahara/James Reid
Telephone No.: 403-260-9628/403-260-9731
Fax No.: 403-260-9700
Client File No.: 87882/1

NOTICE TO RESPONDENT

This application is made against you. You are a respondent.
You have the right to state your side of this matter before the judge
To do so, you must be in Court when the application is heard as shown below:

Date Friday, October 7, 2016
Time 10:00 a.m.
Where Calgary Courts Centre
Before Whom Honourable Mr. Justice Yamauchi

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

Remedy claimed or sought:

1. Quattro Exploration and Production Ltd. ("**Quattro**") is seeking Orders substantially in the forms attached hereto as Schedule "A" and Schedule "B":
 - (a) abridging the time for service of this Application and declaring that this Application is properly returnable today, if necessary, and further service of the Application, other than to those listed on the Service List attached hereto as Schedule "C" is hereby dispensed with;
 - (b) extending the Stay Period (as defined in the Initial Order) to November 30, 2016; and
 - (c) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

Stay Extension

2. The grounds upon which Quattro relies in making the within Application for the Stay Extension Order are as follows:
 - (a) Quattro was granted protection from its creditors under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), pursuant to the Initial Order granted by this Honourable Court on September 8, 2016 (the "**Initial Order**");
 - (b) the Initial Order, *inter alia*:
 - (i) stayed all proceedings and remedies taken, or that might be taken, in respect of Quattro or any of its property, except as otherwise set forth in the Initial Order or as otherwise permitted by law, for an initial period of 30 days to October 8, 2016 (the "**Stay Period**");
 - (ii) appointed Hardie & Kelly Inc. as monitor (the "**Monitor**") of Quattro; and

- (iii) permitted Quattro to file with the Court a plan or plans of compromise or arrangement between Quattro and its creditors (the "**Plan**").
- (c) the extension of the Stay Period to November 30, 2016 (the "**Stay Extension Period**") is necessary in order to allow for the continuation the restructuring efforts of Quattro, including the sales and investment solicitation process (the "**SISP**") approved in the Initial Order for certain of Quattro's assets (the "**Assets**");
- (d) Quattro has engaged Durham Capital Canada Corporation ("**Durham Capital**") to serve as investment advisor of Quattro to assist in pursuing a transaction for investment by way of senior or junior private debt in the business and operations of Quattro;
- (e) Quattro has also engaged NRG Divestitures Inc. ("**NRG**" and together with Durham Capital, the "**Sales Advisors**") to serve as strategic advisor and sales agent of Quattro to assist in the sale of certain of its Assets;
- (f) the extension of the stay period through the Stay Extension Period will provide Quattro with the additional time necessary to continue to advance, and possibly to, the elements of the SISP with the assistance of the Sales Advisors;
- (g) Quattro has acted and continues to act diligently and in good faith such that an extension of the Stay Period is appropriate in the circumstances;
- (h) Quattro will have sufficient cash on hand to fund its operations and these proceedings during the Stay Extension Period; and
- (i) such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

3. Quattro intends to rely upon the following materials:

- (a) the Initial Order;
- (b) the Affidavit of Leonard Van Betuw sworn September 2, 2016, filed;
- (c) the Affidavit of Leonard Van Betuw sworn September 27, 2016, filed;
- (d) the First Report of the Monitor dated September 27, 2016;
- (e) all pleadings and proceedings filed in this action; and
- (f) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

- 4. Quattro will rely upon and refer to the Alberta *Rules of Court* during the making of the Application.

Applicable Acts and regulations:

- 5. Quattro will rely upon and refer to the provisions of the CCAA during the making of the Application.

Any irregularity complained of or objection relied on:

- 6. None.

How application is proposed to be heard or considered:

- 7. Oral submission by counsel at an application in chambers.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give Quattro 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 at the 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 Quattro.