

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' CREDIT 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 **APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY SUBMITTING THIS DOCUMENT **BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
3500 Bankers Hall East  
855 – 2<sup>nd</sup> 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

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 14, 2016

**LOCATION OF HEARING:** Calgary Court Centre, Justice Chambers

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice K.M. Horner

UPON the application (the "**Application**") of Quattro Exploration and Production Ltd. ("**Quattro**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between Quattro and ARC Resources Ltd. (the "**Purchaser**") dated December 1, 2016, a redacted

copy of which is attached as Exhibit "C" to the Affidavit of Leonard Van Betuw sworn December 9, 2016 (the "**Van Betuw Affidavit**"), and vesting in the Purchaser (or its nominee) Quattro's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

**AND UPON** having read the Application, the Van Betuw Affidavit, the Fourth Report of the Court-appointed Monitor, Hardie & Kelly Inc. (the "**Monitor**"), dated December 12, 2016 (the "**Fourth Report**"), the Affidavit of Service of Lindsay Farr sworn December 12, 2016; **AND UPON** hearing counsel for Quattro, counsel for the Monitor, counsel for Business Development Bank of Canada and any other interested parties in attendance;

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

**Service**

1. Service of notice of the Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of the Application, and time for service of the Application is abridged to that actually given.
2. Unless otherwise defined herein, all capitalized terms shall have the meaning given to them in the Sale Agreement.

**Approval of Transactions**

3. The Sale Agreement, and the Transaction contemplated thereby, is found to be in the best interests of Quattro, its creditors and its other stakeholders, and therefore the Sale Agreement and the Transaction contemplated thereby is hereby authorized, ratified, deemed commercially reasonable and approved. Quattro is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

4. Quattro and the Monitor are authorized and directed to take all such steps, perform, consummate, implement, execute and deliver all such conveyance documents, bills of sale, assignments, conveyances, transfers, deeds, representations, indicia of title, tax elections, documents and instruments of whatsoever nature or kind as may be reasonably necessary or desirable to consummate the Transaction in accordance with the term of the Sale Agreement, including, without limitation, making such amendments as Quattro, the Monitor and the Purchaser may approve in writing and which do not materially alter the Sale Agreement.

#### **Vesting of Property**

5. Upon the delivery of a Monitor's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Monitor's Certificate**"), all of Quattro's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, or interests, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Initial Order granted in these proceedings on September 8, 2016;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (British Columbia) or any other personal property registry system;
- (c) those Claims listed on Schedule "B" hereto; and
- (d) any Claims held by or in favour of any person served (either directly or through their solicitors) with the Application; and

- (e) the beneficiary of any Claims created or provided for pursuant to any previous Orders in these proceedings including, without limitation, the Initial Order,

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances as defined in the Sale Agreement). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets and all charges, security interests or Claims evidenced by registrations under any personal property registry system or otherwise where any Claim of any kind may be registered or recorded are hereby expunged, ordered removed and otherwise unconditionally discharged and terminated as against the Purchased Assets.

6. Quattro and the Monitor are each authorized and directed to take all necessary steps and execute all documents to effect any and all discharges and the registrars and all other persons in control or otherwise supervising such offices of registration or recording shall forthwith remove and discharge all such registrations.
7. The Purchaser is authorized and directed to file, register or otherwise record a certified copy of this Order and the Monitor's Certificate with the appropriate filing office, agency, clerk(s) and/or record(s), which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the sale of the Purchased Assets free and clear from and all Claims, including the release of all liens, claims, encumbrances and interests in the Purchased Assets as of the Closing Date of any kind or nature whatsoever.
8. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against Quattro.
9. Quattro and all persons who claim by, through or under Quattro in respect of the Purchased Assets, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and,

to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Quattro, or any person claiming by or through or against Quattro.
11. The Purchaser shall be authorized, as of Closing, to operate under any Governmental Authority, licence, permit, registration and authorization or approval of or given to Quattro with respect to the Purchased Assets, and all such licences, permits, registrations and authorizations and approvals shall be and shall be deemed to have been transferred to the Purchaser as of the Closing.
12. The Monitor is to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof to the Purchaser (or its nominee).
13. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, Quattro is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in Quattro's records pertaining to Quattro's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Quattro.


#### **Handling of Net Proceeds**

14. The Monitor shall hold the proceeds received from the Purchaser pursuant to the Sale Agreement, less completion costs and other usual completion costs incurred (the "**Net Proceeds**") pursuant to and in accordance with the terms of this Order.
15. The Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's

18. The Monitor, Quattro and the Purchaser (or its nominee) shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect of the terms of this Order and to assist and aid the parties in closing the Transaction.

**Miscellaneous Matters**

19. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Quattro, the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist Quattro, the Monitor and their agents in carrying out the terms of this Order.
20. Service of this Order on any party not attending this application is hereby dispensed with.

  
\_\_\_\_\_  
J.C.Q.B.A.

Schedule "A"

Clerk's Stamp

Form of Monitor's Certificate

COURT FILE NUMBER 1601-11708

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE COMPANIES' CREDIT  
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 **MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY SUBMITTING THIS DOCUMENT

**BLAKE, CASSELS & GRAYDON LLP**  
Barristers and Solicitors  
3500 Bankers Hall East  
855 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4J8  
Attention: Ryan Zahara/James Reid  
Telephone No.: 403-260-9628/403-260-9731  
Fax No.: 403-260-9700  
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**RECITALS**

1. Pursuant to an Order of the Honourable Justice Madam G.A. Campbell of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated September 8, 2016, Hardie & Kelly Inc. was appointed as the monitor (the "**Monitor**") of Quattro Exploration and Production Ltd. (the "**Vendor**").
2. Pursuant to an Order of the Court dated December [●], 2016, the Court approved the asset purchase and sale agreement dated December 1, 2016 (the "**Sale Agreement**") between the Vendor and ARC Resources Ltd. (the "**Purchaser**") and

provided for the vesting in the Purchaser of the Vendor's right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Vendor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

4. The Purchaser (or its nominee) has paid and Quattro has received the Purchase Price for the Assets payable on the Closing Date pursuant to the Sale Agreement.
5. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by Quattro and the Purchaser (or its nominee).
6. The Transaction has been completed to the satisfaction of the Monitor.
7. This Certificate was delivered by the Monitor at [Time] on [Date].

**HARDIE & KELLY INC., in its capacity as Court-appointed monitor of the undertaking, property and assets of QUATTRO EXPLORATION AND PRODUCTION LTD., and not in its personal capacity.**

**Per;** \_\_\_\_\_

**Name:**

**Title:**



**Schedule "B"**

**"Claims"**

- Nil