



COURT FILE NUMBER 1701-00143

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDENT QUATTRO EXPLORATION AND PRODUCTION LTD.

IN THE MATTER OF THE RECEIVERSHIP OF
QUATTRO EXPLORATION AND PRODUCTION LTD.

DOCUMENT **SUPPLEMENT TO THE
FIFTH REPORT OF THE RECEIVER,
HARDIE & KELLY INC.
OCTOBER 11, 2017**
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ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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**SUPPLEMENT TO THE
SUPPLEMENT TO THE FIFTH REPORT OF THE RECEIVER
HARDIE & KELLY INC.
OCTOBER 11, 2017**

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PURPOSE OF THIS SUPPLEMENT

1. On October 6, 2017, the Receiver prepared and filed a report (the “**Fifth Report**”) with the Court of Queen’s Bench of Alberta (the “**Court**”) in advance of the Receiver’s application scheduled for October 16, 2017 (the “**Application**”) seeking the Court’s approval of three further proposed transactions.
2. The purpose of this supplemental report is to provide the Court with updated information as it relates to the proposed transaction with Birchcliff Energy Ltd. (“**Birchcliff**”) in respect of certain interests in the Pouce Coupe area in Alberta and one lease that falls in British Columbia.
3. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Fifth Report.

ADDITIONAL INFORMATION

4. As at the time of filing of the Fifth Report, the Receiver had not received any feedback in respect of the ROFR affecting the proposed transaction with Birchcliff; however, late in the day on October 6, 2017, the Receiver received notification from the ROFR counterparty that it had previously acquired the assets subject to the ROFR Notice from Quattro during the preceding CCAA proceedings.
5. The Receiver’s operational consultants, Veracity Energy Services Ltd., and the Receiver’s legal counsel have now confirmed that such was the case and that Quattro’s records had not been adequately updated to reflect this previous sale to the ROFR counterparty.

6. Birchcliff has advised the Receiver that it is still prepared to proceed to close the balance of the proposed transaction. The Receiver and Birchcliff are presently finalizing the terms of an Amending Agreement to the purchase and sale agreement between the Receiver and Birchcliff (the “**Amending Agreement**”). A copy of the Amending Agreement will be included in a Supplemental Confidential Report to be provided by the Receiver to the Court and for which the Receiver will be seeking the Court’s approval to have sealed for a period of 90 days following the Receiver’s discharge. A redacted copy of the Amending Agreement will be made available on the Receiver’s website.

RECOMMENDATION

7. The Receiver will be seeking and recommends to this Honourable Court the approval of the Amending Agreement.

All of which is respectfully submitted this 11th day of October 2017.

Hardie & Kelly Inc., in its capacity as
Receiver and Manager of Quattro Exploration and Production Ltd.
and not in its personal capacity



Per: _____
Marc Kelly
Senior Vice President