

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 AND PRODUCTION LTD.

DOCUMENT **SUPPLEMENTAL AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING 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

SUPPLEMENTAL AFFIDAVIT OF LEONARD B. VAN BETUW

Sworn on January 5, 2017

I, LEONARD B. VAN BETUW, of Calgary, Alberta, SWEAR AND SAY THAT:

- I am the President and Chief Executive Officer, as well as a Director and the Chairman of the Board of Directors, of Quattro Exploration and Production Ltd. ("**Quattro**"). As such, I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, in which case I verily believe the same to be true.

2. I have previously sworn five affidavits, three supplemental affidavits and three confidential supplemental affidavits in these proceedings, including the affidavit sworn on December 23, 2016 (the "**Fifth Van Betuw Affidavit**").
3. This Supplemental Affidavit is sworn in support of the Applicant's application (the "**Application**") extending the Stay Period in favor of Quattro granted pursuant to the Initial Order to and including February 17, 2017.
4. Capitalized terms used herein but not otherwise defined have the meaning ascribed to them in the Fifth Van Betuw Affidavit.

I. UPDATED CASH FLOW FORECAST

5. The cash flow forecast attached as Exhibit "C" to the Fifth Van Betuw Affidavit did not contemplate payments being made to post-filing suppliers until the last week of January 2017. As noted at paragraph 11 of the Supplement to the Fifth Report of the Monitor dated January 4, 2017, Quattro has a revised cash flow statement (the "**Revised Cash Flow Statement**"), which contemplates the receipt of \$440,000 in additional funding some of which is to be used to make payments to post-filing suppliers. Attached hereto and marked as Exhibit "A" is a copy of the Revised Cash Flow Statement.
6. As set out in the Revised Cash Flow statement, Quattro will have sufficient cash flow to fund its operations during the Stay Extension Period.

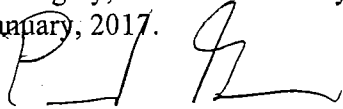
II. TERMS

7. Now shown to me but not attached hereto due to the confidential and commercially sensitive nature is a copy of the terms of the agreement (the "**Terms**") reached between BDC and Quattro. BDC and Quattro will subsequently enter into definitive documents in accordance with the Terms.

III. CONCLUSION

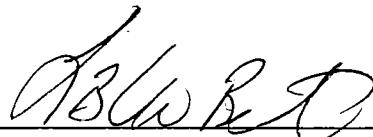
8. Based upon the foregoing, I believe Quattro is acting in good faith and with due diligence in the CCAA Proceedings.

SWORN (OR AFFIRMED) BEFORE ME)
at Calgary, Alberta this 5th day of)
January, 2017.)



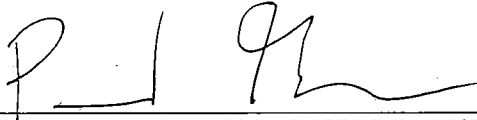
_____)
A Commissioner for Oaths)
in and for Alberta)

Paul Anthony Grenon
Student-at-Law



_____)
LEONARD B. VAN BETUW

This is Exhibit "A" referred to in the Affidavit of
Leonard B. Van Betuw sworn before me this 5th
day of January A.D. 2017



A COMMISSIONER FOR OATHS IN AND
FOR ALBERTA

Paul Anthony Grenon
Student-at-Law

Quattro Exploration and Production Ltd.
Cash Flow forecast
Prepared January 5th, 2017 for the 13 weeks ended April 2nd, 2017
(Unaudited - prepared by management)

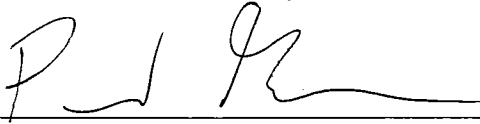
	2-Jan-17		9-Jan-17		16-Jan-17		23-Jan-17		30-Jan-17		6-Feb-17		13-Feb-17		20-Feb-17		27-Feb-17		6-Mar-17		13-Mar-17		20-Mar-17		27-Mar-17		Total		
	ACTUAL	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	(Forecast)
Receipts																													
Production revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,275,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,275,000
Disbursements																													
Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,400)
OPEx	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(99,694)	(1,296,025)	
Transportation	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(25,452)	(330,873)	
G&A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(600,000)
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(300,000)	
	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(125,146)	(2,613,297)	
Investing																													
DIP Financing - tranche 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Financing - tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Financing - tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital expenditures	440,000	-	-	-	-	-	-	-	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	650,000
Sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)	
	440,000	-	-	-	-	-	-	-	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450,000
Financing																													
Interest payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash - beginning	57,648	372,502	372,502	247,356	247,356	122,210	122,210	613,265	613,265	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	57,648	
Cash - closing	372,502	247,356	247,356	122,210	122,210	613,265	613,265	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	388,119	169,351	

QUATTRO EXPLORATION AND PRODUCTION LTD.

ASSUMPTIONS AND NOTES

1. Assumes that revenues and expenses are as listed above.
2. Items above assume that \$2M financing is extended to QXP in or about the week of January 9th, 2016.
3. DIP requests, if any, will vary according to cash requirements and will depend on additional DIP funding.
4. Note that beginning January and due to the completion of all turn-arounds and safety audits at Superb and Bashaw, we expect opex to decrease by approximately \$90K per month.
5. CAPEX spend in February onwards for well remediation resulting in increased production and AER LMR rating.

This is Exhibit "B" referred to in the Affidavit of
Leonard B. Van Betuw sworn before me this 5th
day of January A.D. 2017



A COMMISSIONER FOR OATHS IN AND
FOR ALBERTA

Paul Anthony Grenon
Student-at-Law

CONFIDENTIAL
(TO BE SEALED)