

Form 27
[Rules 6.3 and
10.52(1)]

COURT FILE NUMBER 1701-00143

COURT : COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

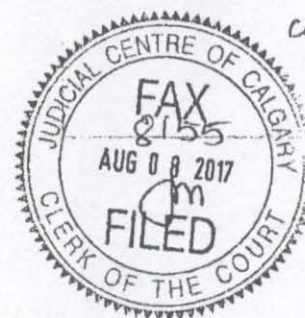
PLAINTIFF(S) BUSINESS DEVELOPMENT BANK OF CANADA

DEFENDANT(S) QUATTRO EXPLORATION AND PRODUCTION LTD.

DOCUMENT APPLICATION BY DOROTHEA HOLDINGS LTD. and 1348321 ALBERTA LTD., interested parties and claimants for declaratory and remedial relief.

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com

FILE: 43.916
Counsel for the Applicants Dorothea Holdings Ltd. and 1348321 Alberta Ltd.

NOTICE TO RESPONDENT(S), QUATTRO EXPLORATION AND PRODUCTION LTD., DEFENDANT, and HARDIE & KELLY INC. RECEIVER AND MANAGER OF QUATTRO EXPLORATION AND PRODUCTION LTD.

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: August 14, 2017
 Time: 2:00 p.m.
 Where: Calgary Courts Centre
 Before Whom: The Honourable Justice Macleod

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. Pursuant to the Receivership Order pronounced February 2 2017, paragraph 9 thereof, an Order for leave of the Court to enable the Applicants, on the basis of Petroleum and Natural Gas Leases, to commence or continue Proceedings against Hardie & Kelly Inc. as Receiver of the Defendant Quattro Exploration and Production Ltd. ("Quattro");
2. Such Order directing in the Proceedings summary determination of the issues between the Applicants as interested parties and claimants for declaratory and remedial relief, and the Respondents, the Receiver and the Defendant Quattro.

3. Such other relief as this Honourable Court deems just:

Grounds for making this application:

4. The Respondents Quattro and the Receiver as Trustee of Quattro are required by the Leases to provide to the Applicants production and revenue statements and royalty payment upon their appropriation of the leased substances owned in situ by the Applicants.
5. The Applicants submit the Receiver and the Defendant Quattro hold property of the Applicants by constructive trust being the proceeds of sale of the Applicants' leased substances appropriated and produced by the Defendant Quattro or at the Receiver's direction since August 10, 2016, when the provisions of the Bankruptcy and Insolvency Act, R.S.C. 1985, were notified by the Defendant Quattro and the Receiver then as Trustee of the Proposal of Quattro and thereafter as Court appointed Monitor.
6. The revenue arising from continuing appropriation and production of the leased substances is in the custody of the law, from which revenue the Applicants claim royalty payment arrears in remediation and priority pursuant to the Leases and priority.
7. Since November 2015 the Defendant Quattro has failed to provide accurate and complete production and revenue statements.
8. Impending sale and assignment of the Leases as the Defendant Quattro's assets pursuant to the Sales Process Procedure ordered are subject to the contractual rights and priority of the Applicants as Lessors who claim remediation of the breaches of the Leases

Material or evidence to be relied on:

9. The Applicants rely on the facts and the documents set out in the Affidavit of Marion L. Schmitke, corporate representative of the Applicants, dated August 4 2017, filed.
10. Such further and other material and evidence as counsel may advise and this Honourable Court permit.

Applicable rules:

11. *Alberta Rules of Court*, Rules 1.3, PART 5; Rule 6.9; Part 7 Rules 7.1 to 7.4.

Applicable Acts and regulations:

12. *Judicature Act*, R.S.A. 2000, c. J-2, ss. 8, 11, 15 and 16;
13. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, s. 67 (1) (a);
14. *Limitations Act*, R.S.A. 2000;
15. Receivership Order, February 2, 2017.

Any irregularity complained of or objection relied on:

16. None

How the application is proposed to be heard or considered:

17. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.