

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 **NINTH REPORT OF THE RECEIVER,
HARDIE & KELLY INC.
OCTOBER 12, 2018**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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**NINTH REPORT OF THE RECEIVER
HARDIE & KELLY INC.
OCTOBER 12, 2018**

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INTRODUCTION

1. On February 2, 2017, Business Development Bank of Canada (“**BDC**”) made an application to the Court of Queen’s Bench of Alberta (the “**Court**”) for the appointment of a receiver and manager (the “**Receiver**”) of the current and future assets, undertakings and property of Quattro Exploration and Production Ltd. (“**Quattro**” or the “**Company**”).
2. The Court granted an Order (the “**Receivership Order**”) on February 2, 2017 (the “**Receivership Date**”), appointing Hardie & Kelly Inc. as the Receiver of Quattro.
3. Throughout the proceedings, the Receiver has prepared and filed several reports with the Court (collectively referred to as the “**Prior Receiver’s Reports**”) as follows:
 - First Report of the Receiver - April 3, 2017 (the “**First Report**”);
 - Second Report of the Receiver - May 1, 2017;
 - Supplement to the Second Report of the Receiver - May 2, 2017;
 - Third Report of the Receiver - August 3, 2017;
 - Fourth Report of the Receiver - September 5, 2017;
 - Fifth Report of the Receiver - October 6, 2017;
 - Sixth Report of the Receiver - November 17, 2017 (the “**Sixth Report**”);
 - Seventh Report of the Receiver - January 15, 2018 (the “**Seventh Report**”);
 - and
 - Eighth Report of the Receiver - April 12, 2018 (the “**Eighth Report**”).
4. Background information and details leading up to the appointment of the Receiver, the administration of the proceedings and the Court approved sales process (the “**Sales Procedure**”) are set out in the Prior Receiver’s Reports.

5. On August 14, 2017, the Court granted Sale Approval and Vesting Orders in respect of six sales transactions.
6. On September 14, 2017, the the Court granted Sale Approval and Vesting Orders in respect of three additional sales transactions.
7. On October 16, 2017, the the Court granted Sale Approval and Vesting Orders in respect of a further three sales transactions.
8. On November 28, 2017, the Court granted Sale Approval and Vesting Orders in respect of two more transactions.
9. On January 23, 2018, the Court granted Sale Approval and Vesting Orders in respect of another two transactions.
10. On April 24, 2018, the Court granted a Sale Approval and Vesting Order in respect of a sale to Tallahassee Exploration Inc. (“**Tallahassee**”).
11. The purpose of this report (the “**Ninth Report**”) is to provide the Court with:
 - An update as to the status of the sale to Tallahassee;
 - An update as to the overall status of the administration of the receivership proceedings;
 - An update as to the position of certain mineral lessors;
 - An updated Statement of Receipts and Disbursements and the Receiver’s recommendation in respect of the distribution of the residual funds in its possession;
 - Details of the Receiver’s accounts and those of the Receiver’s legal counsel in contemplation of the passing of the respective accounts and the Receiver’s discharge; and
 - The Receiver’s recommendation with respect to the disposition of the Company’s pre-receivership books and records that came into the Receiver’s possession (the “**Corporate Records**”).

TERMS OF REFERENCE

12. In preparing this Ninth Report, the Receiver has relied upon unaudited financial information, information provided by the Receiver's operational consultants, Veracity Energy Services Ltd. ("**Veracity**"), and available books and records of the Company (collectively referred to as the "**Information**"). The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Information.

STATUS OF TALLAHASSEE TRANSACTION

13. The Receiver can advise that the sales transaction with Tallahassee closed in May. The Receiver understands that, notwithstanding closing, Tallahassee may not yet have completed all of the necessary steps to transfer the assets acquired into its name. In particular, the British Columbia Oil and Gas Commission contacted the Receiver to advise that Tallahassee had not yet completed the paperwork to implement all of the transfers.
14. The Receiver understands that no further information or steps are required of the Receiver to implement the transfers to Tallahassee. The Receiver has advised Tallahassee that it ought to take steps to complete the administrative paperwork. Tallahassee has also been previously advised of the Receiver's anticipated discharged.

ADMINISTRATIVE STATUS UPDATE

15. In the Eighth Report, we advised that all of Quattro's properties that were producing as at the Receivership Date were either the subject of a sale or had been shut-in and that the Receiver had issued Notices of Renunciation in respect of all of Quattro's known unsold interests in Saskatchewan, Alberta and British Columbia with the exception of those that were at that time subject to the sale to Tallahassee.

16. In light of the transaction with Tallahassee having closed, all known interests of Quattro have now either been sold or have been the subject of Notices of Renunciation issued to the applicable interested parties and the applicable energy regulators.
17. Since the date of the Eighth Report, Veracity finalized the post-receivership operated and non-operated joint venture billings and has been working with Quattro's partners to address queries raised by some partners. The Receiver has issued payment to those partners to whom post-receivership balances were owed. The Receiver has also made efforts to collect amounts owed to it. The majority of amounts owed have been resolved to the Receiver's satisfaction and collected; however, there remain two parties for which Veracity's post-receivership accounting records reflect amounts due to the Receiver that remain outstanding. These parties have disputed payment and have queries with respect to the amounts claimed. The Receiver and Veracity are working with these parties to attempt to reconcile discrepancies in respect of these accounts; however, at this time it is uncertain as to whether any additional funds will ultimately be collected in light of cost benefit considerations.

POSITION OF CERTAIN MINERAL LESSORS

18. In the Sixth, Seventh and Eighth Reports, we advised that throughout the Receivership proceedings, the Receiver, through its legal counsel, has exchanged numerous correspondence with counsel representing certain freehold mineral lessors, being Dorothea Holdings Ltd. ("**Dorothea**"), 1348321 Alberta Ltd. ("**134**") and Louis or Ida Bell (the "**Bells**") (collectively referred to as the "**Mineral Lessors**").
19. On August 8, 2017, Dorothea and 134 filed an application (the "**Application**") in respect of pre-receivership amounts owed to them by Quattro, each claiming approximately \$8,200.

20. Counsel for the Mineral Lessors made submissions at the Receiver's Court Applications for approval of sales transactions on each of August 14, 2017, September 14, 2017 and October 16, 2017 and was in attendance by telephone at the November 28, 2017, January 23, 2018 and April 12, 2018 applications. In each instance, the respective sales transactions did not contemplate any assets in which the Mineral Lessors hold an interest.
21. On September 14, 2017, the Court granted an Order (the "**Preservation of Rights Order**") confirming that the terms of the three Sale Approval and Vesting Orders granted by the Court on that day would not prejudice or negatively affect the position of the Mineral Lessors with respect to any vesting order that may be sought in relation to the Mineral Lessors' interests, or on any priority or distribution application subsequently brought in these proceedings. For the Court's ease of reference, a copy of the Preservation of Rights Order is attached as **Appendix "A"**.
22. By way of additional background, Dorothea and 134 hold mineral leases in respect of Bittern Lake 12-23-46-22W4 (the "**Bittern Lake Property**"). Attached as **Appendix "B"** is an accounting of the financial results of the Bittern Lake Property produced by Veracity for the period January 2017 to December 2017 indicating a net cumulative loss of \$5,103.31 over the period, after payment of the applicable royalties.
23. As a result of there being no interest expressed by potential purchasers in the Bittern Lake Property during the Sales Procedure administered by Sayer Energy Advisors on behalf of the Receiver and the lack of profitability of the Bittern Lake Property, the Receiver determined it was commercially reasonable to shut-in the well which process was completed in November 2017. A formal Notice of Renunciation with respect to the Bittern Lake Property was issued by the Receiver.

24. The Bells hold a lease on a tract of the Donalda Unit (the “**Unit**”). Attached as **Appendix “C”** is an accounting of the financial performance of the Unit produced by Veracity reflecting minimal positive cash flow of \$2,066.40 for the 2017 calendar year, after payment of the applicable royalties. However, the Receiver notes that upon excluding the month of January 2017, which was prior to the Receivership Date, the Unit reflected a loss of \$3,302.37 over the post-receivership period.
25. Similar to the Bittern Lake Property, as the Sales Procedure did not generate a party willing to close a sale for the Unit and given the lack of profitability, the Receiver determined it was commercially reasonable to shut-in the Unit which process was completed in September 2017. A formal Notice of Renunciation with respect to the Unit was issued by the Receiver.
26. On August 8, 2018, Dorothea and 134 filed a Statement of Claim (the “**Claim**”) in order to preserve the limitation period.
27. Counsel for the Mineral Lessors advises that the Application and the Claim seek recovery of pre-receivership amounts only. The Receiver is advised that the amounts due are those owing from approximately August 2015, and includes amounts that became owing to Dorothea and 134 during the course of Quattro’s proposal and *Companies’ Creditors Arrangement Act* (the “**CCAA**”) proceedings that preceded these receivership proceedings.
28. The relief sought by Dorothea and 134 in the Application and the Claim have been set for hearing at the same time as the Receiver’s application for distribution and its discharge. Counsel for the Mineral Lessors has advised the Receiver that they do not seek priority ahead of the charges created or continued by the Receivership Order. Notwithstanding, Dorothea and 134 seek a declaration that the amounts due to them have priority over Quattro’s secured creditors.

29. As set out in greater detail below, the charges created or continued by the Receivership Order will not be paid in full. Accordingly, the Receiver is of the view that the question of priority between Quattro's secured creditors and Dorothea and 134 is of no practical effect in this case. Even if Dorothea and 134 were entirely successful in establishing priority, they would not receive any funds as a result of such priority.
30. Counsel for the Mineral Lessors has advised that Dorothea and 134 intend to proceed with the Application seeking priority because it will "serve the legal rights of owner lessors and receivers in the context of bankruptcies such as are now numerous".
31. As mentioned above, Dorothea and 134 claim pre-receivership amounts due from Quattro of approximately \$8,200 each; however, the Receiver and Veracity believe the actual pre-receivership amounts due are approximately \$4,800 to each party. Since there is no dispute as to priority for these amounts over the Court-ordered charges, and there will be no funds available beyond the Court-ordered charges, the Receiver is of the view that further work to clarify this discrepancy would come at undue cost to the estate and that doing so would not be appropriate at this time.
32. The Receiver is concerned that having to address the Application and the Claim will represent a further drain on the estate in circumstances where there are significant losses, despite the relief sought having no direct, practical impact in this case.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

33. Attached as **Appendix "D"** is a copy of the Receiver's Statement of Receipts and Disbursements as at October 11, 2018 (the "**R&D**"), indicating the Receiver maintains approximately \$433,000 in its operational trust account as at that date.

34. At this time, the Receiver anticipates incurring approximately \$75,000 of additional final expenses to pay through to the completion of the administration including the accrued and final fees of Veracity, the Receiver and its legal counsel and final administrative/operational expenses including attending to the Corporate Records with such expenses being entitled to a first charge subject to the Receiver's Charge established pursuant to Paragraph 19 of the Receivership Order.
35. Therefore, we estimate that there will be approximately \$358,000 ultimately available for distribution (the "**Residual Funds**"), subject to adjustment for actual final disbursements, on the assumption that the Receiver's discharge application is not objected to, the Receiver is not required to incur additional costs in connection with the Application and no unanticipated additional operational expenses arise.
36. Subsequent to the Receiver's Charge, the priority of charges thereafter established pursuant to Paragraph 34 of the Receivership Order is as follows:
 - a. First – the Administration Charge (to the maximum amount of \$250,000) on a *pari passu* basis with the Receiver's Charge. The Administration Charge was initially established pursuant to Paragraph 33 of the Initial Order granted on September 8, 2016 in respect of the Company's previous proceedings under the CCAA (the "**Initial Order**");
 - b. Second – the Receiver's Borrowing Charge established pursuant to Paragraph 22 of the Receivership Order;
 - c. Third – the Interim Lender's Charge (to a maximum of \$1,750,000) which was initially established pursuant to Paragraphs 37 of the Initial Order and subsequently amended to the limit of \$1.75 Million pursuant to subsequent Orders granted by this Honourable Court on November 23, 2016 and January 5, 2017;
 - d. Fourth – the Director's Charge (to the maximum amount of \$250,000) established pursuant to Paragraph 24 of the Initial Order.

37. As noted on the R&D, the Administration Charge has been satisfied in full by way of payments totalling \$215,711.83 having been made to H&K in its capacity as the Monitor, Borden Ladner Gervais LLP (“**BLG**”) in its capacity as counsel to the Monitor and Blake, Cassels & Graydon LLP and Tingle Merrett LLP each in their capacity as counsel for Quattro. A schedule summarizing these claims satisfied pursuant to the Administration Charge is included as **Appendix “E”** to this Ninth Report.
38. As set out in the Prior Receiver’s Reports, the Receiver had borrowed \$390,000 from BDC pursuant to Receiver Certificates to assist with the funding of the administration of the receivership proceedings. As evidenced by the R&D, such borrowings have now been repaid to BDC along with applicable interest in the amount of \$17,563.18.
39. BDC advises that it is currently owed a total of approximately \$11.5 Million, including principal, accrued interest and legal expenses, of which \$1.69 Million was loaned to Quattro by BDC pursuant to a Court approved credit facility (the “**Interim Credit Facility**”) established during the CCAA proceedings and is subject to the Interim Lender’s Charge.
40. In the Seventh Report and the Eighth Report, the Receiver advised that there would not be sufficient funds available to satisfy both the Receiver’s Borrowing Charge and the Interim Lender’s Charge in full. The Receiver recommends that the Residual Funds be distributed to BDC pursuant to the Interim Lender’s Charge. This will leave an anticipated shortfall to BDC in the amount of approximately \$1.3 Million with respect to the Interim Credit Facility and a shortfall in respect of Quattro’s total indebtedness to BDC of approximately \$11.2 Million.
41. Given the shortfall experienced by BDC in its capacity as the principal secured creditor of Quattro, there are no funds available for distribution to any other creditors of Quattro.

SEGREGATED FUNDS HELD IN TRUST

42. As set out in the First Report, at the commencement of the receivership proceedings, the Receiver set aside approximately \$55,000 from funds that were in Quattro's bank account as at the Receivership Date at the request of BDC.
43. In negotiating the third tranche of the Interim Credit Facility with Quattro during the CCAA proceedings, BDC agreed to the postponement of interest for the month of January 2017. Pursuant to that postponement, two months of interest were to be withdrawn from the Company's bank account in February 2017. However, the pre-authorized payment for January 2017 interest was inadvertently not cancelled within BDC's systems. As such, BDC's system still withdrew the interest payments on January 16, 2017 in the ordinary course.
44. Quattro notified BDC that day that the interest had been withdrawn. BDC acknowledged the processing error and agreed to refund the interest payment which was immediately processed and funded on Monday January 20, 2017. However, at that time it was unknown to BDC that the original pre-authorized payment was returned NSF, as it takes approximately five business days for the NSF transaction to appear in BDC's systems. As such, BDC refunded the Company an additional \$54,856.68.
45. A correction could not be implemented before the granting of the Receivership Order. Consequently, the Receiver agreed to segregate such funds aside in trust (the "**Trust Funds**") to be investigated and resolved at a later date. The provision for these funds has in the past and continues to be noted on the R&D and is excluded from the Residual Funds noted above.
46. The Receiver is of the position that in light of the overall shortfall experienced by BDC, the categorization of the Trust Funds has been rendered irrelevant as it relates to the administration of the receivership estate and that the Trust Funds should be released to BDC.

PROFESSIONAL FEES

47. As summarized in **Appendix "F"** of this Ninth Report, to date, the Receiver has rendered 17 accounts through to August 31, 2018 totalling \$335,073.20, plus GST (the "Receiver's Accounts") in relation to the receivership proceedings. Copies of the Receiver's Accounts are available for the Court to review upon request.
48. At this time, the Receiver anticipates issuing a final account estimated to be approximately \$25,000, plus GST, (the "**Receiver's Final Account**") in connection with unbilled WIP, preparing this Ninth Report, preparing for and attending the Receiver's discharge application, addressing the disposal of the Corporate Records, addressing the final outstanding joint venture receivables, final queries from creditors, attending to final banking issues and filing the final statutory report with the Office of the Superintendent of Bankruptcy pursuant to the Bankruptcy & Insolvency Act.
49. In addition to its primary legal counsel, BLG, the Receiver was also required to retain legal counsel in Saskatchewan on account of the numerous interests held by Quattro in Saskatchewan. McDougall Gauley LLP ("**McDougall**") was engaged as the Receiver's Saskatchewan counsel.
50. As summarized in **Appendix "F"**, BLG has to date issued 31 accounts totalling \$609,526.69, plus GST (the "**BLG Accounts**"). Copies of the BLG Accounts are available for the Court to review upon request.
51. BLG anticipates issuing a final account in connection with unbilled WIP and the Receiver's discharge application in an amount estimated at approximately \$25,000, plus GST (the "**BLG Final Account**").
52. Also summarized in **Appendix "F"** are the accounts rendered by McDougall which has issued nine accounts totalling \$135,416.81, plus GST and PST (the "**McDougall Accounts**").

53. McDougall anticipates issuing a final account in connection with unbilled WIP and the Receiver's discharge application in an amount estimated at approximately \$5,500, plus GST and PST (the "**McDougall Final Account**").
54. The Receiver is of the opinion that the Receiver's Accounts, the BLG Accounts, the McDougall Accounts, the Receiver's Final Account, the BLG Final Account and the McDougall Final Account (collectively referred to as the "**Professional Accounts**") are appropriate and reasonable in the circumstances as the receivership proceedings comprised a myriad of issues and complexities that needed to be addressed including but not limited to:
- Quattro's assets being located across Alberta, Saskatchewan and British Columbia;
 - Continuing the business operations during the Sales Procedure with a view to attempting to sell Quattro's assets on a going concern basis;
 - Communicating with and responding to the requirements and concerns of the respective regulators in each of the three provinces;
 - Addressing initial opposition to the Sales Procedure advanced by a party in Saskatchewan;
 - Negotiating and consummating 17 individual sales transactions as a result of the lack of synergy of Quattro's assets across three provinces which also required preparation for six different Court approval applications;
 - The complexities associated with undertaking security reviews across three provinces;

- Responding to the queries and concerns of a significant number of creditors, including royalty holders and land lessors who typically had limited familiarity and experience dealing with insolvency proceedings;
- Investigating the business and operations of Quattro's 100% owned subsidiaries being Quattro Innovations Inc. and Quattro Guatemala S.A., the shares of which the Receiver ultimately determined held no realizable value; and
- Addressing the concerns of the Mineral Lessors.

CORPORATE RECORDS

55. During the course of the receivership, the Receiver came into possession of the Corporate Records which it continues to maintain both at Veracity's office and in third party storage pending the Receiver's discharge.
56. On October 2, 2018, BLG wrote to the last known directors of Quattro advising that the Receiver will be seeking the Court's authorization to destroy the Corporate Records unless the directors take possession of the Corporate Records, at their sole cost and expense, within a reasonable period of time following the conclusion of the proceedings. A copy of the letter to the directors is included as **Appendix "G"** of this Ninth Report.
57. On October 11, 2018, Mr. Leonard Van Betuw emailed the Receiver on behalf of the former directors of Quattro to indicate that they would take possession of the Corporate Records. A copy of the email from Mr. Van Betuw is included as **Appendix "H"** to this Ninth Report.
58. Notwithstanding Mr. Van Betuw's confirmation, the Receiver will be seeking the Court's authorization to destroy the Corporate Records if the directors do not assume custody and control of the Corporate Records at their own expense within 30 days of an Order being granted discharging the Receiver.

RECOMMENDATIONS

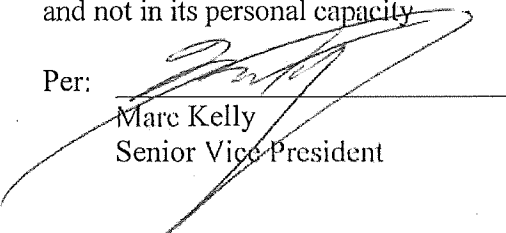
59. The Receiver is seeking and recommends to this Honourable Court the following:

- Approval of the R&D
- Approval of the Professional Accounts without the need for further taxation of final accounts;
- Approval of the distribution of the Residual Funds to BDC pursuant to the Interim Lender's Charge;
- Approval to release the Trust Funds to BDC;
- Approval of the Receiver's proposed course of action to deal with the Corporate Records as set out in this Ninth Report;
- The discharge of the Receiver; and
- The discharge of Hardie & Kelly Inc. in its capacity as Monitor of Quattro under the previous CCAA proceedings.

All of which is respectfully submitted this 12th day of October, 2018.

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

APPENDIX "A"

COURT FILE NUMBER 1701-00143
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE Calgary
PLAINTIFF BUSINESS DEVELOPMENT BANK OF CANADA
DEFENDANT QUATTRO EXPLORATION AND PRODUCTION LTD.
DOCUMENT ORDER



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9715
Facsimile: (403) 266-1395
Email: jcameron@blg.com
File No. 436743/000019

I hereby certify this to be a true copy of
the Order
of this 3 day of OCT 2017
M. Neitzert
Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: September 14, 2017

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Alberta

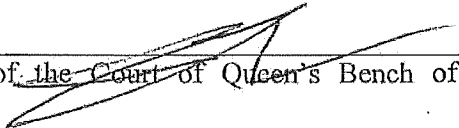
NAME OF JUSTICE WHO MADE THIS ORDER: J.T. Eamon

UPON the Application of counsel for Dorothea Holdings Ltd., 1348321 Alberta Ltd., and Louis or Ida Bell (collectively the "Applicants"), to make submissions on the form of orders sought by Hardie & Kelly Inc. on September 14, 2017, in its capacity as the court-appointed receiver of Quattro Exploration and Production Ltd. ("Quattro"), for the sale of certain of Quattro's interests affecting leasehold interests of other holders;

IT IS HEREBY ORDERED THAT:

1. Without determining whether the Applicants have standing to make such submissions, it is directed that the terms of the three Sale Approval and Vesting Orders granted by this Court on September 14, 2017 in the within proceedings, do not prejudice or negatively affect the

position of the Applicants with respect to any vesting order sought in relation to their mineral interests, or on any priority or distribution application subsequently brought in the within proceedings.


Justice of the Court of Queen's Bench of
Alberta

**APPROVED AS BEING THE ORDER GRANTED THIS 28TH DAY OF SEPTEMBER,
2017**

CASSELS BROCK & BLACKWELL LLP

Per: Erin Craddock
Solicitors for the Business Development Bank of Canada

BENNETT JONES LLP

Per: Kelsey Meyer
Solicitors for Brentwood Energy Corp.

RONALD J. YOUNG PROFESSIONAL CORPORATION

Per: Ronald J. Young
Solicitors for Dorothea Holdings Ltd., 1348321 Alberta Ltd.,
and Louis and Ida Bell

affect the position of the Applicants with respect to any vesting order sought in relation to their mineral interests, or on any priority or distribution application subsequently brought in the within proceedings.

Justice of the Court of Queen's Bench of
Alberta

APPROVED AS BEING THE ORDER GRANTED THIS ___ DAY OF SEPTEMBER,
2017.

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Solicitors for the Business Development Bank of Canada

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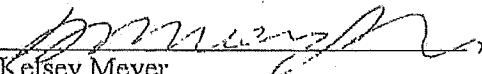
Justice of the Court of Queen's Bench of
Alberta

APPROVED AS BEING THE ORDER GRANTED THIS ___ DAY OF SEPTEMBER, 2017

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Per: Erin Craddock
Solicitors for the Business Development Bank of Canada

BENNETT JONES LLP


Per: Kelsey Meyer
Solicitors for Brentwood Energy Corp.

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Per: Ronald J. Young
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affect the position of the Applicants with respect to any vesting order sought in relation to their mineral interests, or on any priority or distribution application subsequently brought in the within proceedings.

Justice of the Court of Queen's Bench of
Alberta

**APPROVED AS BEING THE ORDER GRANTED THIS ___ DAY OF SEPTEMBER,
2017**

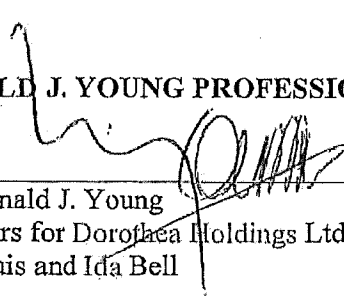
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Per: Ronald J. Young
Solicitors for Dorothea Holdings Ltd., 1348321 Alberta Ltd.,
and Louis and Ida Bell

APPENDIX "B"

GROSS OPERATIONS SUMMARY - by Production Period
Imperial Excludes Capital Expenses Operated: Both Op and Non-Op, With Volumes
 Production Dates: 2017-01 to 2017-12
 Cost Center: 2105063 / 10072-F3-046-Z2W4

S/F	Description	Units	2017-01	2017-02	2017-03	2017-04	2017-05	2017-06	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	Grand Total
MARKET REVENUE															
0007	OIL SALES		-7,281.07	-4,411.22	-6,914.55	-2,838.68	-10,450.72	-3,611.40	-6,898.52	-7,857.52	-7,765.05	-4,291.43	-6,957.34	0.00	-69,278.50
	REVENUE TOTALS:		-7,281.07	-4,411.22	-6,914.55	-2,838.68	-10,450.72	-3,611.40	-6,898.52	-7,857.52	-7,765.05	-4,291.43	-6,957.34	0.00	-69,278.50
ROYALTIES - FREEHOLD															
0126	OIL FREEHOLD ROYALTY		1,260.05	475.28	1,015.74	984.98	1,052.36	905.42	875.28	847.26	936.48	1,252.82	436.44	0.00	10,042.62
	ROYALTIES - FREEHOLD TOTALS:		1,260.05	475.28	1,015.74	984.98	1,052.36	905.42	875.28	847.26	936.48	1,252.82	436.44	0.00	10,042.62
ROYALTIES - GORR															
0156	OIL OVERRIDING ROYALTY		370.61	139.79	288.75	320.12	341.54	288.54	289.02	278.84	308.20	407.35	139.93	0.00	3,192.79
	ROYALTIES - GORR TOTALS:		370.61	139.79	288.75	320.12	341.54	288.54	289.02	278.84	308.20	407.35	139.93	0.00	3,192.79
OPERATING EXPENSE															
0305	CHART READINGS/METER CALIBRATION		21.47	16.56	20.70	20.70	20.70	20.70	20.70	0.00	20.70	41.40	0.00	0.00	203.63
0307	COMMUNICATIONS		0.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.98
0309	CONSULTING SERVICES		860.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	860.00
0311	CONTRACT OPERATOR		1,800.00	0.00	900.00	900.00	900.00	900.00	0.00	2,020.00	1,030.00	900.00	900.00	0.00	10,250.00
0315	EMULSION TRUCKING		2,925.00	2,080.00	2,080.00	2,940.00	3,280.00	1,850.00	1,040.00	2,160.00	2,160.00	1,120.00	1,740.00	0.00	22,885.00
0319	EUB ADMINISTRATIVE FEE		0.00	0.00	0.00	539.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	539.53
0324	FREIGHT		0.00	0.00	0.00	251.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	251.80
0325	FUEL & POWER		3,003.00	3,259.09	248.42	0.00	267.03	0.00	484.02	231.65	227.79	0.00	220.25	345.77	8,291.02
0328	HOT OILER / PRESSURE TRUCK		1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,300.00
0332	LEASE RENTALS - MINERAL CROWN		0.00	109.20	0.00	0.00	0.00	16.25	0.00	0.00	0.00	0.00	0.00	0.00	125.45
0333	LEASE RENTALS - MINERAL FREEHOLD		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0344	PIPELINE REPAIRS & MAINTENANCE		0.00	906.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	156.00	0.00	0.00	1,062.61
0351	ROAD & LEASE MAINTENANCE		0.00	0.00	0.00	0.00	220.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	220.00
0360	STIMULATION / TREATING		0.00	0.00	0.00	0.00	439.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	439.20
0364	TAXES, LICENCES, REGULATORY FEES		7.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.12
0374	FIELD DATA CAPTURE		0.00	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
0383	EMULSION PROCESSING/TREATING		0.00	1,410.10	1,034.90	1,036.70	1,064.70	1,068.20	467.70	934.20	1,048.60	0.00	807.50	0.00	8,912.60
0386	PROPANE		0.00	0.00	0.00	1,272.77	0.00	0.00	2,377.55	0.00	1,189.22	0.00	0.00	0.00	4,639.55
	OPERATING EXPENSE TOTALS:		10,017.57	7,782.19	4,304.02	6,267.50	5,211.63	3,865.15	4,380.08	5,345.85	5,702.60	2,965.64	3,567.75	692.42	61,146.40
MARKET TOTALS:															
	MARKET TOTALS:		4,367.17	3,986.04	-1,296.04	4,727.52	-2,844.59	1,457.71	-1,344.14	-1,385.57	-818.77	274.38	-2,713.22	692.42	5,103.31
COST CENTER: 2105063 TOTALS:															
	COST CENTER: 2105063 TOTALS:		4,367.17	3,986.04	-1,296.04	4,727.52	-2,844.59	1,457.71	-1,344.14	-1,385.57	-818.77	274.38	-2,713.22	692.42	5,103.31
REVENUE VOLUMES															
0007	OIL SALES	BELS	-139.07	-79.92	-134.67	-52.23	-189.42	-75.51	-145.99	-161.73	-159.84	-79.29	-111.38	0.00	-1,329.05
EQUIVALENT VOLUMES															
0007	OIL SALES	BOE	-139.07	-79.92	-134.67	-52.23	-189.42	-75.51	-145.99	-161.73	-159.84	-79.29	-111.38	0.00	-1,329.05
	EQUIVALENT VOLUMES TOTALS:		-139.07	-79.92	-134.67	-52.23	-189.42	-75.51	-145.99	-161.73	-159.84	-79.29	-111.38	0.00	-1,329.05
AVERAGE DAILY VOLUMES															
0007	OIL SALES	BELS/day	4.49	2.85	4.34	1.74	6.11	2.62	4.71	5.22	5.33	2.56	3.71	0.00	3.64
AVERAGE EQUIVALENT DAILY VOLUMES															
0007	OIL SALES	BOE/day	4.49	2.85	4.34	1.74	6.11	2.62	4.71	5.22	5.33	2.56	3.71	0.00	3.64
	AVERAGE EQUIVALENT DAILY VOLUMES TOTALS:		4.49	2.85	4.34	1.74	6.11	2.62	4.71	5.22	5.33	2.56	3.71	0.00	3.64

APPENDIX "C"

QUATTRO EXPLORATION & PRODUCTION LTD.

Institution: QUATTRO

NET OPERATIONS SUMMARY - By Production Period

Imperial/Excludes Capital Expenses Operated: Both Op and Non-Op, With Volumes
 Production Dates: 2017-01 to 2017-12

Cost Center: 0902001 / ABUN 25688- DONALDA UNIT

SF	Description	Units	2017-01	2017-02	2017-03	2017-04	2017-05	2017-06	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	Grand Total
REVENUE															
0005	GAS SALES		-5,121.02	-1,575.00	-5,795.51	-4,433.77	-5,086.69	-4,121.40	-3,064.22	-2,210.98	-369.94	0.00	0.00	0.00	-31,808.73
	REVENUE TOTALS:		-5,121.02	-1,575.00	-5,795.51	-4,433.77	-5,086.69	-4,121.40	-3,064.22	-2,210.98	-369.94	0.00	0.00	0.00	-31,808.73
ROYALTY INCOME															
0024	GAS ROYALTY INCOME		-18.38	-10.67	-16.05	-16.63	-18.52	-13.59	-6.07	-5.86	0.00	0.00	0.00	0.00	-105.77
	ROYALTY INCOME TOTALS:		-18.38	-10.67	-16.05	-16.63	-18.52	-13.59	-6.07	-5.86	0.00	0.00	0.00	0.00	-105.77
ROYALTIES - CROWN															
0104	GAS CROWN ROYALTY		0.00	100.94	143.80	146.24	147.87	133.49	107.17	0.00	0.00	0.00	0.00	0.00	779.51
0114	CAPITAL PROCESSING, OP DEDUCTIONS		0.00	-37.42	-1.63	-166.96	-1.92	-1.83	-1.83	-1.83	-179.98	0.00	0.00	0.00	-393.46
	ROYALTIES - CROWN TOTALS:		0.00	63.52	142.11	-20.72	145.95	131.56	105.34	-1.83	-179.98	0.00	0.00	0.00	386.05
ROYALTIES - FREEHOLD															
0124	GAS FREEHOLD ROYALTY		126.50	72.69	109.47	137.69	153.79	111.91	49.71	48.21	0.00	0.00	0.00	0.00	869.97
0131	MINERAL TAX - GAS		0.00	0.00	13.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.63
	ROYALTIES - FREEHOLD TOTALS:		126.50	72.69	123.10	137.69	153.79	111.91	49.71	48.21	0.00	0.00	0.00	0.00	883.60
ROYALTIES - GORR															
0164	GAS OVERRIDING ROYALTY		191.07	146.32	221.89	225.49	246.38	190.76	109.12	99.96	0.00	0.00	0.00	0.00	1,434.99
	ROYALTIES - GORR TOTALS:		191.07	146.32	221.89	225.49	246.38	190.76	109.12	99.96	0.00	0.00	0.00	0.00	1,434.99
OPERATING EXPENSE															
0304	CATHODIC PROTECTION / COMPLIANCE		5,620.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,620.82
0307	COMMUNICATIONS		26.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.91
0325	FUEL & POWER		1,075.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,075.98
0332	LEASE RENTALS - MINERAL CROWN		410.67	385.28	0.00	946.00	0.00	3,136.00	0.00	16.56	896.00	0.00	0.00	0.00	5,792.61
0333	LEASE RENTALS - MINERAL FREEHOLD		0.00	137.60	160.00	640.00	800.00	1,200.00	640.00	740.00	740.00	0.00	0.00	0.00	5,057.60
0335	LEASE RENTALS - SURFACE FREEHOLD		2,861.14	0.00	0.00	1,560.61	0.00	2,774.43	0.00	1,855.75	0.00	0.00	0.00	0.00	9,081.93
0344	PIPELINE REPAIRS & MAINTENANCE		0.00	161.03	0.00	154.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	335.36
0364	TAXES, LICENCES, REGULATORY FEES		195.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.08
0374	FIELD DATA CAPTURE		0.00	17.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.17
	OPERATING EXPENSE TOTALS:		10,190.60	721.09	160.00	3,300.94	800.00	7,110.43	640.00	2,644.41	1,636.00	0.00	0.00	0.00	27,203.46
MARKET TOTALS:															
			\$ 3,369.77	\$ 660.86	\$ 1,164.46	\$ 807.00	\$ 757.29	\$ 3,469.77	\$ 2,166.12	\$ 773.91	\$ 1,056.08	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,066.40
COST CENTER:0902001 TOTALS:															
			\$ 3,369.77	\$ 660.86	\$ 1,164.46	\$ 807.00	\$ 757.29	\$ 3,469.77	\$ 2,166.12	\$ 773.91	\$ 1,056.08	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,066.40
REVENUE VOLUMES															
0005	GAS SALES	MCF	-2,107.26	-711.29	-2,575.76	-1,836.03	-1,995.81	-1,936.89	-3,880.17	-1,626.31	-1,628.81	0.00	0.00	0.00	-19,299.85
0024	GAS ROYALTY INCOME	MCF	-13.13	-3.19	-13.13	-13.13	-13.13	-13.13	-13.13	-3.19	0.00	0.00	0.00	0.00	-85.16
EQUIVALENT VOLUMES															
0005	GAS SALES	BOE	-351.21	-118.55	-429.30	-305.84	-332.64	-322.82	-646.70	-271.47	-271.47	0.00	0.00	0.00	-3,050.00
0024	GAS ROYALTY INCOME	BOE	-2.19	-0.53	-2.19	-2.19	-2.19	-2.19	-2.19	-0.53	0.00	0.00	0.00	0.00	-14.20
	EQUIVALENT VOLUMES TOTALS:		-353.40	-119.08	-431.49	-308.03	-334.83	-325.01	-648.89	-272.00	-271.47	0.00	0.00	0.00	-3,064.20
AVERAGE DAILY VOLUMES															
0005	GAS SALES	MCF/day	-67.98	-25.40	-83.09	-61.17	-64.38	-64.56	-125.17	-52.54	-54.29	0.00	0.00	0.00	-50.14
0024	GAS ROYALTY INCOME	MCF/day	-0.42	-0.11	-0.42	-0.44	-0.42	-0.44	-0.42	-0.10	0.00	0.00	0.00	0.00	-0.23

Institution: QUATTRO

NET OPERATIONS SUMMARY - by Production Period
Impartial Excludes Capital Expenses Operated? Both Op and Non-Op, With Volumes
Production Dates: 2017-01 to 2017-12
Cost Center: 0902001 / ABUN 25689- DONALDA UNIT

SIF	Description	Units	2017-01	2017-02	2017-03	2017-04	2017-05	2017-06	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	Grand Total
AVERAGE EQUIVALENT DAILY VOLUMES															
0005	GAS SALES	BOE/day	-11.33	-4.23	-13.85	-10.19	-10.73	-10.76	-20.86	-8.76	-9.05	0.00	0.00	0.00	-8.36
0024	GAS ROYALTY INCOME	BOE/day	-0.07	-0.02	-0.07	-0.07	-0.07	-0.07	-0.07	-0.02	0.00	0.00	0.00	0.00	-0.04
	AVERAGE EQUIVALENT DAILY VOLUMES TOTALS:		-11.40	-4.25	-13.92	-10.26	-10.80	-10.83	-20.93	-8.78	-9.05	0.00	0.00	0.00	-8.40
REVENUE PRICES.															
0005	GAS SALES	\$/MCF	2.43	2.21	2.25	2.42	2.55	2.13	0.79	1.36	0.25	0.00	0.00	0.00	1.74
0024	GAS ROYALTY INCOME	\$/MCF	1.40	3.34	1.22	1.27	1.41	1.03	0.46	1.83	0.00	0.00	0.00	0.00	1.24
OPERATIONAL SUMMARIES															
	SALES	\$	-5,139.40	-1,555.67	-6,811.56	-4,450.40	-5,105.41	-4,134.99	-3,070.29	-2,216.84	-399.94	0.00	0.00	0.00	-31,914.50
	ROYALTIES	\$	317.57	284.63	487.10	342.46	548.12	434.33	264.17	146.34	-179.98	0.00	0.00	0.00	2,644.64
	EXPENSES	\$	10,190.60	721.08	150.00	3,300.94	800.00	7,110.43	640.00	2,844.41	1,636.00	0.00	0.00	0.00	27,203.46
	OPERATIONAL SUMMARIES TOTALS:		\$ 368.77	\$ -560.06	\$ -1,844.46	\$ -907.00	\$ -3,157.29	\$ 3,409.77	\$ -2,166.12	\$ 573.91	\$ 1,056.08	\$ 0.00	\$ 0.00	\$ 0.00	\$ -2,066.40
	SALES	(\$/BOE)	14.54	13.32	13.47	14.45	15.25	12.72	4.73	8.15	1.47	0.00	0.00	0.00	10.42
	ROYALTIES	(\$/BOE)	-0.90	-2.39	-1.13	-1.11	-1.64	-1.34	-0.41	-0.54	0.66	0.00	0.00	0.00	-0.86
	EXPENSES	(\$/BOE)	-28.84	-8.06	-0.37	-10.72	-2.39	-21.88	-0.99	-8.72	-6.03	0.00	0.00	0.00	-8.88
	NETBACK	(\$/BOE)	-15.20	4.87	11.87	2.62	11.22	-10.50	3.33	-2.11	-3.90	0.00	0.00	0.00	0.68
	CROWN ROYALTY	%	0.00	-6.37	-2.47	-3.29	-2.90	-3.23	-3.49	0.00	0.00	0.00	0.00	0.00	-2.44
	FREEHOLD ROYALTY	%	-2.46	-4.58	-2.12	-3.09	-3.01	-2.71	-1.52	-2.17	0.00	0.00	0.00	0.00	-2.58
	OTHER ROYALTIES	%	0.00	2.36	0.03	3.75	0.04	0.04	0.06	0.08	45.00	0.00	0.00	0.00	1.23
	OTHER ROYALTIES	%	-3.72	-9.35	-3.82	-5.07	-4.87	-4.61	-3.55	-4.51	0.00	0.00	0.00	0.00	-4.50
	ROYALTY RATE	%	-6.18	-17.94	-8.33	-7.70	-10.74	-10.51	-8.60	-6.60	45.00	0.00	0.00	0.00	-8.29
	EXPENSES/SALES	%	-188.28	-46.47	-2.75	-74.17	-15.67	-171.96	-20.84	-119.29	-409.06	0.00	0.00	0.00	-85.24
	EXPENSES/NET REVENUE	%	-211.34	-65.42	-3.00	-80.36	-17.55	-192.14	-22.81	-127.72	-292.11	0.00	0.00	0.00	-82.94

APPENDIX "D"

STATEMENT OF RECEIPTS AND DISBURSEMENTS
as at October 11, 2018

Receipts

Oil and gas revenue	\$ 3,796,647.03	
Sales proceeds	2,726,101.00	
Cash on hand	447,377.56	
Receiver Certificates	390,000.00	
Accounts receivable collections	125,357.28	
Miscellaneous/refunds/interest	97,958.39	
	\$ 7,583,441.26	

Disbursements

Operating costs	2,669,290.36	
Operational consultants	1,026,206.70	
Legal fees	744,943.50	
Royalties	357,471.08	
General and administrative	539,633.26	
Receiver's fees	335,073.20	
CCAA Administration Charge	204,747.12	
Property taxes and regulator payments	297,539.76	
Pre-receivership critical suppliers	124,314.00	
Capital projects	108,387.75	
Net GST	90,909.34	
Retirement of Receiver Certificates and interest	407,563.18	
Joint venture partners - net	189,500.92	
	7,095,580.17	
	487,861.09	

Less: provision for BDC pre-receivership payment claim 54,856.68

Balance \$ 433,004.41

APPENDIX "E"

Quattro Exploration and Production Ltd.
Summary of CCAA Administration Charge Claims

<u>Firm</u>	<u>Period</u>	<u>Amounts*</u>
Hardie & Kelly Inc.	Jan. 1 - Feb. 1, 2017	\$ 82,834.50
Borden Ladner Gervais LLP	Jan. 1 - 15, 2017	27,705.67
Borden Ladner Gervais LLP	Jan. 16 - 31, 2017	18,179.78
Borden Ladner Gervais LLP	Jan. 23 - Feb. 1, 2017	<u>10,863.45</u>
		56,748.90
Blake, Cassels & Graydon LLP	Jan. 1 - Feb. 2, 2017	70,487.46
Tingle Merrett LLP	Jan. 30 - Feb. 2, 2017	<u>5,640.97</u>
		<u><u>\$ 215,711.83</u></u>

*Inclusive of GST

APPENDIX "F"

Quattro Exploration and Production Ltd. - In Receivership
Summary of Professional Fees and Disbursements

	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>GST</u>	<u>PST</u>	<u>Total</u>
Hardie & Kelly Inc. Fees (Receiver & Manager)	0308	8-Mar-17	\$ 56,980.20	\$ 2,849.01	\$ -	\$ 59,829.21
	0421	21-Apr-17	44,161.00	2,208.05	-	46,369.05
	0513	13-May-17	19,316.50	965.83	-	20,282.33
	0622	22-Jun-17	25,170.00	1,258.50	-	26,428.50
	0714	14-Jul-17	20,785.00	1,039.25	-	21,824.25
	0824	24-Aug-17	15,263.00	763.15	-	16,026.15
	0915	15-Sep-17	33,378.50	1,668.93	-	35,047.43
	1012	11-Oct-17	22,887.00	1,144.35	-	24,031.35
	1104	4-Nov-17	18,565.00	928.25	-	19,493.25
	1211	20-Dec-17	16,777.00	838.85	-	17,615.85
	0125	25-Jan-18	7,579.00	378.95	-	7,957.95
	0224	24-Feb-18	11,332.00	566.60	-	11,898.60
	0322	24-Mar-18	6,943.00	347.15	-	7,290.15
	0423	23-Apr-18	7,882.00	394.10	-	8,276.10
	0510	10-May-18	10,416.00	520.80	-	10,936.80
	0709	9-Jul-18	9,784.00	489.20	-	10,273.20
	0920	20-Sep-18	7,854.00	392.70	-	8,246.70
			<u>\$ 335,073.20</u>	<u>\$ 16,753.67</u>	<u>-</u>	<u>\$ 351,826.87</u>

Legal Fees and Disbursements

Borden Ladner Gervais LLP (Alberta)

697436019	27-Feb-17	69,270.62	3,462.23	-	72,732.85	
697437426	3-Mar-17	24,005.15	1,200.26	-	25,205.41	
697443964	24-Mar-17	20,526.89	1,022.45	-	21,549.34	
697450596	12-Apr-17	31,839.69	1,591.92	-	33,431.61	
697453235	20-Apr-17	13,867.10	686.62	-	14,553.72	
697461594	16-May-17	18,987.47	949.37	-	19,936.84	
Borden Ladner Gervais LLP (Alberta)	697463286	24-May-17	17,801.54	880.09	-	18,681.63
	697466291	6-Jun-17	8,351.86	417.60	-	8,769.46
	697472263	22-Jun-17	5,578.58	278.93	-	5,857.51
	697475345	5-Jul-17	5,796.32	289.82	-	6,086.14
	697483531	24-Jul-17	17,966.37	898.33	-	18,864.70
	697489564	8-Aug-17	38,338.45	1,916.92	-	40,255.37
	697491419	21-Aug-17	37,433.65	1,863.19	-	39,296.84
	697502134	26-Sep-17	41,909.10	2,095.45	-	44,004.55
	697505121	5-Oct-17	40,801.29	2,040.06	-	42,841.35
	697513103	27-Oct-17	18,433.55	921.68	-	19,355.23
	697516820	9-Nov-17	30,128.56	1,503.93	-	31,632.49
	697522497	27-Nov-17	11,695.49	582.27	-	12,277.76
	697530064	13-Dec-17	15,368.89	767.95	-	16,136.84
	697534957	21-Dec-17	9,329.35	463.98	-	9,793.33
	697548348	31-Dec-17	30,335.66	1,516.79	-	31,852.45
	697551151	30-Jan-18	14,260.65	710.54	-	14,971.19
	697552361	7-Feb-18	16,810.40	840.52	-	17,650.92
	697557225	22-Feb-18	2,530.05	126.51	-	2,656.56
	697560680	6-Mar-18	20,235.35	1,011.77	-	21,247.12
	697574623	17-Apr-18	7,519.71	375.98	-	7,895.69
	697580478	4-May-18	17,071.37	834.14	-	17,905.51
	697594869	20-Jun-18	10,619.76	529.99	-	11,149.75
	697601410	10-Jul-18	3,295.44	164.77	-	3,460.21
	697614505	16-Aug-18	5,331.73	266.58	-	5,598.31
	697622915	14-Sep-18	4,086.65	204.33	-	4,290.98
			<u>609,526.69</u>	<u>30,414.97</u>	<u>-</u>	<u>639,941.66</u>

**Quattro Exploration and Production Ltd. - In Receivership
Summary of Professional Fees and Disbursements**

	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>GST</u>	<u>PST</u>	<u>Total</u>
McDougall Gauley LLP (Saskatchewan)						
	552907	28-Feb-17	14,897.32	743.87	721.63	16,362.82
	554838	22-Mar-17	19,649.80	982.50	974.48	21,606.78
	557083	25-Apr-17	5,699.20	284.96	341.82	6,325.98
	559337	31-May-17	676.50	33.83	40.59	750.92
	561256	29-Jun-17	10,227.35	511.37	613.62	11,352.34
	563056	31-Jul-17	23,596.20	1,179.81	1,409.22	26,185.23
	564988	31-Aug-17	53,089.28	2,654.44	3,068.10	58,811.82
	566245	26-Sep-17	11,321.29	555.26	651.60	12,528.15
	568529	30-Oct-17	5,268.90	264.95	315.54	5,849.39
	Billing Adjustment	12-Mar-18	(9,009.03)	(450.44)	(540.53)	(10,000.00)
			<u>135,416.81</u>	<u>6,760.55</u>	<u>7,596.07</u>	<u>149,773.43</u>
Total Legal Fees and Disbursements			\$ 744,943.50	\$ 37,175.52	\$ 7,596.07	\$ 789,715.09

APPENDIX "G"

Lisa C. Hiebert
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File No. 436743/000019

October 2, 2018

Jeff Decter
779 Ranchview Circle NW
Calgary, AB T3G 1B1

Daniel Harding
73 Foxboro Way
Sherwood Park, AB T8A 6B5

Leonard Van Betuw
83 Discovery Ridge Mount SW
Calgary, AB T3H 3G2

Dear Sirs:

Re: In the Matter of the Receivership of Quattro Exploration and Production Ltd. ("Quattro"), Action No. 1701-00143 (the "Receivership Proceedings")


We represent Hardie & Kelly Inc. (the "Receiver") in its capacity as the Court-appointed receiver and manager of Quattro Exploration and Production Ltd. ("Quattro") and the trustee in bankruptcy of the bankrupt estate of Quattro. We write to you in your capacity as current or former directors of Quattro.

The Receiver presently has possession of Quattro's books and records. The receivership proceedings are nearly at an end and we expect the application to have the Receiver discharged will be heard on October 25, 2018. If you have any plans or intentions with respect to Quattro's records, please let the writer or Marc Kelly know.

Please note that at the October 25, 2018 application, among other things, we will seek an order authorizing the Receiver to destroy Quattro's records if Quattro's directors do not take possession of the records, at the directors' sole cost and expense, within a reasonable time following the conclusion of the receivership proceedings.

Yours truly,

Borden Ladner Gervais LLP


Lisa C. Hiebert

cc: Hardie & Kelly Inc.
Attn: M. Kelly
(via email)

APPENDIX "H"

Marc Kelly

From: Leonard Van Betuw [expl.lvb@gmail.com]
Sent: October-11-18 11:44 AM
To: Marc Kelly; Hiebert, Lisa
Subject: Quattro - Materials
Attachments: Notice of Discharge - Hardie & Kelly as Receiver of Quattro Exploration and Production Ltd..pdf

Marc,

On behalf of the former Directors of Quattro Exploration and Production Ltd., I am in receipt of the Letter attached, dated October 2, 2018.

Upon the completion of the Receiver duties, please accept this e-mail as our request to take possession of the books, records and associated materials.

If you have any questions please do not hesitate to e-mail me at your earliest request.

Leonard B. Van Betuw