

AND UPON HAVING READ the Receivership Order dated October 29, 2016 and June 30, 2020 (together, the Receivership Order), the Report and the Affidavit of Service of Jennifer Gorrie, filed AND UPON HEARING the submissions from counsel for the Receiver and counsel for any other interested parties appearing at the hearing of this application, which occurred via : HE ([9 L G H R & R Q I H U H Q F H K D Y L Q J U H J D U G W I B p a m e n i c & R X U W ¶

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

- 1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is held to that actually given.

APPROVAL OF TRANSACTION

- 2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

- 3. Subject only to approval by the Alberta Energy H J X O E M E R G Y R e g u l a t o r ' of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the and Gas Conservation Act (Alberta) and section 18 of the Pipeline Act (Alberta) upon delivery of a 5 H F H L c e r t i f i c a t e to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the Receiver's Closing Certificate), all of the ' H E W R U ¶ V U L J K W W L W O H D Q G L Q W H U I H S c h e d u l e ¶ B D Q G W R hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all debts, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of reversion,

privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively Claims) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in Schedule C hereto (all of which are collectively referred to as the Encumbrances, which term shall not include the permitted encumbrances, caveats, interests, easements and restrictive covenants listed in Schedule D (Permitted Encumbrances))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the 5 H F H L Y H U ¶ V & O R A N D C E R T I F I E D C O P Y of this Order, together with any applicable registration fees governmental authorities including those referred to below in this paragraph F R O O H F O W E R N M E N T A U T H O R I T I E S are hereby authorized, requested and directed to accept delivery of such 5 H F H L Y H U ¶ V & O R A N D C E R T I F I E D C O P Y of this Order as though they were originals and to register such transfer interest authorizations, discharges and discharge statements of conveyances may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) \$ O E H U W D E P O S I T I O N M I N I S T R Y ¶ V K D O O D Q G L V K H U H E \ D X W K R U directed to forthwith:
 - (i) cancel and discharge those Claims including E X L O G H U V ¶ O L H Q V notices, assignments under section 426 (formerly section 177) of the Bank

Act (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and

(ii) transfer all Crown leases forming part of the Purchased Assets, if any, standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;

(b) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.
7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar

notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L 7 and notwithstanding that the appeal period in respect of this Order has not elapsed the Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.

8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place of the Purchased Assets and after delivery of the net proceeds to the Receiver, all Claims including Permitted Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale (whether or not the sale was otherwise ordered by the Court), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to pay the Debtor's debts as set out in the Schedule to the Receivership Order.
9. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title

representing or evidencing any right, title, estate, or interest in 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 interference of or by the Debtor, or any person claiming by or through or against the Debtor.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the 5 H F H L Y H U ¶ V & O R V L Q J & forthwith after delivery thereof to the Purchaser (or its nominee).
13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) D O O K X P D Q U H V R X U F H V D Q G S D \ U R O O L Q I R U P D W W R W K H ' H E W R e s p e c t t h e P u r c h a s e r (o r i t s n o m i n e e) 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 privacy of such information) to which the Debtor was entitled

MISCELLANEOUS MATTERS

14. Notwithstanding:
 - (a) the pendency of these proceedings and a declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B, as amended W K H ³ w r e s p e c t o f t h e D e b t o r a n d a n y b a n k r u p t c y o r d e r i s s u e d p u r s u a n t t o a n y s u c h a p p l i c a t i o n s ;
 - (c) any assignment in bankruptcy made in respect of the Debtor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to undertake and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or representing the application for this Order;
 - (iv) WKH 3XUFKDVHU RU WKH 3XUFKDVHU ¶ V VROLFLV
 - (b) PRVWLQJ D FRS \ RI WKL V 2UGHU RQ WKH 5HFHLYHU ¶
[https://relieffromdebt.ca/houston-oil-gas-ltd./](https://relieffromdebt.ca/houston-oil-gas-ltd/)

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal line extending to the right.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER 1901-14615

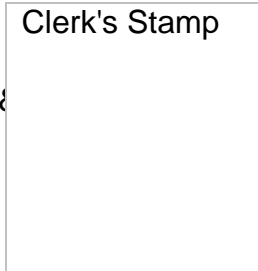
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ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ORPHAN WELL ASSOCIATION

DEFENDANT HOUSTON OIL AND GAS LTD.

DOCUMENT RECEIVER'S CERTIFICATE



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Borden Ladner Gervais LLP
1900, 520^{3rd} Avenue S.W.
Calgary, AB T2P 0R3

Attention: Robyn Gurofsky
Telephone: (403) 232774
Email: RGurofsky@blg.com

RECITALS

- A. Pursuant to an Order of the Honourable Justice Eidsvik R I W K H & R X U W R I 4 X H H Q of Alberta, Judicial District of Calgary (the "Court") dated October 29, 2019, Hardie & Kelly Inc. (as now substituted with BDO Canada Limited pursuant to an Order of the Court dated June 30, 2020) was appointed as the receiver (the "Receiver") of the undertaking property and assets of Houston Oil and Gas Ltd. (the "Debtor").
- B. Pursuant to an Order of the Court dated September 3, 2020, the Court approved the agreement of purchase and sale made as of August 2020 (the "Sale Agreement") between the Receiver and Hillary Oil Corp. (the "Purchaser") and provided for the vesting in the Purchaser of the H E W R U 1 V U L J K W W L W O H D Q G L Q W H U H V W which vesting is to be effective with respect to the Purchased Assets upon the delivery by

the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated hereon, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section * of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver [Time] on [Date].

BDO CANADA LIMITED , in its capacity as Receiver of the undertakings, property and assets of Houston Oil and Gas Ltd., and not in its personal capacity.

Per; _____

Name: Marc Kelly

Title: Senior Vice President

Schedule “B”

Purchased Assets

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein), including, without limitation, the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, described in the attachments to this Schedule “B”, but specifically excluding the Excluded Assets.

Lands and Petroleum and Natural Gas Rights

Title Documents	Lands & Petroleum and Natural Gas Rights	Vendor's Interest
Crown PNG Lease No. 0581120185	Twp. 061, Rge. 5 W6M: N 23, 27 PNG to base Cardium	25% interest in 20% non-convertible GORR on 66.6666% of production Current Operator: Jupiter Resources Inc.
Crown PNG Lease No. 058112E185	Twp. 061, Rge. 5 W6M: 26 PNG to base Cardium	25% interest in 20% non-convertible GORR on 66.6666% of production Current Operator: Harvest Operations Corp.
Crown PNG Lease No. 29572	Twp. 062, Rge. 24 W4M: SE 27, N 27, 34 PNG to base Mannville	75% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Canadian Natural Resources Limited
Crown PNG Lease No. 29573	Twp. 062, Rge. 24 W4M: SW 27 PNG to base Mannville	50% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Canadian Natural Resources Limited
Crown PNG Lease No. 0487030067	Twp. 062, Rge. 23 W4M: 3 PNG to base Mannville	60% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Paramount Resources Ltd.
Crown PNG Lease No. 0486060255	Twp. 059, Rge. 22 W4M: 9 PNG to base Mannville	100% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Paramount Resources Ltd.

Title Documents	Lands & Petroleum and Natural Gas Rights	Vendor's Interest
Crown PNG Lease No. 0177060013	Twp. 045, Rge. 6 W5M: 15, 16 PNG to base Belly River	20% interest in 15% non-convertible GORR on 100% of production Current Operator: Taqa North Ltd.
Crown PNG Lease No. 0599060353	Twp. 079, Rge. 10 W6M: 25 PNG to base Bluesky-Bullhead	50% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Longshore Resources Ltd.
Crown PNG Lease No. 0595010316	Twp. 079, Rge. 10 W6M: 26 PNG to base Cretaceous	50% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Longshore Resources Ltd.
Crown PNG Lease No. 0598010330	Twp. 079, Rge. 10 W6M: 30 PNG below base Baldonnel to base Charlie Lake	100% interest in 5-15% Sliding Scale GORR on 25% of production Current Operator: Return Energy Inc.
Crown PNG Lease No. 0483120143	Twp. 014, Rge. 18 W4M: NE 15 PNG to base Mannville excluding 100/7-15-14-18W4/00 wellbore	37.5% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: SanLing Energy Ltd.
Crown PNG Lease No. 0485040018	Twp. 012, Rge. 14 W4M: N 32 PNG to base Arcs	100% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: SanLing Energy Ltd.
Crown PNG Lease No. 5495040111	Twp. 054, Rge. 10 W5M: 28 PNG to base Nordegg	100% interest in 5% non-convertible GORR on 30% of production Current Operator: Venturion Oil Limited
Crown PNG Lease No. 0579090085	Twp. 054, Rge. 12 W5M: E 25 PNG to base Rock Creek	100% interest in 10% non-convertible GORR on 100% of production Current Operator: Journey Energy Inc.

Title Documents	Lands & Petroleum and Natural Gas Rights	Vendor's Interest
Crown PNG Lease No. 5300030092	Twp. 019, Rge. 19 W4M: SW 10 PNG to base Medicine Hat	50% interest in 5-15% Sliding Scale GORR on 100% of production Current Operator: Canadian Natural Resources Limited
Crown PNG Lease No. 29776	Twp. 015, Rge. 16 W4M: 16, LSD 7,8,11,14 SEC 17, NE 17, S 20, LSD 4 SEC 21 PNG to base Mannville	100% interest in 5% non-convertible GORR on 100% of production Current Operator: Canadian Natural Resources Limited

Schedule “C”

Claims

“**Claim**” means any claim, demand, lawsuit, proceeding or arbitration, or any investigation by a Governmental Authority, pertaining to the Assets (as defined in the Sale Agreement), in each case whether asserted, threatened, pending or existing.

Schedule “D”

Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all encumbrances, overriding royalties and other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule “A”;
- (ii) any Preferential Purchase Rights or any similar restriction applicable to any of the Assets;
- (iii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties (including reassessments) to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor’s interest in any of the Title Documents;
- (iv) the right reserved to or vested in any grantor, Governmental Authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
- (v) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (vi) and any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
- (vii) taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;
- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than 30 days’ notice (without an early termination penalty or other like cost);
- (ix) any obligation of Houston to hold any right or interest in and to any of the Assets in trust for Third Parties;

- (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
- (xi) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Houston's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
- (xii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
- (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
- (xv) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
- (xvi) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets.