

Affidavit of Grant Aulden Bartlett
Sworn June 21, 2010

Action No. 1001-02216

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF DARIAN RESOURCES LTD.
AND BOWVIEW PETROLEUM INC.**

**AND IN THE MATTER OF SECTION 193 OF
THE ALBERTA *BUSINESS CORPORATIONS ACT*,
R.S.A. 2000, c. B-9**

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING DARIAN
RESOURCES LTD., BOWVIEW PETROLEUM INC., BIDCO, AND HOLDERS OF
COMMON SHARES OF DARIAN RESOURCES LTD.**

**AFFIDAVIT
(Stay Extension to July 5, 2010)**

I, **Grant Aulden Bartlett**, businessman, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY AS FOLLOWS:

Background

1. I am the President and Chief Executive Officer of both Darian Resources Ltd. ("Darian") and Bowview Petroleum Inc. ("Bowview") (collectively referred to as the "Darian Group") and, as such, I have personal knowledge of the facts hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.
2. All capitalized terms not defined herein shall take the meaning given to them in the prior orders granted in these proceedings and in the prior affidavits sworn by me in these proceedings.

3. On February 12, 2010, the Honourable Madam Justice B.E.C. Romaine granted an Order (the "Initial Order") declaring Darian and Bowview to be corporations to which the *Companies' Creditors Arrangement Act* (the "CCAA") applies, granting various other relief and appointing Hardie & Kelly Inc. as Monitor (the "Monitor") of the Darian Group in the CCAA proceedings. Under the terms of the Initial Order, a Stay Period (as defined in the Initial Order) ending February 20, 2010 was established.
4. The Stay Period has been extended pursuant to prior Orders, the most recent of which extended the Stay Period to June 25, 2010.

Status Update

5. Since swearing my Affidavit of June 1, 2010, the Darian Group has made further significant progress in pursuing its restructuring plan. The following material events have taken place:
 - (a) in accordance with its obligations under the Arrangement Agreement with the Pre-Emptive Bidder, Darian obtained an Interim Order on June 4, 2010 directing it to call a meeting of its shareholders to consider a Plan of Arrangement pursuant to s. 193 of the *Business Corporations Act* (Alberta) (the "ABCA Plan of Arrangement"). Darian believes that 100% of its shareholders will shortly pass a resolution approving the ABCA Plan of Arrangement, thus eliminating the need for holding a meeting;
 - (b) Darian obtained a Creditors' Meeting Order on June 4, 2010 directing it to call a meeting of its creditors to vote on the CCAA Plan of Arrangement filed in these proceedings on June 1, 2010. The Creditors' Meeting is scheduled to be held on June 28, 2010;
 - (c) Darian and EnCana Corporation have continued negotiating the Lease Issuance, Seismic and Drilling Amending Agreements with respect to the EnCana Farm In, and Darian expects such agreements to be signed early this week;
 - (d) the Darian Group and the Monitor continue to attend to the Claims Process created by the Claims Process Order of March 17, 2010. The deadline for filing

Notices of Motion with the Court of Queen's Bench of Alberta has passed and the Darian Group has received seven Notices of Motion respecting Disputed Claims totalling approximately \$800,000. Darian is engaged in negotiations with most of the parties that filed a Notice of Motion. Disputed Claims which remain unresolved will be scheduled for hearings on June 24, 2010;

- (e) The balance of the Scollard Funds continue to be held in a segregated account with Alberta Treasury Branches; and
- (f) The Darian Group have been in constant contact with the Monitor, the Independent Committee and the Shaw Family Group. Weekly conference calls attended by the Shaw Family Group, the Darian Group, the Monitor and Peters & Co. Limited are held.

Future Steps

6. The remaining future steps to be taken in these proceedings are as follows:

DATE	ITEM
June 28, 2010	Meeting of Creditors of the Darian Group
June 28, 2010	Meeting of the Shareholders of Darian (if necessary)
July 2, 2010	Application for approval of ABCA Arrangement
July 2, 2010	Application for Final Sanction Order of CCAA Plan
July 5, 2010	Plan Implementation date and deal with Pre-Emptive Bidder closes

7. The above provisional time line is subject to change, but it is the intention of the Darian Group to strive to achieve the Plan Implementation Date on July 5, 2010.

Stay Extension

8. Attached hereto and marked as **Exhibit "A"** is a statement showing the actual financial performance of the Darian Group for the period May 1 – June 13, 2010. The statement shows that there was a negative net cash flow of approximately \$353,000 which compares to a forecasted cash flow deficit of approximately \$1.7 Million over the equivalent period, as set out in the cash flow projection attached as Exhibit "A" to the Affidavit sworn by Lyle Furber on May 7, 2010. The principal reasons resulting in the variance are as follows:

- (a) A positive variance of approximately \$1 Million was experience in respect of operating costs. This is the result of continued timing differences but also the result of a permanent reduction in operating costs since the commencement of the CCAA proceedings such that the forecasted figures based on historical results have proved to be conservative;
- (b) Non-essential repairs and maintenance have been deferred with a view to conserving cashflow.

9. Attached hereto and marked as **Exhibit "B"** are updated cash flow projections for the period commencing June 14, 2010 and ending July 5, 2010 the projected date of Plan Implementation. The cash flow projections have been discussed with the Monitor, who has not expressed any concerns with them.


10. The updated cash flow projections indicate that the Darian Group will experience an operating deficit of approximately \$982,000 over the above noted period. It however, is not anticipated that Darian will have to utilize any of the authorized Scollard Share proceeds. The Darian Group have acted, and are continuing to act, in good faith and with due diligence in these proceedings.

11. In light of the foregoing, the Darian Group request an extension of the Stay Period up to and including July 5, 2010.

12. I swear this Affidavit in support of an application seeking and order, *inter alia*, extending the Stay Period to July 5, 2010.

SWORN BEFORE ME at the City of)
 Calgary, in the Province of Alberta, this 21)
 day of June, 2010.)


 GRANT AULDEN BARTLETT


 A Commissioner for Oaths in and for the)
 Province of Alberta)
 MATTHEW LUI)
 STUDENT-AT-LAW)

THIS IS EXHIBIT "A"
referred to in the Affidavit of
GRANT AULDEN BARTLETT
Sworn before me this 21
day of JUNE, A.D. 2010.


A Commissioner for Oaths in and
for the Province of Alberta

MATTHEW LUI
STUDENT-AT-LAW

Darian Resources Ltd. and Bowview Petroleum Inc.
Actual Cash Flow - Consolidated
(unaudited)
May 1 - Jun 13, 2010
Submitted on June 18, 2010

	<u>Actual</u>
<u>RECEIPTS</u>	
Petroleum and natural gas revenues	1,182,942
Royalties	(179,414)
	<u>1,003,528</u>
GST Refund	-
Subtotal	<u>1,003,528</u>
<u>DISBURSEMENTS</u>	
Operating Costs	(479,539)
Itemized repairs and maintenance	-
Contract Field Operators	(11,810)
Capital expenditures	-
Payroll	
Employees & benefits	(169,306)
Consultants	(13,166)
Lease payments	
Premises	(44,002)
Operating	(10,188)
Land & mineral lease rentals	(96,780)
General & administrative	(40,273)
Insurance	(40,515)
Bank interest and fees	(23,227)
Professional fees	(87,360)
Restructuring costs	(340,759)
Subtotal	<u>(1,356,925)</u>
NET CASH FLOW (DEFICIT)	<u>(353,397)</u>
OPENING CASH	1,657,519
Restricted Funds	-
CLOSING CASH	<u>1,304,122</u>

THIS IS EXHIBIT "B"
referred to in the Affidavit of
GRANT AULDEN BARTLETT
Sworn before me this 21
day of JUNE, A.D. 2010.



A Commissioner for Oaths in and
for the Province of Alberta

MATTHEW LUI
STUDENT-AT-LAW

Darian Resources Ltd. and Bowview Petroleum Inc.
Projected Cash Flow - Consolidated
(unaudited)
Submitted on June 18, 2010

	Notes	Week Beginning				TOTAL
		Fcst 14-Jun-10	Fcst 21-Jun-10	Fcst 28-Jun-10	Fcst* 05-Jul-10	
RECEIPTS						
Petroleum and natural gas revenues	1		930,017			930,017
Royalties	1		(109,886)			(109,886)
Subtotal		-	820,131	-	-	820,131
DISBURSEMENTS						
Operating Costs	2	(110,880)	(110,880)	(110,880)	(544,340)	(876,980)
Itemized repairs and maintenance	2	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)
Contract Field Operators	2	(12,000)	(12,000)	(12,000)	(12,000)	(48,000)
Capital expenditures	3	-	-	(70,000)	-	(70,000)
Payroll						-
Employees & benefits	4	(69,555)		(93,227)	-	(162,782)
Consultants	4	(5,500)	(5,500)	(5,500)	(5,500)	(22,000)
Lease payments						-
Premises	5	-	-	(72,398)	-	(72,398)
Operating	5	-	-	(5,094)	-	(5,094)
Land & mineral lease rentals	5	(90,217)	-	-	-	(90,217)
General & administrative	6	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)
Insurance	7	-	-	-	-	-
Bank interest and fees	8	(5,245)	(5,245)	(5,245)	(749)	(16,484)
Professional fees	9	-	(44,000)	(115,000)	-	(159,000)
Restructuring costs	10	(60,000)	(60,000)	(60,000)	(60,000)	(240,000)
Subtotal		(363,397)	(247,625)	(559,344)	(632,589)	(1,802,955)
NET CASH FLOW (DEFICIT)		(363,397)	572,506	(559,344)	(632,589)	(982,824)
OPENING CASH		1,304,122	940,725	1,513,232	953,888	1,304,122
From Restricted Funds	11	-	-	-	-	-
CLOSING CASH		940,725	1,513,232	953,888	321,298	321,298
RESTRICTED OPENING CASH		4,206,175	4,206,175	4,206,175	4,206,175	4,206,175
To Current Account	11	-	-	-	-	-
RESTRICTED CLOSING CASH		4,206,175	4,206,175	4,206,175	4,206,175	4,206,175

Notes:

- * Represents one day only due to final day of CCAA Protection.
- 1. Revenues (net of transportation charges) and royalties have been estimated based on recent historical results and estimated pricing.
- 2. Operating costs have been estimated based on recent historical operations with anticipated projects and contains an accrual due to lag related to vendor invoicing for May.
- 3. Capital expenditures related to installation of a pumpjack for 13-21 tie-in if required.
- 4. It is assumed that wages, benefits and consulting fees will continue to be paid in the ordinary course.
- 5. It is assumed lease obligations will be paid in the ordinary course.
- 6. Estimated general and administrative costs based on recent historical costs.
- 7. Existing insurance policy for Property, Operators Extra Expense and Boiler and Machinery and Directors' and Officers' Insurance.
- 8. Includes interest obligations (under existing terms) to secured lender and bank fees. All other debt interest obligations will continue to be accrued.
- 9. Blake Cassels Graydon LLP for ERCB Board Hearing legal fees and KMPG audit and tax fees.
- 10. Costs associated with restructuring including those of the company's legal counsel, the Monitor and counsel for the Monitor, and legal counsel for the Independent Committee.
- 11. Restricted funds represents the proceeds from the sale of the Scollard shares and the selected P&NG assets.

Action No.: 1001-02216

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ALBERTA

JUDICIAL DISTRICT OF CALGARY

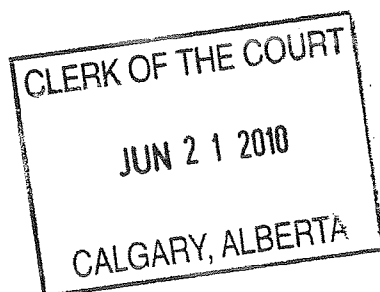
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AFFIDAVIT OF
GRANT AULDEN BARTLETT
SWORN JUNE 21, 2009
(Stay Extension to July 5, 2010)



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File No. 438585-000001