

I hereby certify this to be a true copy of  
the original Order  
Dated this 25 day of FEB, 2010  
Burns  
for Clerk of the Court  
Action No.: 1001-02216

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

IN THE MATTER OF THE COMPANIES' CREDITOR ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, as amended

AND IN THE MATTER OF DARIAN RESOURCES LTD.

AND IN THE MATTER OF BOWVIEW PETROLEUM INC.

BEFORE THE HONOURABLE ) AT THE LAW COURTS IN THE CITY OF  
MADAM JUSTICE B.E.C. ROMAINE ) CALGARY, IN THE PROVINCE OF  
IN CHAMBERS ) ALBERTA, THIS 19<sup>th</sup> DAY OF FEBRUARY,  
) 2010  
)

**ORDER**

**(Re: Advice and Directions and Redeeming ATB Security)**

UPON the application by Notice of Motion (the "Redemption Application") of SJ Capital Corp., S.P.L.H. Investments Ltd., Julmar Holdings Ltd. And Shawana Estates Ltd. (collectively, "SFG"); AND UPON having read the Affidavit of Gary Goetsch sworn February 17, 2010 (the "Redemption Affidavit"); AND UPON the application by Notice of Motion (the "Advice and Directions Application") of Alberta Treasury Branches ("ATB") for advice and directions; AND UPON having read the Affidavit of James W. Hamblin sworn February 18, 2010 (the "Advice and Directions Affidavit") AND UPON hearing counsel for SFG, Darian Resources Ltd. ("Darian"), Bowview Petroleum Inc. ("Bowview"), ATB, KYAL Energy Inc., Hardie & Kelly Inc., the Court-appointed Monitor of Darian and Bowview, LXL Consulting Ltd., and counsel to certain shareholders; AND UPON noting that service of the Redemption Application was effected as set forth in the Affidavit of Gail Wheatley sworn February 18, 2010; AND UPON noting that service of the Advice and Directions Application was effected as set forth in the Affidavit of Carole J. Hunter sworn February 22, 2010 (collectively, the "Affidavits of Service");

AND UPON dismissing the application by Darian and Bowview Petroleum Inc. (the "Applicants") for an adjournment of the Redemption Application and the Advice and Directions Application,

**IT IS HEREBY ORDERED AND DECLARED THAT:**

***Service***

1. Service of notice of the Redemption Application and the Advice and Directions Application and all supporting materials, is deemed good and sufficient as set out in the Affidavits of Service; and the time therefore is abridged to the time actually given.

***Disposition of the Redemption Application and the Advice and Directions Application***

2. The Advice and Directions Application is hereby disposed of in accordance with the terms of this Order.

3. The Assignment Demand and the Assignment (as those terms are defined in the Advice and Directions Affidavit) are not stayed by the stay of proceedings provided for in the Initial Order granted in the within proceedings on February 12, 2010.

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4. The Redemption Application is hereby granted as provided for herein.

***Payout of the ATB Credit Agreement and Assignment of the ATB Security***

5. With a view to closing the assignment transaction (the "Transaction") on Thursday, February 25, 2010, ATB shall produce to counsel for SFG by noon on Tuesday, February 23, 2010 a preliminary payout statement in a form acceptable to SFG for the monies advanced under the ATB Credit Agreement (as defined in the Redemption Affidavit), including the outstanding balance (after application of any funds received as partial repayment) and accrued and estimated costs and interest (the "Payout Amount"). Further, on the closing date of the Transaction (the "Closing Date") and prior to the closing of the Transaction (the "Closing") ATB shall deliver a final payout statement to counsel for SFG as to the Payout Amount excluding any accounting regarding the ISDA (as defined in the Advice and Directions Affidavit) as at the Closing Date (the "Payout Amount Excluding ISDA"). As part of Closing of the Transaction, to the extent termination of the ISDA results in: (a) an ISDA balance in favour of the Applicants, ATB shall

apply the same to the Payout Amount Excluding ISDA with the balance to be paid by SFG to ATB on Closing; or (b) monies being owed by the Applicants to ATB, then SFG shall pay all such monies to ATB on Closing together with the Payout Amount Excluding ISDA.

6. The form of the assignment (the "Assignment") shall be agreed upon by SFG and ATB by 5:00 p.m. on Wednesday, February 24, 2010 or by such later date as may be otherwise agreed by the parties, failing which the parties shall appear before this Honourable Court on Thursday, February 25, 2010 at 3:00 o'clock in the afternoon for further directions. The Assignment may name as assignee, a nominee of SFG, and once agreed upon, shall be submitted to counsel for the Applicants and counsel for the Monitor for review but not approval.

7. As contemplated by the Assignment, SFG shall: (i) arrange for a letter of credit in the amount of \$5,700,857.38 to be issued by The Toronto-Dominion Bank for the benefit of ATB (the "**Backstop LC**"), with the Backstop LC to be held by ATB to reimburse ATB in respect of any drawings under the letter of guarantee in the original amount of \$10,000,000 (the "**Original LC**") issued by ATB for the benefit of Encana Corporation ("**Encana**"); and (ii) thereafter use reasonable commercial efforts to promptly arrange for the issuance of a replacement letter of credit (the "**Replacement LC**") in favour of Encana in the amount of the Original LC. The Replacement LC shall be in a form acceptable to Encana so as to facilitate Encana to continue to do business with Darian as it has done so in the past, based on the Original LC. Each of the Backstop LC and the Replacement LC shall be deemed to be issued under the ATB Credit Agreement, Darian shall be liable for and shall indemnify SFG or its nominee for all draws under each of the Backstop LC and the Replacement LC on and subject to the terms, conditions and provisions in the indemnity agreement entered into by Darian and ATB (the "**Indemnity Agreement**") on September 29, 2008 with respect to the Original LC, *mutatis mutandis*. The indebtedness, liabilities and obligations of Darian to indemnify SFG or its nominee for any draws under each of the Backstop LC and the Replacement LC in accordance with the Indemnity Agreement, shall be secured by the ATB Security.

8. The Closing shall occur as soon as reasonably practicable and upon and under appropriate trust conditions, and concurrently, ATB shall deliver to counsel for SFG a copy of the documents evidencing the security interests ATB has in relation to the ATB Credit Agreement (the "ATB Security") and assign the ATB Credit Agreement and the ATB Security.

Upon Closing, the assignment shall be effective, subject always to the terms of the Initial Order, the Order (Re: Advice and Directions) of this Honourable Court granted February 19, 2010 and filed February 22, 2010 and any further Orders which may be granted in this action which may affect such rights, provided ATB is provided with notice of any applications for any such further Orders.

**Miscellaneous**

9. SFG shall serve, by courier, telecopy transmission, e-mail transmission, or ordinary post, a copy of this Order on all parties present at this application and on all parties who received notice of this application or who are presently on the service list established in these proceedings.

"B.E.C. Romaine"

J.C.Q.B.A.

**APPROVED BY:**

Fraser Milner Casgrain LLP  
Counsel for SFG

"D. LeGeyt"

Per: David LeGeyt

**APPROVED BY:**

Osler, Hoskin & Harcourt LLP  
Counsel for Alberta Treasury Branches

"C Nicholson"

Per: Christa Nicholson

**APPROVED BY:**

Borden Ladner Gervais LLP  
Counsel for Darian Resources Ltd. and  
Bowview Petroleum Inc.

"J. Kruger"

Per: Josef G.A. Kruger, Q.C.

**APPROVED BY:**

Bennett Jones LLP  
Counsel for the Monitor, Hardie & Kelly Inc.

"Chris Simard"

Per: Chris Simard

ENTERED this 25 day of  
February, 2010

K. MCAUSLAND



CLERK OF THE COURT

Action No. 1001-02216

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ALBERTA  
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**BETWEEN:**

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CLERK OF THE COURT

FEB 25 2010

CALGARY, ALBERTA

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**ORDER**

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**FRASER MILNER CASGRAIN LLP**

Barristers and Solicitors

15th Floor

Bankers Court

850 – 2nd Street S.W.

Calgary, AB T2P 0R8

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