

**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 IN THE MATTER OF BOWVIEW PETROLEUM INC.

ORIGINATING NOTICE

TAKE NOTICE that an application will be made by Darian Resources Ltd. and Bowview Petroleum Inc. (hereinafter collectively referred to as the "Company") before the Honourable Madam Justice B.E. Romaine in chambers, at the Calgary Courts Centre in the City of Calgary, in the Province of Alberta on Friday, February 12, 2010 at 3:00 p.m. o'clock in the forenoon, or so soon thereafter as counsel may be heard, of an application on the part of the Company for the following relief:

1. An Order abridging the time given for notice of this application to the time actually given and deeming service on the parties served good and sufficient;
2. An Order declaring that the Company is a "debtor company" to which the *Companies Creditors Arrangement Act*, R.S.C. 1985, C. c-36, as amended (the "CCAA") applies;
3. An Order stating that all proceeding and remedies taken or that might be taken in respect of the Company or any of its property, except as otherwise set forth in the Initial Order or as otherwise permitted by law;
4. An Order authorizing the Company to carry on its business in the manner consistent with the preservation of its property and to make certain payments in connection with its business and the proceedings under the CCAA;
5. An Order appointing Hardie & Kelly Inc. as monitor of the Company in the CCAA proceedings;
6. An Order permitting the Company to file with this Honourable Court a plan or plans of compromise or arrangement between the Company and its creditors;
7. Such further and other relief as to this Honourable Court seems just;

all substantially in the form of Order attached as Schedule "A" hereto.

AND FURTHER TAKE NOTICE that the grounds to be argued in support of this application are as follows:

1. The Company is a “debtor company” within the meaning of the CCAA;
2. The circumstances which exist, as more particularly described in the Affidavit of Grant Aulden Bartlett on February 11, 2010, make an Order sought by the Company appropriate;
3. The Company intends to propose a plan of arrangement or compromise between the Company and its creditors;
4. The making of the Order sought by the Company will facilitate the development and submission of a plan of arrangement or compromise between the Company and its creditors;
5. The CCAA and the inherent jurisdiction of this Honourable Court grant this Honourable Court the authority to grant the Order requested; and
6. Such other grounds as counsel may advise and this Honourable Court may permit.

AND FURTHER TAKE NOTICE that the Company will rely upon and refer to the provisions of the CCAA, the Alberta Rules of Court and such further or other Statutes or Rules as counsel may advise.

1. The Originating Notice;
2. The Affidavit of Grant Aulden Bartlett sworn February 11, 2010;
3. Draft Initial Order;
4. Consent of Hardie & Kelly Inc. to act as Monitor; and
5. Such further and other material as counsel may advise and this Honourable Court may allow.

THIS ORIGINATING NOTICE was taken out by Borden Ladner Gervais, LLP, Barristers and Solicitors, 1000, 400 – 3rd Avenue SW., Calgary, Alberta T2P 4H2, solicitors for the Company, whose address for service is in care of its said solicitors.

DATE AND ISSUED out of the office of the Clerk of the Court of Queen’s Bench of Alberta, Judicial District of Calgary, this 11th day of February, 2010.

CLERK OF THE COURT

SCHEDULE "A"

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE 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 IN THE MATTER OF
BOWVIEW PETROLEUM INC.**

BEFORE THE HONOURABLE)	AT THE CALGARY COURT CENTRE,
)	
MADAM/MR. JUSTICE *)	IN THE CITY OF CALGARY, IN THE
)	
IN CHAMBERS)	PROVINCE OF ALBERTA, ON THE *
)	
)	DAY OF FEBRUARY, 2010

INITIAL ORDER

UPON the application of Darian Resources Ltd. ("Darian") and Bowview Petroleum Inc. ("Bowview") (the "Applicants"), **AND UPON** having read the Originating Notice, the Affidavit of Grant A. Bartlett; and the Affidavit of Service of Kelly-Anne Perrault, filed; **AND UPON** being satisfied that all parties entitled to notice of the application for this Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") have been given such notice; **AND UPON** reading the consent of Hardie & Kelly Inc. to Act as Monitor and upon noting that Alberta Treasury Branches, SFG Investments Ltd., SJ Capital Corp., Shawana Estates Ltd., SPLH Investments Ltd., Shaw Family Group (the "Shaw Companies") and KYAL Energy Inc. have been provided notice of this application; **AND UPON** hearing counsel for the Applicants and the Shaw Companies; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and this application is properly returnable today.

APPLICATION

2. Darian and Bowview are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan") in accordance with the CCAA.

POSSESSION OF PROPERTY AND OPERATIONS

4. The Applicants shall:
 - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property");
 - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property; and
 - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:
 - (a) Monthly payments of interest to ATB;
 - (b) all outstanding and future wages, salaries, amounts owing to production accounting consultants, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.
 - (d) with the consent of the Monitor for any payments of \$100,000 or less, all reasonable expenses incurred by the Applicants and payment of which is necessary for the preservation of the Property or the Business, and with approval by the Court for payments in excess of \$100,000.

6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

7. The Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan, and
- (iv) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

8. Until such time as the Applicants disclaims or resiliates a real property lease in accordance with the CCAA, the Applicants may pay all amounts constituting rent or

payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Order, the Applicants is hereby directed, until further order of this Court:
 - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of the date of this Order;
 - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
 - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. The Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate (or in excess of these amounts, by order of this Court);
 - (b) terminate the employment of such of their employees or temporarily lay off such of their employees as it deems appropriate on such terms as may be agreed upon

between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;

- (c) disclaim or resiliate, on notice given in the prescribed form, any agreement to which the Company is a party on the date of this Order; and
- (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

11. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
12. If a lease is disclaimed or resiliated by the Applicants in accordance with section 32 of the CCAA, then:
 - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during

normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

- (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

- 13. Until and including March 11, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

- 14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on;
 - (b) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment;
 - (c) prevent the filing of any registration to preserve or perfect a security interest; or
 - (d) prevent the registration of a claim for lien.
15. In particular, and without limiting the generality of the foregoing, Persons having operating agreements, joint venture agreements, unit agreements, partnership agreements, transportation agreements, marketing agreements, processing agreements, aggregation agreements, delivery agreements or similar arrangements and lessors of real property and interests in mines and minerals of any nature or kind whatsoever, are hereby restrained from accelerating, terminating, suspending, modifying or cancelling any such agreements or terminating or amending any operatorship rights of the Applicants without leave of this Court.
16. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicants

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

19. Notwithstanding anything else contained in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. The Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature referred to in subparagraphs 6(a), 7(a), 7(b) and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.
22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 herein.
23. Notwithstanding any language in any applicable insurance policy to the contrary:
- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

- (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

- 24. Hardie & Kelly Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of their powers and discharge of their obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

- 25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;

 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;

 - (c) assist the Applicants, to the extent required by the Applicants, in their dissemination to any DIP Lender and its counsel (should Interim Finance be required by the Applicants and be approved by the Court during the course of these proceedings) on a monthly basis of financial and other information as

agreed to between the Applicants and the DIP Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the DIP Lender;

- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) advise the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this

Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

27. The Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
28. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
29. The Monitor, counsel to the Monitor, Borden Ladner Gervais LLP as counsel to the Applicants, and counsel to the Independent Committee of the Board of Directors of Darian (the "Independent Committee") shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, incurred both before and after the making of this order in respect of these proceedings, general corporate and insolvency matters, the Plan and Restructuring as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants, and counsel to the Independent

Committee on a monthly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicants, and counsel to the Independent Committee retainers in the respective amounts of \$50,000 (Monitor and counsel to the Monitor), \$100,000 (counsel to the Applicants) and \$50,000 (counsel to the Independent Committee) to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. The Monitor and its legal counsel shall pass their accounts from time to time.
31. The Monitor, counsel to the Monitor, if any, the Applicants' counsel, and counsel to the Independent Committee as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$450,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 hereof.

VALIDITY AND PRIORITY OF CHARGES

32. The priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$450,000); and

Second - Directors' Charge (to the maximum amount of \$250,000).

33. The filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. Each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.
35. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge and the Administration Charge, unless the Applicants also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further order of this Court.
36. The Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by the Applicants of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges;
 - (iii) the payments made by the Applicants pursuant to this order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law; and
- (f) the appointment of a Receiver of any or all of the assets of the Applicants.

ALLOCATION

37. Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Administration Charge and the Directors' Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

38. The Monitor shall:
- (a) without delay, publish in the Edmonton Journal and the Calgary Herald a notice containing the information prescribed under the CCAA;
 - (b) within five days after the date of this Order, (A) make the Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of

those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

39. The Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicants' creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may post a copy of any or all such materials on its website at www.insolvency.net, which shall be established for informational purposes.

MCC FUNDS

40. Upon express written request by Darian to MCC Fund Management Inc. ("MCC") to release the funds held by MCC pursuant to a Declaration of Trust dated December 29, 2009, MCC is hereby authorized and directed to pay such funds to the Monitor (the "MCC Funds").
41. The Monitor is directed to receive and hold the MCC Funds in trust for Darian and to release such money to Darian at Darian's written request for payments of any amounts which Darian is permitted to pay in accordance with the terms of this order, including any amounts secured by the Administration Charge, provided the Monitor is satisfied that such request is reasonable and appropriate. Should Darian and ATB come to an agreement pursuant to which ATB will allow Darian to operate a banking account at ATB into which the MCC Funds may be paid and used while the Applicants are being restructured, the Monitor will pay the MCC Funds into such account and ATB, provided the Monitor approves of the terms agreed upon between Darian and ATB.

42. The Monitor is authorized, upon receipt by it of the MCC Funds, to pay the MCC Funds retainers to the Monitor and its counsel, and to counsel for the Independent Committee in the amounts set out in paragraph 29 above.

GENERAL

43. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
44. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.
45. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.
46. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
47. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

48. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
49. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

J.C. C.Q.B.A.

ENTERED this ____ day of
February, 2010.

Clerk of the Court

No:

2010

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE 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 IN THE MATTER OF BOWVIEW
PETROLEUM INC.

INITIAL ORDER

BORDEN LADNER GERVAIS LLP
Barristers & Solicitors
1000-400-3 Avenue SW
Calgary, AB T2P 4H2

JOSEF G.A. KRÜGER, Q.C.
Telephone: (403) 232-9563
Fax: (403) 266-1395

File No: #438585-000001

TO: THE RESPONDENTS:

Alberta Treasury Branches,
KYAL Energy Inc.,
S.J. Capital Corp.,
S.P.L.H. Investments Ltd.,
Julmar Holdings Ltd. and
Shawana Estates Ltd.

You are hereby notified that if you do not attend either in person or by Counsel before the said Court at the time and place mentioned within, the relief asked for herein may be obtained in your absence or such relief as according to the practice of this Court the Applicants may be entitled to, without further notice to you.

This Originating Notice is issued by the Solicitors for the Applicants whose name and address for service is:

c/o Borden Ladner Gervais LLP
Barristers and Solicitors
1000, 400 Third Avenue S.W.
Calgary, AB T2P 4H2

The Respondents place of business so far as is known to the Applicants is Calgary, Alberta.

Action No.: _____

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 IN THE MATTER OF BOWVIEW
PETROLEUM INC.**

ORIGINATING NOTICE

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
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Calgary, AB T2P 4H2

ATTENTION: JOSEF KRUGER
Telephone: (403) 232-9563
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file no.: 438585-01