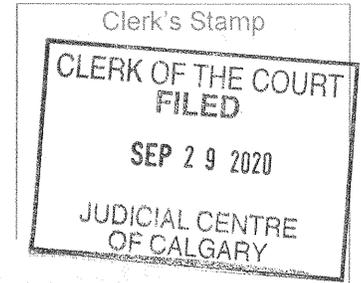


COURT FILE NUMBER 1701-05784
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT ATB FINANCIAL
RESPONDENTS FORENT ENERGY LTD. AND 1883222 ALBERTA INC.



DOCUMENT NOTICE OF APPLICATION OF RECEIVER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone 403-351-2921
Facsimile 403-648-1151

File No. 25614-25

Attention: Jeffrey Oliver/Danielle Marechal

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: Tuesday October 6, 2020
Time: 11:00 AM
Where: Calgary Law Courts – Via Webex
Before Whom: The Honourable Justice R.A. Neufeld – Commercial List

Go to the end of this document to see what you can do and when you must do it.

Remedy claimed or sought:

1. An Order substantially in the form of Schedule "A" hereto:
 - (a) if necessary, abridging the time for service of this Application and supporting Fifth Report (the "**Report**") of Grant Thornton Limited ("**GTL**") in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of Forent

Energy Ltd ("**Forent**") and 1883222 Alberta Inc. ("**188**" and collectively Forent and 188 are referred to as the "**Debtors**") and declaring service to be good and sufficient;

- (b) approving the accounts of the Receiver for fees and disbursements as set out in the Report, without the necessity of a formal passing of accounts;
- (c) approving the accounts of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, for fees and disbursements as set out in the Report, without the necessity of a formal passing of accounts;
- (d) approving and ratifying the activities of the Receiver, including the Statement of Receipts and Disbursements as attached to the Report, provided that only the Receiver, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize such approval;
- (e) declaring that the Receiver is authorized to make a final distribution as outlined in paragraphs 10-12 below;
- (f) discharging the Receiver as the court appointed receiver and manager of the assets, undertakings and properties of the Debtors and declaring that the Receiver has satisfied its obligations under and pursuant to the terms of the Receivership Order granted in the within proceedings, up to and including the date hereof; and
- (g) declaring that the Receiver is not liable for any act or omission on its part, including without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except the usual exclusions, and declaring that any claims against the Receiver in connection with the performance of its duties are stayed, extinguished and forever barred.

2. Such further and other relief as this Honourable Court deems just.

Grounds for making this application:

Background

3. On May 5, 2017, on application by ATB Financial (formerly, Alberta Treasury Branches ("**ATB**")), this Honourable Court granted an order (the "**Receivership Order**") appointing GTL as receiver and manager of the current and future assets, undertakings and properties of the Debtors, except the Debtors' property located in Saskatchewan (collectively, the "**Property**").

4. Prior to the receivership, Forent was engaged in oil and gas exploration, development and production, with its primary producing properties in the Twining, Wayne and Provost areas in central Alberta.

Perisson Settlement and Distribution Agreement

5. The last Court appearance on this matter occurred on November 30, 2018 before the Honourable Madam Justice Romaine. As at the date of the last Court appearance, two primary issues remained outstanding and were preventing the full discharge of the Receiver over the Property. Those issues were:
 - (a) the resolution of a dispute between the Receiver and Perisson Petroleum Corporation ("**Perisson**") relating to the rights and obligations of the relevant parties under the terms of certain Trust Agreements (as that term is defined in Receiver's First Report dated November 28, 2017); and
 - (b) a determination as to the distribution of final proceeds available for distribution as between ATB and the Alberta Energy Regulator (the "**AER**").
6. On December 3, 2019, the Receiver and Perisson entered into a settlement agreement (the "**Perisson Settlement**") pursuant to which Perisson agreed to pay the Receiver \$45,000 in full and final satisfaction of Forent's claims against Perisson.
7. On August 27, 2020, ATB and the AER entered into an agreement regarding the allocation of proceeds available for distribution from the receivership proceedings (the "**Distribution Agreement**").
8. As a result of the finalization of the Perisson Settlement and the Distribution Agreement, the Receiver is now in a position to seek its full and final discharge.

Final Distribution

9. The Receiver is aware of the following priority and secured claims against the Debtors:
 - (a) a claim by the AER in the approximate amount of \$1.1 million (the "**AER Claim**") for the abandonment liabilities relating to certain assets that formed part of the Property. The amount of the AER Claim exceeds the anticipated amount of funds available for final distribution to creditors (the "**Final Distribution**");
 - (b) a claim by ATB in the approximate amount of \$6.6 million; and

- (c) a claim by nine municipalities for unpaid property taxes in the approximate aggregate amount of \$44,000.
10. It is the view of the Receiver that the AER Claim is payable in priority to all other claims against the Debtors. As the amount of the AER Claim exceeds the anticipated amount of the Final Distribution, the Receiver is seeking an Order authorizing the Receiver to distribute all amounts being held by the Receiver and belonging to the estate of the Debtors, net of the amount required to complete the administration of the estate by the Receiver, to the AER or to such other party as the AER may direct. It is anticipated that the amount of the Final Distribution will be approximately \$692,000.
 11. In recognition of ATB's efforts in supporting and funding the receivership proceedings, the AER entered into the Distribution Agreement with ATB, which Distribution Agreement allocated a portion of the Final Distribution to ATB. In the absence of the voluntary decision by the AER to permit payment to ATB, ATB would recover nothing from these receivership proceedings.
 12. The Receiver respectfully recommends this Court approve a Final Distribution in the estimated amount of \$692,000, which Final Distribution will be allocated between the AER and ATB pursuant to the terms of the Disbursement Agreement.
 13. The Final Distribution amount is an estimate and may be impacted by the rendering of final accounts and the filing of post-receivership GST returns to completion.

Discharge of Receiver

14. Since its appointment, the Receiver has performed its mandate as Receiver under the Receivership Order.
15. The administration of the receivership proceedings is substantially complete, and it is appropriate to terminate the receivership proceedings and discharge the Receiver in the circumstances.
16. The Receiver has acted diligently since its appointment and has undertaken those activities described further in the Report, which actions are lawful, proper and consistent with the Receiver's powers and duties under the Receivership Order.

Approval of Professional Fees

17. The accounts of the Receiver for the period from June 1, 2018 to discharge of the Receiver, including an estimate to complete the administration of the estate, total approximately \$177,000.

18. The accounts of counsel to the Receiver for the period from June 1, 2018 to discharge of the Receiver, including an estimate to complete the administration of the estate, total approximately \$116,000.
19. The invoices rendered by the Receiver and its counsel are reasonable and were validly incurred in accordance with the provisions of the Receivership Order.

Material or evidence to be relied on:

20. The First Report of the Receiver dated November 28, 2017;
21. The Second Report of the Receiver dated June 20, 2018;
22. The Third Report of the Receiver dated August 14, 2018;
23. The Fourth Report of the Receiver dated November 20, 2018;
24. The Fifth Report of the Receiver dated September 28, 2020;
25. Order granted by the Honourable Madam Justice C. Dario on May 5, 2017;
26. Order granted by the Honourable Madam Justice B.E.C. Romaine on December 8, 2017;
27. Partial Discharge Order granted by the Honourable Madam Justice G.A. Campbell on June 27, 2018;
28. Order granted by the Honourable Madam Justice G.A. Campbell on June 27, 2018;
29. Consent Order granted by the Honourable Justice K.D. Yamauchi on July 9, 2018;
30. Partial Discharge Order granted by the Honourable Madam B.E.C. Romaine on November 30, 2018; and
31. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable rules:

32. The *Alberta Rules of Court*, including Rules 1.2, 1.3, 1.4, 6.1, 6.2, and 6.3; and
33. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

34. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (as amended);
35. *Judicature Act*, RSA 2000, c J-2; and
36. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

37. None.

How the application is proposed to be heard or considered:

38. Via Webex.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

COURT FILE NUMBER 1701-05784
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF ATB FINANCIAL
DEFENDANT FORENT ENERGY LTD. and 1883222 ALBERTA INC.

Clerk's Stamp

DOCUMENT DISTRIBUTION & DISCHARGE ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3rd Street SW
Calgary, Alberta, T2P 5C5

Telephone 403-351-2921/403-351-2922
Facsimile 403-648-1151

File No. 225614-25

Attention: Jeffrey Oliver/Danielle Marechal

DATE ON WHICH ORDER WAS PRONOUNCED: Tuesday October 6, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice R.A. Neufeld

UPON THE APPLICATION of Grant Thornton Limited in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Forent Energy Ltd. and 1883222 Alberta Inc. (collectively, the "**Debtors**") for an Order approving the final distribution of proceeds, the Receiver's fees and disbursements, the Receiver's activities and discharge of the Receiver; **AND UPON** having read the Receiver's First Report dated November 28, 2017, the Receiver's Second Report dated June 20, 2018, the Receiver's Third Report dated August 14, 2018. The Receiver's Fourth Report dated November 20, 2018, the Supplement to the Receiver's Fourth Report dated November 29, 2018 and the Receiver's Fifth Report dated September 28, 2020 (the "**Receiver's Report**"); **AND UPON** hearing counsel for the Receiver and counsel for various creditors; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED THAT;**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.
2. The Receiver's accounts for fees and disbursements, as set out in the Receiver's Report are hereby approved without the necessity of a formal passing of its accounts.
3. The accounts of the Receiver's legal counsel Cassels Brock & Blackwell LLP, for its fees and disbursements, as set out in the Receiver's Report are hereby approved without the necessity of a formal assessment of its accounts.
4. The Receiver's activities as set out in the Receiver's Report and in all of its other reports filed herein, and the Statement of Receipts and Disbursements as attached to the Receiver's Report, are hereby ratified and approved.
5. The Receiver is authorized and directed to distribute all amounts being held by the Receiver and belonging to the estate of the Debtors, net of the amount required to complete the administration of the estate by the Receiver, to the Alberta Energy Regulator ("**AER**") or to such other party as the AER may direct.
6. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
7. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
8. Upon the Receiver filing with the Clerk of the Court a certificate confirming the completion of the Receiver's remaining obligations and that all matters set out in paragraph 5 of this Order have been completed, then the Receiver shall be discharged as Receiver of the Debtors, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all

Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

9. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
10. Service of this Order or any other party not attending this application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta