

COURT FILE NUMBER 1901-14615

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ORPHAN WELL ASSOCIATION

DEFENDANT HOUSTON OIL AND GAS LTD.

DOCUMENT **APPROVAL AND VESTING ORDER
(Sale by Receiver)**



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) 232-9774
Email: RGurofsky@blg.com

DATE ON WHICH ORDER WAS PRONOUNCED: September 3, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice B.E.C. Romaine

UPON THE APPLICATION by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Houston Oil and Gas Ltd. (the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by a quitclaim, surrender and assignment of interest agreement (the “**Sale Agreement**”) between the Receiver and Pieridae Alberta Production Ltd. (the “**Purchaser**”) dated August 20, 2020, a redacted copy of which is appended to the Second Report of the Receiver dated August 24, 2020 and an unredacted copy of which is appended to the Confidential Supplement to the Second Report dated August 24, 2020 (collectively, the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the Receivership Orders dated October 29, 2019 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 WebEx Video Conference, having regard to the Court’s procedures for the COVID-19 pandemic;

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 abridged 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 Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver's Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption,

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; and
- (c) any liens or claims of lien under the *Builders’ Lien Act* (Alberta);

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

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as 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) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders’ liens, security 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;

- (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 and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including 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. Unless otherwise ordered (whether before or after the date of this Order), 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 repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant 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, estate, 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 and to 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 any interference of or by the Debtor, or any person claiming by, through or against the Debtor.

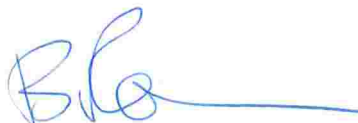
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
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) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past employees. The Purchaser (or its nominee) 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 prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

14. Notwithstanding:
 - (a) the pendency of these proceedings and any 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-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
 - (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 the BIA or 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 make such order 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 represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Receiver's website at:
[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.



Justice of the Court of Queen's Bench of Alberta

Schedule “A”

Form of Receiver’s Certificate

COURT FILE NUMBER	1901-14615
COURT	COURT OF QUEEN’S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ORPHAN WELL ASSOCIATION
DEFENDANT	HOUSTON OIL AND GAS LTD.
DOCUMENT	RECEIVER’S CERTIFICATE

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Borden Ladner Gervais LLP 1900, 520 – 3 rd Avenue S.W. Calgary, AB T2P 0R3
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Attention: Robyn Gurofsky
Telephone: (403) 232-9774
Email: RGurofsky@blg.com

RECITALS

- A. Pursuant to an Order of the Honourable Justice K. Eidsvik of the Court of Queen’s Bench 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 undertakings, 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 quitclaim, surrender and assignment of interest agreement made as of August 20, 2020 (the “**Sale Agreement**”) between the Receiver and Pieridae Alberta Production Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, 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 herein, 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 at [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 & Leases

See Houston Oil & Gas LTD. Mineral Schedule "A" Report dated Jan 10, 2020 10:54 am (below).

Tangibles

Wells

Pincher Creek Well List

License #	UWI	Status	Formation	Licensee	Houston WI%
0139223	100/06-35-004-30W4/0	Gas	Livingstone	Houston	50%
0206089	100/10-15-005-22W4/0	Abandoned		Houston	50%
0101347	100/06-03-005-30W4/3	Abandoned Zone	Livingstone	Houston	50%
0235511	100/06-08-006-02W5/3	Suspended Gas	Livingstone	Shell	25%

Facilities

Nil

Pipelines

Nil

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00856 A	LSE TYPE: FH PNG LEA: TWP 004 RGE 21 W4M SEC 8 LSE DATE: 1995 Dec 10 (EXCL THE 102/15-08-04-21 W4 EFF DATE: 1995 Dec 10 WELL) EXP DATE: 1998 Dec 09 PNG IN MILK_RIVER INT TYPE: WRI MNRL INT: 100.0 EXT CODE: HBP GROSS ACRES: 640.000 NET ACRES: 320.000 COUNT ACREAGE: Y		CUR INT: BPO HOUSTON OI 50.0% REF INT: APO HOUSTON OI 67.5% ROYALTY INT SLIDING SCALE ALL S/S 1/23.8365 (MIN 5.0 MAX 15.0) GAS 15.0% BASED ON 50.0% PDTO HOUSTON OI 100.0%	NONCONV LOR ALL 19.0% BASED ON 100.0% PDBY HOUSTON OI 50.0%	CUR INT OPER CONT C00139 A CAPL 1990 ROFR Applies OPER: HOUSTON OI REF INT OPER CONT C00139 A CAPL 1990 ROFR Applies OPER: HOUSTON OI ROYALTY LINKS C00139 A CAPL 1990 ROFR Applies	
M00933 A	LSE TYPE: CR PNG LEA: TWP 4 RGE 30 W4M NE 26 CR: 0697070351 PNG TO BASE RUNDLE_GROUP LSE DATE: 1997 Jul 10 EXCL PNG IN LIVINGSTONE EFF DATE: 1997 Jul 10 EXP DATE: 2002 Jul 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 160.000 NET ACRES: 80.000 COUNT ACREAGE: Y		CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%		
M00933 B	LSE TYPE: CR PNG LEA: TWP 4 RGE 30 W4M NE 26 CR: 0697070351 PNG IN LIVINGSTONE (UNITIZED) LSE DATE: 1997 Jul 10 (PINCHER CREEK LIVINGSTONE EFF DATE: 1997 Jul 10 UNIT B) EXP DATE: 2002 Jul 09 INT TYPE: WI		CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR	REF INT OPER CONT U00003 OPER: HOUSTON OI	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 160.000 NET ACRES: 80.000 COUNT ACREAGE: N			ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%		
M00953 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT U00003 OPER: HOUSTON OI	
M00953 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: N	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	
M00954 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: Y			BASED ON 50.0% PDBY HOUSTON OI 100.0%	U00003 OPER: HOUSTON OI	
M00954 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: N	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	
M00955 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT U00003 OPER: HOUSTON OI	
M00955 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	COUNT ACREAGE: N					
M00956 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT U00003 OPER: HOUSTON OI	
M00956 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: N	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	
M00957 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT U00003 OPER: HOUSTON OI	

HOUSTON OIL & GAS LTD.
Mineral Schedule "A" Report

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00957 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NW 26 LSE DATE: 2000 Dec 01 EFF DATE: 2000 Dec 01 EXP DATE: 2005 Nov 30 INT TYPE: WI MNRL INT: 20.0 EXT CODE: UNITIZED GROSS ACRES: 32.000 NET ACRES: 16.000 COUNT ACREAGE: N	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 18.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	
M00961 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M S 26 LSE DATE: 2002 Aug 01 EFF DATE: 2002 Aug 01 EXP DATE: 2005 Jul 31 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 320.000 NET ACRES: 160.000 COUNT ACREAGE: Y	ALL PNG EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	NONCONV LOR ALL 20.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL	
M00961 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M S 26 LSE DATE: 2002 Aug 01 EFF DATE: 2002 Aug 01 EXP DATE: 2005 Jul 31 INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 320.000 NET ACRES: 160.000 COUNT ACREAGE: N	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	NONCONV LOR ALL 20.0% BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00170 A General 0000 No ROFR Applies OPER: EXXONMOBIL REF INT OPER CONT U00003 OPER: HOUSTON OI	
M00924 A	LSE TYPE: CR PNG LEA: TWP 4 RGE 30 W4M SEC 34, S CR: 0689040333	35, NW 35	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0	CUR INT OPER CONT C00169 A	100/06-35-004-30-W4/00 FLOWING GAS

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	LSE DATE: 1989 Apr 19 EFF DATE: 1989 Apr 19 EXP DATE: 1994 Apr 18 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 1,120.00 NET ACRES: 560.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	REF INT: UNIT HOUSTON OI 50.0%	BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CAPL 1974 ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00003 OPER: HOUSTON OI	LIC: HOUSTON OIL
M00924 B	LSE TYPE: CR PNG LEA: TWP 4 RGE 30 W4M SEC 34, S CR: 0689040333 LSE DATE: 1989 Apr 19 EFF DATE: 1989 Apr 19 EXP DATE: 1994 Apr 18 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 1,120.00 NET ACRES: 560.000 COUNT ACREAGE: N	35, NW 35 PNG TO BASE RUNDLE_GROUP EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00169 A CAPL 1974 ROFR Applies OPER: HOUSTON OI	
M00926 A	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NE 35 LSE DATE: 1983 May 25 EFF DATE: 1983 May 25 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 160.000 NET ACRES: 80.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00169 A CAPL 1974 ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00003 OPER: HOUSTON OI	100/06-35-004-30-W4/00 FLOWING GAS LIC: HOUSTON OIL
M00926 B	LSE TYPE: FH PNG LEA: TWP 4 RGE 30 W4M NE 35 LSE DATE: 1983 May 25	ALL PNG	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0	CUR INT OPER CONT C00169 A	

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EFF DATE: 1983 May 25 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 160.000 NET ACRES: 80.000 COUNT ACREAGE: N	EXCL PNG IN LIVINGSTONE		BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CAPL 1974 ROFR Applies OPER: HOUSTON OI	
M00927 A	LSE TYPE: FH PNG LEA: TWP 5 RGE 30 W4M SEC 3 LSE DATE: 1978 Jul 08 EFF DATE: 1978 Jul 08 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 640.000 NET ACRES: 320.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00204 A CAPL 1974 ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00003 OPER: HOUSTON OI	100/06-03-005-30-W4/03 ABZ GAS LIC: HOUSTON OIL
M00927 B	LSE TYPE: FH PNG LEA: TWP 5 RGE 1 W5M E 23 LSE DATE: 1978 Jul 08 EFF DATE: 1978 Jul 08 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 320.000 NET ACRES: 160.000 COUNT ACREAGE: Y	PNG TO BASE WABAMUN_GROUP	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00204 A CAPL 1974 ROFR Applies OPER: HOUSTON OI	
M00927 C	LSE TYPE: FH PNG LEA: TWP 5 RGE 30 W4M PTN SEC 5 , 9 LSE DATE: 1978 Jul 08 EFF DATE: 1978 Jul 08 EXP DATE: NIL	PNG TO BASE WABAMUN_GROUP	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0%	CUR INT OPER CONT C00204 A CAPL 1974 ROFR Applies	

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 836.700 NET ACRES: 418.350 COUNT ACREAGE: Y			NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	OPER: HOUSTON OI	
M00927 D	LSE TYPE: FH PNG LEA: TWP 5 RGE 30 W4M SEC 3 LSE DATE: 1978 Jul 08 EFF DATE: 1978 Jul 08 EXP DATE: NIL INT TYPE: WI MNRL INT: 100.0 EXT CODE: UNITIZED GROSS ACRES: 640.000 NET ACRES: 320.000 COUNT ACREAGE: N	PNG TO BASE WABAMUN_GROUP EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S 0 BASED ON 100.0% PDBY HOUSTON OI 50.0%	CUR INT OPER CONT C00204 A CAPL 1974 ROFR Applies OPER: HOUSTON OI	100/06-03-005-30-W4/00 ABZ OIL LIC: HOUSTON OIL 100/06-03-005-30-W4/02 ABZ OIL LIC: HOUSTON OIL
M00925 A	LSE TYPE: CR PNG LEA: TWP 5 RGE 30 W4M SEC 4 CR: 0686090339 LSE DATE: 1986 Sep 24 EFF DATE: 1986 Sep 24 EXP DATE: 1991 Sep 23 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 640.000 NET ACRES: 320.000 COUNT ACREAGE: Y	PNG IN LIVINGSTONE (UNITIZED) (PINCHER CREEK LIVINGSTONE UNIT B)	CUR INT: WI HOUSTON OI 50.0% REF INT: UNIT HOUSTON OI 50.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY HOUSTON OI 50.0% NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%	CUR INT OPER CONT C00204 B CAPL 1974 ROFR Applies OPER: HOUSTON OI REF INT OPER CONT U00003 OPER: HOUSTON OI	
M00925 B	LSE TYPE: CR PNG LEA: TWP 5 RGE 30 W4M SEC 4 CR: 0686090339 LSE DATE: 1986 Sep 24 EFF DATE: 1986 Sep 24 EXP DATE: 1991 Sep 23	PNG TO BASE RUNDLE_GROUP EXCL PNG IN LIVINGSTONE	CUR INT: WI HOUSTON OI 50.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY HOUSTON OI 50.0%	CUR INT OPER CONT C00204 B CAPL 1974 ROFR Applies OPER: HOUSTON OI	

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Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 640.000 NET ACRES: 320.000 COUNT ACREAGE: N			NONCONV GOR ALL 5.0% BASED ON 50.0% PDBY HOUSTON OI 100.0%		
M00566 A	LSE TYPE: FH PNG LEA: TWP 006 RGE 02 W5M S 8, NE 8 LSE DATE: 1997 Mar 24 EFF DATE: 1997 Mar 24 EXP DATE: 2001 Mar 23 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP GROSS ACRES: 480.000 NET ACRES: 108.000 COUNT ACREAGE: Y	PNG TO BASE RUNDLE_GROUP	CUR INT: WI HOUSTON OI 22.5%	NONCONV LOR ALL 12.5% BASED ON 100.0% PDBY HOUSTON OI 22.5%	CUR INT OPER CONT C00507 A CAPL 1990 No ROFR Applies OPER: SHELL CA E	100/06-08-006-02-W5/02 SUSP GAS LIC: SHELL CANADA 100/06-08-006-02-W5/03 SUSP GAS LIC: SHELL CANADA
				NONCONV GOR ALL 21.5% BASED ON 25.0% PDBY HOUSTON OI 22.5%	ROYALTY LINKS C00507 A CAPL 1990 No ROFR Applies	
				NONCONV GOR ALL 5.0% BASED ON 22.5% PDBY HOUSTON OI 100.0%		
M00567 A	LSE TYPE: CR PNG LEA: TWP 6 RGE 2 W5M NW 8 CR: 37469 LSE DATE: 1974 Dec 02 EFF DATE: 1974 Dec 02 EXP DATE: 2001 Jul 31 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15 GROSS ACRES: 160.000 NET ACRES: 36.000 COUNT ACREAGE: Y	PNG TO BASE RUNDLE_GROUP	CUR INT: WI HOUSTON OI 22.5%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY HOUSTON OI 22.5%	CUR INT OPER CONT C00507 A CAPL 1990 No ROFR Applies OPER: SHELL CA E	100/06-08-006-02-W5/02 SUSP GAS LIC: SHELL CANADA 100/06-08-006-02-W5/03 SUSP GAS LIC: SHELL CANADA
				NONCONV GOR ALL 21.5% BASED ON 25.0% PDBY HOUSTON OI 22.5%	ROYALTY LINKS C00507 A CAPL 1990 No ROFR Applies	
				NONCONV GOR ALL 5.0% BASED ON 22.5%		

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Mineral Schedule "A" Report

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
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PDBY HOUSTON OI 100.0%

EXCLUDED ASSETS

“Excluded Assets” means:

- (i) any item or thing owned by third parties and licenced to Debtor with restrictions on deliverability or disclosure by Debtor that prevent the conveyance of such item or thing to Grantee;
- (ii) advances and deposits for operations payable to governmental authorities or other persons to secure obligations or as prepayment of costs or expenses;
- (iii) all receivables and credits of any kind from any person;
- (iv) legal and title opinions;
- (v) documents, other than Title & Operating Documents, prepared by or on behalf of Grantor in contemplation of litigation and any other documents within the possession of Grantor which are subject to solicitor-client privilege under the laws of the Province of Alberta or any other jurisdiction;
- (vi) records, policies, manuals and other proprietary, confidential business or technical information not used exclusively in the operation of the Assets;
- (vii) agreements, documents or data to the extent that:
 - (A) they pertain to Debtor proprietary technology
 - (B) they pertain to seismic data or interpretations thereof;
 - (C) they pertain to any intellectual property owned by a third party;
 - (D) they are owned or licensed by third parties with restrictions on their deliverability or disclosure by Debtor to an assignee;
 - (E) they comprise Debtor’s tax and financial records, and economic evaluations;

but “Excluded Assets” shall not include any property, rights or interests specifically described as Miscellaneous Interests.