

COURT FILE NUMBER

1601 11380

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

RESPONDENTS

NORTHPINE ENERGY LTD.

IN THE MATTER OF THE APPOINTMENT OF A RECEIVER OF NORTHPINE ENERGY LTD.

DOCUMENT

FIRST REPORT OF THE RECEIVER

DATED AUGUST 25, 2016

PREPARED BY BDO CANADA LIMITED

Clerk's Stamp:

CLERK OF THE COURT
FILED

AUG 29 2016

JUDICIAL CENTRE
OF CALGARY

ADDRESS FOR SERVICE AND

McCarthy Tetrault

CONTACT INFORMATION OF

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APPENDICES

A - Schedule "A" to the Engagement Letter

B - Notice and Statement of the Receiver

INTRODUCTION AND BACKGROUND

Introduction

1. On July 5th, 2016, by virtue of a duly executed engagement letter (the “Engagement Letter”) issued by Alberta Treasury Branches (“ATB”), BDO Canada Limited (hereinafter referred to as “BDO” or the “Receiver”) was privately appointed as Receiver and Manager of the security and collateral pursuant to the General Security Agreement (“GSA”) registered on March 13, 2007 as Instrument Number 07031316701 and as more particularly described in Schedule “A” to the Engagement Letter, and attached as **Appendix “A”** to this report (the “Assets”), between the ATB and Northpine Energy Ltd. (“Northpine” or the “Company”).
2. The Receivership appointment took place as a result of Northpine failing to comply with the terms of the executed loan and security agreements, defaulting in repayment terms and being unable to pay its debts as they generally became due.
3. Pursuant to the Government of Alberta Corporate Registry Search, on July 25, 2016, all of the directors of Northpine resigned effective immediately. The Receiver has prepared this report in anticipation of being appointed by the Court of Queen’s Bench of Alberta as receiver and manager of the Company’s interest in the Assets, in order to complete a transaction in respect of the Assets that was previously negotiated by the Company.
4. The Receiver retained McCarthy Tetrault as its independent legal counsel, who has been assisting the Receiver with various matters and has completed an independent review of the ATB security over the Assets.

Notice to Reader

5. In preparing this report, BDO has relied upon unaudited financial information, the Companies’ records and discussions with former management, interested parties, and the Companies’ stakeholders. The Receiver has not performed an independent review or audit of the information provided.

Purpose of the Report

6. The purpose of this report is to provide the Court with the following information on:
 - a) Background about the Company and its operations;
 - b) The Receiver’s initial activities;
 - c) The Company’s oil and gas assets;
 - d) The sales process initiated by the Company;

- e) The proposed Purchase and Sale Agreement (“PSA”) and Vesting Order; and
 - f) The Receiver’s discharge, upon the filing of the Discharge Certificate as discussed later in this report.
7. This report constitutes the first report of the Receiver (the “First Report”). The First Report is being filed by the Receiver in respect of ATB’s application to this Honourable Court on September 2, 2016 seeking the following:
- i) Approval of the reported actions of the Receiver to date in respect of administering these receivership proceedings;
 - ii) Approval of the sale by way of the proposed PSA and Vesting Order; and
 - iii) Discharge of the Receiver.

Background

8. Northpine, a privately held junior oil and gas producer was incorporated in 2004, headquartered in Calgary, Alberta. It is a wholly owned subsidiary of Crimson Energy Ltd. The Company primarily engages in the exploration for and development, production, and acquisition of petroleum and natural gas reserves in Alberta. The primary assets of the Company are oil and gas assets located throughout Alberta. The Assets are non-operated oil and gas properties located in the Ferrier region and the Company’s other assets (the “Excluded Assets”) are comprised of operated properties primarily located in the Marten Hills region. The Excluded Assets are believed to have nominal values.
9. Northpine primarily operated out of a leased office located in their parent company’s headquarters at Suite 800, 2424 - 4th Street SW, Calgary.
10. Prior to the appointment of the Receiver, ATB was working closely with the Company to execute a sale of the Assets. The Company took the Assets to market in an effort to close a sale to the benefit of the secured lender, ATB. Two offers for purchase were received by the Company, but the terms of the agreements could not be settled prior to the appointment of the Receiver.
11. The Company has no employees.

Receiver’s Initial Activities

12. Immediately after its appointment on July 5, 2016, the Receiver commenced a number of actions to preserve and protect the Assets:
- i) Met with former Northpine management to gain a further understanding of the

- Company's assets, liabilities and operating issues;
- ii) Spoke with a number of Northpine creditors;
 - iii) Reviewed offers for purchase received prior to the receivership appointment;
 - iv) Communicated with interested parties in relation to offers for purchase of the Assets;
 - v) Notified the Office of the Superintendent of Bankruptcy of the receivership appointment. A copy of the Receiver's Notice and Statement is attached as **Appendix "B"**;
 - vi) Took possession of the books and records as they related to the Assets;
 - vii) Took steps to review the sales process initiated by the Company prior to the receivership and retained a former Northpine contractor to assist in such review;
 - viii) Obtained an opinion from the Receiver's legal counsel on the validity of ATB's security;
 - ix) Held discussions with ATB, the creditor with the primary economic interest in the sales process, regarding the status of the receivership and the results of the sales process; and
 - x) Conducted an initial review of priority claims based on the books and records of the Company and correspondences with various creditors.

ASSETS AND SALES PROCESS

13. The Receiver was appointed over the security and collateral of the ATB specifically over the Assets. These Assets include the following well locations:

- 100/01-06-039-08W5/00
- 100/04-06-039-08W5/00
- 100/04-11-039-08W5/02
- 100/14-16-039-08W5/00
- 100/08-20-039-08W5/00
- 100/06-20-039-08W5/00
- 100/04-21-039-08W5/02
- 100/14-25-039-09W5/00

- 100/10-17-040-09W5/00

14. Prior to the appointment of the Receiver, it was reported to the Receiver that the Company received a number of offers to purchase the Assets. No final terms were reached that were agreeable to ATB and Northpine.
15. The Receiver, immediately following its appointment, continued negotiations with two of the top bidders from the Company initiated sales process, and was able to successfully negotiate terms acceptable to both the ATB and the highest offering purchaser.
16. A binding, unconditional, though subject to Court approval, PSA for the sale of the Assets with the purchaser has been agreed to by the parties involved.
17. The PSA is contained within a Confidential Supplementary Report to the First Report of the Receiver. The Receiver is requesting that the Confidential Supplementary Report to the First Report of the Receiver containing the PSA and the financial terms of the sale and other information relating to the marketing process, aside from those described below, be sealed by this Honourable Court so as not to taint the sales process in the event the sale does not close.
18. The PSA provides for the following terms and conditions:
 - a) Assets - all those assets as defined in the Schedule "A" to the Engagement Letter, subject to transferability, including the petroleum and natural gas rights, tangibles, and miscellaneous interests and constituting all property the receiver anticipates being appointed over;
 - b) Consideration - Cash;
 - c) Refundable Deposit of 5% of the purchase price; non-refundable if deal does not close due to actions of the purchaser;
 - d) Effective Date - August 31, 2016;
 - e) Closing Date - the date of Court approval or such other date as mutually agreed upon between the parties;
 - f) Excluded Encumbrances - prior to the Closing Date, the Vendor shall have paid and discharged the Excluded Encumbrances, as detailed in the PSA and provide evidence of same; and
 - g) Conditions - none aside from approval of this Honourable Court.

19. The Receiver was not actively involved in administering or supervising the sales and marketing process that was commenced by Northpine prior to its appointment as Receiver. The Receiver understands that the sales process involved the following actions by Northpine:

- a) Northpine contacted several parties over the course of several months who it determined might have interest in the Assets, including parties operating near the Assets;
- b) Northpine received four offers. The Company pursued and negotiated these four offers. The purchaser has submitted the highest and best offer; and
- c) Northpine engaged with Sayer Energy Advisers to assess the Company's asset position and to assist with the marketing of the Assets.

20. The Receiver supports the sale of the Assets to the purchaser for the following reasons:

- a) The Assets have been marketed by the Company since late 2015;
- b) The proposed offer is the highest offer received and contains a deposit so as to reduce closing risk;
- c) Closing the sale transaction will reduce additional costs that may be incurred by the estate of Northpine, including professional costs;
- d) Based on discussions with former management of Northpine and the Receiver's review of the sales process conducted by Northpine since late 2015, the Receiver does not believe there is any reasonable prospect of a new sale process generating a transaction at a value in excess of the offer made by the purchaser. In particular, and while the Receiver has not disclosed the terms of the offers made in this First Report, the Receiver notes that such offers are significantly below the secured indebtedness owed by Northpine to ATB;
- e) ATB, who has the sole economic interest in the sale, supports the completion of the sale transaction.

CREDITOR MATTERS

21. In conjunction with independent counsel's security opinion, the Receiver has reviewed any potential priority claims based on the company's books and records as well as discussions with various creditors. Those priority claims are contemplated in the PSA as defined at paragraph 1.1 (p) of the PSA and will be paid out and discharged prior to the Closing Date of the sale. The affected parties to the Excluded Encumbrances are as follows:
- i. any and all royalty arrears, including any interest accrued or accruing thereon, in respect of Alberta Crown lease no. 0050507060053
22. The ATB has registered a charge against all the present and after acquired personal property of the Company, including the Assets, and is owed approximately \$8.7 Million. The Receiver's counsel has reviewed the security of ATB and found it to be valid and enforceable, subject to usual assumptions and qualifications.
23. Based upon the selling price of the Assets and ATB's secured indebtedness of approximately \$8.7 Million, no other creditor has an economic interest in the proceeds from the sale of the Assets.
24. The Receiver recommends the following distribution (the "Recommended Distribution"):
- a) Firstly, to BDO Canada Limited and its legal counsel on account of unpaid fees and costs and its projected costs to complete the administration; and
 - b) Secondly, to ATB on account of their secured indebtedness.
25. As the proceeds from the sale are insufficient to fully repay the indebtedness to ATB and to satisfy their security, there will be no distribution to other creditors.

PROFESSIONAL FEES

26. The Receiver's fees incurred to date and accrued to conclude the administration are as follows:
- a) Receiver's fees inclusive of GST \$17,587.50
 - b) Receiver's counsel inclusive of GST \$13,125.00

No invoices have been issued to date but will be made available to the Court upon request.

RECEIVER'S DISCHARGE

27. For efficiency, if the Court is in agreement with the proposed sale and distribution process, the Receiver is seeking approval of its discharge as receiver, subject to the Receiver filing a certificate (the "Discharge Certificate") with this Court once the final distribution to ATB has been made, certifying that:
- a) All remaining funds in the receivership were distributed in accordance with the Recommended Distribution, with the exception of minor discrepancies; and
 - b) All other material administrative matters have been attended to by the Receiver.
28. Upon filing the Discharge Certificate by the Receiver with this Court, the Receiver shall be discharged and the receivership proceedings shall be terminated.

RECOMMENDATIONS AND INTENDED COURSE OF ACTION

29. The Receiver respectfully requests approval from the Court with respect to the following:
- a) Approval of the reported actions of the Receiver to date in respect of administering these receivership proceedings;
 - b) Approval of the sale of the Assets to the purchaser as contained in the Confidential Supplementary Report to the First Report of the Receiver;
 - c) Approval of the Recommended Distribution;
 - d) Approval of the accounts of the Receiver and its legal counsel; and
 - e) The Receiver's Discharge, upon the filing of a Discharge Certificate as previously discussed.
30. Subject to approval from this Court, the Receiver intends to:
- a) Attend to the further administration and conclusion of the receivership; and
 - b) Follow any further directions this Court provides to the Receiver.

BDO CANADA LIMITED, solely in its capacity as Privately Appointed Receiver of Northpine Energy Ltd. and not in its personal capacity

Per: _____

Name: Craig A. Fryzuk, CIRP, LIT

Title: Senior Vice-President

TAB A

Country: Prov/State:	CANADA ALBERTA	NORTHPINE ENERGY LTD. MINERAL LEASE REPORT As At: 2015-JUL-15			Date: Rept:	2015-JUL-15 08:25 AM L143.01.71
Lesser Name/No	Lease Date Lease/Int Type Royalty/Encumbrances	Prod Expiry Date	Devel Hect Devel Date	UnDev Hect Gross/Net	Working Interest Gross/Net Payor	Legal Description Contracts Wells
						ROFR WI Roy continue

Schedule "A"

Well No	Well Name	Well Type	Prod Date	Devel Date	UnDev Hect	Gross/Net	Payor	Interest Earned	Legal Description
M0096A	0507060053 PNG WI		2007-JUN-14 2199-DEC-31 Ext: 15		192.000 76.800			0.000 0.000	TWP 039 RGE 8 W5M: N 6, SE 6 (Pt. NE 6 is within Zone 2 (Critical Wildlife) of the Rocky North Sask. Integrated Resource Plan; surface access restricted to specific restrictions) PANG to Base CARDIUM FM
	CROWN S/S; Convertible No; Ownership 100%								* NORTHPINE
	ALL MINERAL Crown Sliding Scale Based on 100% Production								ORLEN
								100.00000000	2011-JUL-29 POOL&FO N
								2015-APR-01	BIRCHEX HZ FERRIER 1-6-35-9 100/01-06-039-08W5/00 PROD GAS

Country:	Prov/State:	Prospect:	Company:	Date:	Rept:	Page:		
CANADA	ALBERTA	FERRIER	NORTHPINE ENERGY LTD. MINERAL LEASE REPORT As At: 2015-JUL-15	2015-JUL-15 05:25 AM	L143.01.71	2 of 6		
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date Ext:	Prod	Deval Hect Gross/Net Pavor	UnDev Hect Gross/Net	Working Interest	Legal Description Contracts Wells	ROFR WI
M0096A	- Continued					-----	NORTHPINE HZ FERRIER 15-6-39-8 100/15-06-039-08W5/00	LOC OIL
M0103A	0509020081 PNG WI	2009-FEB-05 2999-DEC-31 Ext: 15	P	64.000 25.600	0.000 0.000	Interest Earned	TWP 39 RGE 8 W5M SW 6 P&NG In CARDIUM FM * C0080	2011-JUL-29 POOL&FO N
	CROWN S/S; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production					NORTHPINE * ORLEN 100.00000000 2015-APR-01	BIRCHEX HZ FERRIER 4-6-39-8 100/04-06-039-08W5/00	PROD GAS
M0054A	0579020040 PNG WI	1979-FEB-01 2199-DEC-31 Ext: 15	N	64.000 24.000	0.000 0.000	Eff. date:	TWP 039 RGE 8 W5M SW 11 P&NG to Base CARDIUM FM C0011 * C0012	2005-NOV-21 AMI N 2005-OCT-17 FOA N
	CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production					NORTHPINE CNRL * PETRUS 37.50000000 25.00000000 37.50000000 100.00000000 2014-NOV-01	CALTEX FERRIER 4-11-39-8 100/04-11-039-08W5/02	PROD OIL
M0068B	24749 PNG WI	1971-APR-27 2199-DEC-31 Ext: 15	N	0.000 0.000	64.000 32.000	Eff. date:	TWP 39 RGE 8 W5M SW 16 P&NG to Base CARDIUM FM * C0033 * C0080	2006-MAY-02 FOA N 2007-OCT-02 FOA N
	CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to Canadian Natural Resources Borne by All WI Owners Non-conv -GAS: 12.5% Based on 30% of Production -OIL: 5-12.5% (1/150) Based on 30% of Production					NORTHPINE PETRUS 50.00000000 50.00000000 100.00000000 2014-NOV-01		
M0068A	24749 PNG WI	1971-APR-27 2199-DEC-31 Ext: 15	N	64.000 22.400	0.000 0.000	Eff. date:	TWP 39 RGE 8 W5M NW 16 P&NG to Base CARDIUM FM * C0033	2006-MAY-02 FOA N 2006-MAY-02 FOA N
	CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production					NORTHPINE CNRL PETRUS * CNRL 35.00000000 30.00000000 35.00000000 100.00000000 2015-AUG-01	CALTEX FERRIER 14-16-39-8 100/14-16-039-08W5/00	PROD OIL

Country:	Prov/State:	Prospect:	File:	Lessor Name/No	Lease/Int Type	Lease Date	Prod	Devel Hect	UnDev Hect	Legal Description	ROFR
CANADA	ALBERTA	FERRIER									
			NORTHPINE ENERGY LTD.			MINERAL LEASE REPORT			Date: 2015-JUL-15 08:25 AM		
			As At: 2015-JUL-15			----- Working Interest -----			Rept: L743.01.71		
			Royalty/Encumbrances			Payer			Page: 3 of 6		
File:	Lessor Name/No	Lease/Int Type	Lease Date	Prod	Devel Hect	UnDev Hect	Gross/Net	Gross/Net	Payer	Legal Description	ROFR
M0056A	36888	PNG WI	1974-NOV-05	P	128.000	0.000	0.000	0.000	BPO	TWP 039 RGE 8 WSM: E 20	WI
			2199-DEC-31		32.000	0.000	0.000	0.000	APO	CARDIUM ZONE POOLED	
			Ext: 15							P&NG In CARDIUM FM	
										C0011	N
										*C0012	N
										*C0086	N
										CALTEX ET AL FERRIER 8-20-39-8	
										100/08-20-039-08W5/00	PROD OIL
										100.00000000	
										2999-DEC-31	
										Eff. date:	
										2015-MAY-01	
M0055B	36888	PNG WI	1974-NOV-05	N	0.000	0.000	0.000	0.000	WI after completion	TWP 039 RGE 8 WSM: E 20	
			2199-DEC-31		0.000	0.000	0.000	0.000		P&NG to Base CARDIUM FM	
			Ext: 15							Excluding P&NG In CARDIUM FM	
										Coal In CARDIUM FM	
										*C0080	N
										C0086	N
										2007-OCT-02	
										2009-JUN-08	
										FOA	
										POOL	
										50.00000000	
										50.00000000	
										Eff. date:	
										2014-NOV-01	
M0101A	059308A266	PNG WI	1987-FEB-17	P	0.000	0.000	0.000	0.000	BPO	TWP 39 RGE 8 WSM W 20	
			2199-DEC-31		0.000	0.000	0.000	0.000		CARDIUM ZONE POOLED	
			Ext: 15							P&NG In CARDIUM FM	
										*C0086	N
										2009-JUN-08	
										POOL	
										25.00000000	
										8.25000000	
										19.25000000	
										32.50000000	
										15.00000000	
										100.00000000	
										2999-DEC-31	
										Eff. date:	
										2015-MAY-01	
M0056A	36889	PNG WI	1974-NOV-05	N	64.000	0.000	0.000	0.000		TWP 039 RGE 8 WSM: SW 21	
			2199-DEC-31		24.000	0.000	0.000	0.000		P&NG to Base CARDIUM FM	
			Ext: 15							C0011	N
										*C0012	N
										T 2005-NOV-21	
										2005-OCT-17	
										FOA	
										POOL	
										37.50000000	
										25.00000000	
										37.50000000	
										100.00000000	
										2014-NOV-01	
										Eff. date:	
										2014-NOV-01	

County:	Province:	Prospect:	Company:	Date:	Page:						
CANADA	ALBERTA	FERRIER	NORTHPINE ENERGY LTD. MINERAL LEASE REPORT As At: 2015-JUL-15	2015-JUL-15 08:25 AM	4 of 6						
File	Lessor Name/No Lease/Int Type	Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Hect Gross/Net	UnDev Hect Gross/Net	Payer	Legal Description	Contracts	Wells	ROFR
M0056B	36889 PNG WI		1974-NOV-05 2999-DEC-31 Ext: 15	N	0.000 0.000	64.000 32.000		TWP 39 RGE 8 W5M NW 21 P&NG to Base CARDIUM FM	* C0012 * C0080	2005-OCT-17 FOA 2007-OCT-02 FOA	N
	<p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to Canadian Natural Resources Limited Borne by All WI Owners Non-conv -GAS: 12.5% Based on 25% of Production -OIL: 5-12.5% (1/150) Based on 25% of Production</p>										
M0057B	26896 PNG WI		1971-NOV-25 2999-DEC-31 Ext: 15	N	0.000 0.000	64.000 8.344		TWP 039 RGE 9 W5M; SE 25 P&NG to Base CARDIUM FM	* C0011 * C0012 * C0041	*T* 2005-NOV-21 AMI 2005-OCT-17 FOA 1977-NOV-04 FOA	N N N
	<p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to Canadian Natural Resources Limited Borne by NORTHPINE(50) PETRUS(50) Non-conv -OIL: 5-10% (1/24) Based on 26.0756% of Production GOR - Paid to Canadian Natural Resources Limited Borne by NORTHPINE(50) PETRUS(50) Non-conv -GAS: 10% Based on 26.0756% of Production</p>										
M0088D	0591030142 PNG WI		1991-MAR-07 2199-DEC-31 Ext: 15	N	0.000 0.000	0.000 0.000		TWP 039 RGE 9 W5M; NE, SW 25 (NG from Coal from Surface to base Cardium) Coal Bed Methane to Base CARDIUM FM	* C0059 * C0063 * C0064 * C0065	2006-DEC-21 FOA&ROY 1998-OCT-28 FOA 1998-NOV-01 ROY 1998-NOV-01 JOA	N N
	<p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to ConocoPhillips Canada Energy Partnership Borne by NORTHPINE(50) PETRUS(50) Non-conv -ALL: 5% Based on 30% of Production GOR - Paid to TAQA NORTH Borne by NORTHPINE(50) PETRUS(50) Non-conv -ALL: 10% Based on 30% of Production GOR - Paid to Apache Canada Ltd. Borne by HARVEST(70) NORTHPINE(15) PETRUS(15) Non-conv -ALL: 10% Based on 37.5% of Production</p>										

Country:	Prov/State:	Prospect:	File	Legal Description	Contracts	Wells	ROFR
CANADA	ALBERTA	FERRIER	M0088C	<p>NORTHPINE ENERGY LTD. MINERAL LEASE REPORT As At: 2015-JUL-15</p> <p>***** Working Interest *****</p> <p>0591030142 PNG WI</p> <p>1991-MAR-07 N 2199-DEC-31 Ext: 15</p> <p>128.000 19.200</p> <p>0.000 0.000</p> <p>Prod Gross/Net Deval Hect Gross/Net UnDev Hect Gross/Net Payor</p> <p>NORTHPINE 15,000,000 CONPHLPART 0,000,000 R HARVEST 70,000,000 PETRUS 15,000,000</p> <p>Eff. date: 2014-NOV-01</p> <p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to ConocoPhillips Canada Energy Partnership Borne by NORTHPINE(50) Non-conv -ALL: 5% Based on 30% of Production GOR - Paid to TAQA NORTH Borne by NORTHPINE(50) PETRUS(50) Non-conv -ALL: 10% Based on 30% of Production GOR - Paid to Apache Canada Ltd. Borne by All WI Owners Non-conv -ALL: 10% Based on 37.5% of Production</p>	<p>TWP 039 RGE 9 WSM; NE, SW 25 (Excl. NG from Coal from Surface to base Cardium) P&NG to Base CARDIUM FM NG excluding CBM to Base CARDIUM FM</p> <p>* C0050 2006-DEC-21 FO&ROY * C0063 1999-OCT-28 FOA * C0064 1998-NOV-01 ROY * C0065 1998-NOV-01 JOA</p>	<p>WI P&Y</p>	
M0088A				<p>0591030142 PNG WI</p> <p>1991-MAR-07 N 2199-DEC-31 Ext: 15</p> <p>84.000 9.600</p> <p>Prod Gross/Net Deval Hect Gross/Net UnDev Hect Gross/Net Payor</p> <p>NORTHPINE 15,000,000 CONPHLPART 0,000,000 R HARVEST 70,000,000 PETRUS 15,000,000</p> <p>Eff. date: 2014-NOV-01</p> <p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to ConocoPhillips Canada Energy Partnership Borne by NORTHPINE(50) Non-conv -ALL: 5% Based on 30% of Production GOR - Paid to TAQA NORTH Borne by NORTHPINE(50) PETRUS(50) Non-conv -ALL: 10% Based on 30% of Production GOR - Paid to Apache Canada Ltd. Borne by All WI Owners Non-conv -ALL: 10% Based on 37.5% of Production</p>	<p>TWP 039 RGE 9 WSM; NW 25 (Excl. NG from Coal from Surface to base Cardium) P&NG to Base CARDIUM FM NG excluding CBM to Base CARDIUM FM</p> <p>* C0050 2006-DEC-21 FO&ROY * C0063 1999-OCT-28 FOA * C0064 1998-NOV-01 ROY * C0065 1998-NOV-01 JOA</p>	<p>WI P&Y</p>	
M0088B				<p>0591030142 PNG WI</p> <p>1991-MAR-07 N 2199-DEC-31 Ext: 15</p> <p>0.000 0.000</p> <p>Prod Gross/Net Deval Hect Gross/Net UnDev Hect Gross/Net Payor</p> <p>NORTHPINE 15,000,000 CONPHLPART 0,000,000 R HARVEST 70,000,000 PETRUS 15,000,000</p> <p>Eff. date: 2014-NOV-01</p> <p>CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to ConocoPhillips Canada Energy Partnership Borne by NORTHPINE(50) Non-conv -ALL: 5% Based on 30% of Production GOR - Paid to TAQA NORTH Borne by NORTHPINE(50) PETRUS(50) Non-conv -ALL: 10% Based on 30% of Production GOR - Paid to Apache Canada Ltd. Borne by HARVEST(70) NORTHPINE(15) PETRUS(15) Non-conv -ALL: 10% Based on 37.5% of Production</p>	<p>HARVEST ET AL FERRIER 14-25-39-9 100/14-25-039-09W5/00 PROD OIL</p> <p>TWP 039 RGE 9 WSM; NW 25 (NG from Coal from Surface to base Cardium) Coal Bed Methane to Base CARDIUM FM</p> <p>* C0050 2006-DEC-21 FO&ROY * C0063 1999-OCT-28 FOA * C0064 1998-NOV-01 ROY * C0065 1998-NOV-01 JOA</p>	<p>WI P&Y</p>	

Country: CANADA		NORTHPINE ENERGY LTD.		Date: 2015-JUL-15 08:25 AM			
Prov/State: ALBERTA		MINERAL LEASE REPORT		Rpt: L143.01.71			
Prospect: FERRIER		As At: 2015-JUL-15		Page: 6 of 6			
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Hect Gross/Net	UnDev Hect Gross/Net	Legal Description Contracts Wells	ROFR WJ Roy
M0052A	5497050029 PNG LIC W1	1997-MAY-01 2199-DEC-31 Ext: 15	N	0.000 0.000	64.000 32.000	TWP 40 RGE 8 WSM: SW 3 P&NG to Base CARDIUM FM * C0011 *T* 2005-NOV-21 AMI N * C0025 2006-APR-24 JOA N * C0035 2006-FEB-27 ROY N	
	CROWN; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to ConceptPhillips Canada (BRC) Partnership Borne by All Wt Owners Non-cony -ALL: 7.5% Based on 100% of Production						
					50.00000000 50.00000000 100.00000000 Elif. date: 2014-NOV-01		
M0039A	0506050259 PNG W1	2006-MAR-09 2011-MAR-08 Ext: 15	P	256.000 128.000	0.000 0.000	TWP 40 RGE 8 WSM: 17 Critical Wildlife - Surface Access Restrictions (17SP) P&NG to Base VIKING FM * C0011 *T* 2005-NOV-21 AMI N * C0025 2006-APR-24 JOA N	
	CROWN S/S; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production						
					50.00000000 50.00000000 100.00000000 Elif. date: 2014-NOV-01	PC ET AL FERRIER 10-17-40-S 10010-17-040-09W500 PROD GAS	
Prospect totals -		Gross Net		1,792,000 790,400	768,000 283,538		
Prov/State totals -		Gross Net		1,792,000 790,400	768,000 283,538		
Country totals -		Gross Net		1,792,000 790,400	768,000 283,538		
Company totals -		Gross Net		1,792,000 790,400	768,000 283,538		

TAB B

District of: Alberta
Division No. 02 Calgary
Court No.
Estate No.

FORM 87
Notice and Statement of the Receiver
(Subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act)

In the Matter of the Receivership of
Northpine Energy Ltd.
of the City of Calgary, in the Province of Alberta

The receiver gives notice and declares that:

1. On the 5th day of July, 2016, we, BDO Canada Limited, became the Receiver and Manager ("Receiver") in respect of the collateral pursuant to the Security of Northpine Energy Ltd. (the "Company"). We have been made aware of the following assets and their assigned value:

	<u>Book Value (\$)</u>
Non-operating Assets	Unknown

Note 1: The books and records of the Company have not yet been made available to the Receiver. As such, no value has been attached to the assets.

2. We became Receiver by virtue of being privately appointed by Alberta Treasury Branches pursuant to an engagement letter dated July 5, 2016.

3. The following information relates to the receivership:

(a) Address: 800, 2424 - 4 Street SW, Calgary, AB

(b) Principal line of business: Oil & Gas Company

- (c) Amount reportedly owed to each creditor who holds a potential security interest in the property described above as reported on the Alberta Personal Property Registry report as at May 24, 2016:

ATB Financial	\$8,703,771.89
GE VFS Canada Limited Partnership	Unknown
Canadian Natural Resources Limited	Unknown
Orlen Upstream Canada Ltd.	Unknown

(d) The list of unsecured creditors of the insolvent company and the amount owed to each creditor and the total amount due by the insolvent company is as follows:

See attached Schedule A

(e) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is as follows:

To obtain the books and records of the company. Realize on the non-operating assets of the corporation.

(f) Contact person for receiver:

Jill Probert, Corporate Administrator
620, 903 - 8th Avenue SW
Calgary, AB T2P 0P7
Tel: (403) 205-5757 Fax: (403) 262-6184
jprobert@bdo.ca

Dated at the City of Calgary in the Province of Alberta, this 15th day of July, 2016.

BDO Canada Limited
In its capacity as Receiver and Manager of
Northpine Energy Ltd.

Per:



Craig Fryzuk, B.Comm., CIRP, Licensed Insolvency Trustee
Senior Vice President

SCHEDULE "A"

- Creditor Mailing List -

In the matter of the receivership of
Northpine Energy Ltd.
of the City of Calgary, in the Province of Alberta

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	1886135 Alberta Ltd.			31,500.00
	Alberta Energy Regulator			591,985.33
	Altagas Processing Partnership			42,158.69
	Altec Inspection Ltd.			682.86
	Apache Canada Ltd.			5,076.80
	Apache Canada Ltd.			579.13
	Aspect Energy			2.98
	BC Oil and Gas Commission			468,575.00
	Bichel Consulting Ltd.			2,625.00
	Birchill Exploration Limited Partnership			201.60
	Bonavista Energy Corp.			4,685.61
	Burnet, Duckworth & Palmer LLP	Insolvency Department		64,416.91
	Canadian Forest Products Ltd.			445.20
	Canadian Natural Resources			3,906.00
	Canadian Natural Resources Ltd.			6,130.00
	Canadian Natural Resources Ltd.			36.13
	Canadian Natural Resources Ltd.			6,871.61
	Canadian Oil & Gas International Inc.			1,944.24
	Cequence Acquisitions Ltd.			173.55
	Cequence Energy Ltd.			647.94
	Cogi Limited Partnership			1,450.44
	Conocophillips Canada (BRC) Ltd.			112.00
	Conocophillips Canada (BRC) Ltd.			772.18
	CQ Energy Canada Res. Partnership			13.78
	CQ Energy Canada Res. Partnership			50.21
	CQ Energy Canada Res. Partnership			69,210.63
	CRA - Ottawa Technology Centre			694.77
	Crew Energy Inc.			546,067.99
	Crimson Oil & Gas Ltd.			69,188.00
	Definitive Optimization Ltd.			548.80
	Enerplus Corporation			100.80
	Franco-Nevada Corporation			9.53
	Frontier Project Management Ltd.			242.10
	GFL Environmental Solid Waste Inc.			90.30
	Harvest Operations Corp			23,654.97
	Husky Energy			41,529.04
	Husky Energy			1,328.91
	Husky Oil Operations Ltd.			1,176.00
	Jag Instrument Services Ltd.			2,024.15
	Journey Energy Inc.			14,846.02
	Keith Alan Pyzda			1,246.25
	Long Run Exploration Ltd.			229,987.17

- Creditor Mailing List -

In the matter of the receivership of
Northpine Energy Ltd.
of the City of Calgary, in the Province of Alberta

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Long Run Exploration Ltd.			180.00
	M.D. 124			56,535.17
	Midfield Supply			564.84
	Minister of Finance - AB			93,009.42
	Minister of Finance - BC			11,635.20
	Minister of Finance - FSJ			1,065.60
	Municipal District of Opportunity No. 17			13,390.22
	MVP Oilfield Services Inc.			8,308.65
	Nal Resources Limited			3,536.17
	Orlen Upstream Canada Ltd.			574.77
	Orlen Upstream Canada Ltd.			130,573.61
	Pandell Technology Corp			949.73
	Pengrowth Energy Corporation			2,476.76
	Pengrowth Energy Corporation			78.68
	Pengrowth Energy Corporation			13.55
	Penn West Petroleum Ltd.			2,117.86
	Penn West Petroleum Ltd.			2,127.30
	Perpetual Energy Operating Corp.			218.60
	Petrus Resources Ltd.			49,004.90
	Rae's Industrial Repair			17,410.36
	Rodney Scott Willms and Kathleen Audrey Willms			10,254.00
	Sayer Energy Advisors			63,853.00
	Swan-Co Oilfield Services Ltd.			47,250.00
	Sword Energy Inc.			7,470.00
	Taqa North Ltd.			10.36
	Taqa North Ltd.			1,393.00
	Taqa North Ltd.			378.00
	Telus Communications - Corporate	Rick Wan		0.01
	Tervita Corporation			5,299.64
	Zedi Canada Inc.			5,867.19
	Zedi Field Services Inc.			5,054.61