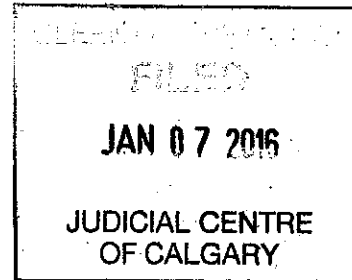


# Deloitte.



**COURT FILE NUMBER** 1501-09213

**COURT** COURT OF QUEEN'S BENCH OF ALBERTA

**JUDICIAL CENTRE** CALGARY

**PLAINTIFF** COMPUTERSHARE TRUST COMPANY OF CANADA IN ITS  
CAPACITY AS COLLATERAL AGENT FOR GUGGENHEIM  
CORPORATE FUNDING, LLC

**DEFENDENT** SEKUR ENERGY MANAGEMENT CORP.

**DOCUMENT** THIRD REPORT OF THE RECEIVER AND MANAGER  
DELOITTE RESTRUCTURING INC.

DATED JANUARY 6, 2016

**ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT**

**Counsel**

Gowling Lafleur Henderson LLP  
1600, 421 7th Avenue SW  
Calgary, Alberta T2P 4K9  
Attention: Tom Cumming

Telephone/ Facsimile: 403-298-1000/ 403-695-3538  
Email: Tom.Cumming@gowlings.com

**Receiver**

Deloitte Restructuring Inc.  
700 Bankers Court, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8  
Attention: Jeff Keeble

Telephone/Facsimile: 403-503-1458/ 403-718-3681  
Email: jkeeble@deloitte.ca

# Table of Contents

Introduction and Background .....	1
Introduction .....	1
Notice to Reader .....	1
Background and Court Proceedings .....	2
Receiver's Activities.....	5
Statutory Claims .....	8
Secured Creditor Claims .....	9
Fees and Disbursements of the Receiver and its Legal Counsel .....	10
Final Statement of Receipts and Disbursements .....	11
Conclusion.....	13

## **SCHEDULE**

Schedule 1 – Statement of Receipts and Disbursements for the Period Ended January 4, 2016

# Introduction and Background

## Introduction

1. Pursuant to the Order (the "**Receivership Order**") granted by the Court of Queen's Bench of Alberta (the "**Court**") on August 12, 2015 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as receiver and manager (the "**Receiver**") of Sekur Energy Management Corp. ("**Sekur**" or the "**Company**"). A copy of the Receivership Order and further filed pleadings and proceedings can be accessed via Deloitte's website at <http://www.insolvencies.deloitte.ca>.
2. The Receivership Order was granted pursuant to an application by Computershare Trust Company of Canada (the "**Collateral Agent**") in its capacity as collateral agent for a syndicate of lenders (collectively, the "**Lenders**") in respect of whom Guggenheim Corporate Funding, LLC ("**Guggenheim**") acts as administrative agent. The Lenders were owed approximately \$39.3 million at the Date of Receivership and the Collateral Agent holds registered security over all of the Company's present and after acquired property for and on behalf of the Lenders. The Company consented to the Receivership Order.
3. The Receiver engaged independent legal counsel, McCarthy Tetrault LLP ("**McCarthy**"), to complete a review of the security held by Guggenheim. McCarthy has opined that Guggenheim's security (the "**Guggenheim Security**") is valid and enforceable and ranks in priority to the unsecured creditors of Sekur and to any subsequently appointed trustee in bankruptcy of Sekur. McCarthy also conducted searches against the petroleum and natural gas properties (the "**PNG Properties**") being sold by the Receiver and confirmed that there are no apparent competing claims to the proceeds of sale thereof which might rank in priority to the Guggenheim Security.

## Notice to Reader

4. In preparing this third report of the Receiver dated January 6, 2016 (the "**Third Report**"), the Receiver has relied on unaudited financial information, the books and records of Sekur and discussions with the Company's former employees, interested parties and other stakeholders. The Receiver has not performed an independent review or audit of the information provided.
5. The Receiver assumes no responsibility or liability of any loss of damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the Third Report.

6. Capitalized terms not otherwise defined herein have the meanings given to them in the pre-filing report of the Receiver dated August 7, 2015 (the "**Pre-Filing Report**"), the first report of the Receiver dated September 17, 2015 (the "**First Report**"), and the second report of the Receiver dated November 23, 2015 (the "**Second Report**").
7. All amounts in this report are in Canadian dollars unless otherwise indicated. All amounts are rounded to the nearest \$100.

## Background and Court Proceedings

8. Sekur is a private junior oil and gas company, which was incorporated pursuant to the laws of Canada and extra-provincially registered in Alberta in 2012. At the Date of Receivership, the Company held PNG Properties throughout Central Alberta. These included 150,395 gross acres of land which produced approximately 430 barrels of oil equivalent per day.
9. As a result of the August 12 Hearing, the Court granted the Receivership Order and additional orders approving the August Sales and sealing the Confidential Affidavit.
10. As a result of the September 10 Hearing, the Court granted an order (the "**Commission Order**") permitting the payment of commissions due to NRG Divestitures Inc. ("**NRG**") on prior and future sales of the PNG Properties of Sekur that are completed by the Receiver and arise out of the Sales Process run by NRG. NRG has been paid, in accordance with the Commission Order, all commissions owed to it.
11. As a result of the September 22 Hearing, the Court granted orders providing the following relief:
  - 11.1. Approval of the reported actions of the Receiver to September 17, 2015 in respect of administering these receivership proceedings;
  - 11.2. Approval of the Response Transaction and vesting the assets that were the subject of the Response Transaction in Response free and clear of all claims, liens and encumbrances;
  - 11.3. Approval of the Newcrest Transaction and vesting the assets that were the subject of the Newcrest Transaction in Newcrest free and clear of all claims, liens and encumbrances;
  - 11.4. Approval of the Vermillion Transaction and vesting the asset that was the subject of the Vermillion Transaction in Newcrest free and clear of all claims, liens and encumbrances;
  - 11.5. Approval of an interim distribution of all funds held by the Receiver and any further amounts that may be collected by the Receiver to Guggenheim up to the value of its indebtedness (the "**Distribution Order**"), subject to such reserves as the Receiver deems necessary, acting reasonably, including any amounts agreed to with the Alberta Energy Regulator (the "**AER**") related to any future transactions that result in Sekur's license liability rating being less than 1.0 (the "**Distributions**"), provided that prior to making such Distributions the Receiver obtains a satisfactory report from McCarthy in respect of security and other interests potentially ranking in

priority to the Guggenheim Security (as outlined previously, McCarthy subsequently provided this report and no other prior ranking interests were noted); and

- 11.6. Approval of the Sealing Order with respect to the first confidential supplement report of the Receiver dated September 21, 2015 (the **"Supplement"**).

12. As a result of the November 27 Hearing, the Court granted orders providing the following relief:

- 12.1. Approval of the reported actions of the Receiver since September 17, 2015 in respect of administering these receivership proceedings;
- 12.2. Approval of the Toro Transaction and vesting the assets that were the subject of the Toro Transaction in Toro free and clear of all claims, liens and encumbrances;
- 12.3. Approval of the Bearspaw Transaction and vesting the assets that were the subject of the Bearspaw Transaction in Bearspaw free and clear of all claims, liens and encumbrances;
- 12.4. Approval of the TKL Transaction and vesting the assets that were the subject of the TKL Transaction in TKL free and clear of all claims, liens and encumbrances;
- 12.5. Approval of the transactions contemplated by the right of first refusal (**"ROFR"**) contracts with certain ROFR purchasers (the **"ROFR Purchasers"**, the **"TKL ROFR Transactions"**) on substantially the same terms as set out in the TKL ROFR Transactions and vesting the assets that were the subject of the TKL ROFR Transactions in the ROFR Purchasers free and clear of all claims, liens and encumbrances;
- 12.6. Approval of the transactions contemplated by the ROFR contracts with Canadian Natural Resources Ltd. (**"CNRL"**) and Potts Petroleum Inc. (**"Potts"**, the **"CNRL and Potts Transactions"**) on substantially the same terms as set out in the Newcrest Transaction and vesting the assets that were the subject of the CNRL and Potts Transactions in CNRL and Potts free and clear of all claims, liens, and encumbrances; and
- 12.7. Approval of the Second Sealing Order with respect to the second confidential supplement report of the Receiver dated November 23, 2015 (the **"Second Confidential Supplement"**).

13. This report constitutes the third report of the Receiver (the **"Third Report"**). The Third Report is being filed in support of the Receiver's application to this Honourable Court on January 13, 2016 (the **"January 13 Hearing"**) requesting the following relief:

- 13.1. Approval of the reported actions of the Receiver since November 23, 2015 in respect of administering these receivership proceedings;
- 13.2. Approval of the accounts of the Receiver and Gowlings, inclusive of an accrual for the fees and disbursements in connection with the completion of these proceedings, including the costs of this application;
- 13.3. Approval of the payment of the Remaining Unpaid Disbursements and the Remaining Funds (as both defined later in this report);

- 13.4. Declaring that the Receiver has duly and properly discharged its duties, responsibilities and obligations; and
- 13.5. Based on the evidence before the Court, declaring that the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in these receivership proceedings up to and including the date hereof, and that 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 in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court, and that, subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are stayed, extinguished and forever barred.

# Receiver's Activities

14. The Receiver's powers are detailed in Paragraph 3 of the Receivership Order. They include the power to take and maintain possession and control of Sekur's property, the power to manage, operate and carry on the business of Sekur and the power to market and sell Sekur's property, subject to Court approval as required by the Receivership Order.
15. The Receiver has completed many activities since the date of the Second Report on November 23, 2015, as further outlined below.
16. Around November 23, 2015, the Receiver received several options to exercise ROFR rights from ConocoPhillips Canada ("**ConocoPhillips**"), which were as a result of a larger disposition. As Sekur did not have the financial resources to exercise the ROFRs, the Receiver waived its ROFR rights in the wells still held by Sekur on December 11, 2015. Approximately eight wells in the ConocoPhillips ROFR package were wells in which Sekur had sold its working interest to Newcrest and subsequently Quicksilver via an exercise of a ROFR in the Newcrest Transaction and TKL Transaction. As the operators of these wells are not obligated to recognize the new party until the binding date of the notice of assignment in the respective transactions (Newcrest on January 1, 2016 and Quicksilver and TKL on February 1, 2016), the Receiver received written confirmation from each party to waive their respective preferential rights of purchase through the Receiver/Sekur.
17. On November 24, 2015, the Receiver proceeded with closing the Vermillion Transaction with Potts, one of the parties that exercised their ROFR rights attached to the subject Vermillion PNG Properties.
18. On November 30, 2015, the Receiver proceeded with closing the Vermillion Transaction with CNRL, the second party that exercised their ROFR rights attached to the subject Vermillion PNG Properties.
19. On December 1, 2015, the Receiver proceeded with closing the Toro Transaction.
20. On December 1, 2015, the Receiver proceeded with closing the sale of all wells listed in the TKL Transaction that were not subject to a ROFR contract. There were eight wells that were not subject to a ROFR and for which the purchase and sale transactions closed.
21. The TKL Transaction contained three wells which had an accompanying ROFR contract with three parties. One party waived their ROFR rights while the other two parties, ConocoPhillips and Quicksilver Resources Canada Ltd. chose to exercise. The Receiver is scheduled to close the purchase and sale of the three wells on January 7, 2016.
22. On December 16, 2015, the Receiver proceeded with closing the Bearspaw Transaction. The Bearspaw Transaction was delayed in closing as both parties worked with the AER to confirm the conditions it would require satisfied in order to approve the transfer to Bearspaw of well licenses issued to Sekur.

23. In accordance with the Commission Order, the Receiver has remitted the funds owing to NRG as a result of the Final Sales Process.
24. As a result of the Receiver's discharge there will be no remaining interests in the PNG Properties in the possession or control of the Receiver. Further, the Receiver gave notice of the resignation of the Company as Operator of any of the divested assets in accordance with the provisions of each of the subject agreements, as the case may be. The books and records of the remaining Licensed and Non-Licensed Assets were surrendered to the AER.
25. The remaining fixed assets held at PNG Properties were assessed to yield nominal realization value, hence the Receiver did not proceed with a sales process. The Receiver is not aware of any other remaining assets of the Company.
26. In or around September 3, 2015, the Receiver contacted all joint interest billing ("JIB") partners with respect to the treatment of revenues and expenses owed to Sekur in the context of the Receivership. The letter explicitly informed JIB partners that any such revenues are now to be paid directly to the Receiver. Additionally, the letter indicated that any expenses or costs incurred by Sekur prior to August 12, 2015 cannot be applied against any production revenues due to Sekur, in accordance with the Receivership Order. The Receiver further provided payment and invoicing instructions to all JIB partners.
27. Despite the communication from the Receiver, several JIB partners have withheld amounts due to Sekur. Further complicating the matter, several of the JIB amounts owed are now payable to third parties as a result of the underlying assets having been sold by the Receiver. The Receiver intends to notify all JIB partners withholding payments that the amounts are due to the third party by virtue of the vesting orders associated with each sale. Any failure to comply with the terms of the vesting orders would be a violation of the Receivership Order. The Receiver is continuing its efforts to pursue these amounts and will distribute the amounts received in accordance with the distributions approved herein.
28. Other duties performed by the Receiver since November 23, 2015 include, but are not limited to the following:
  - 28.1. Reporting to and responding to inquiries from creditors and other stakeholders;
  - 28.2. Communicating with various working interest participants of Sekur;
  - 28.3. Arranging for the return of third-party property;
  - 28.4. Cleaning out the leased office premises and related books and records and disclaiming the lease on the office property;
  - 28.5. Providing updates and having discussions with Guggenheim regarding the receivership process;



- 28.6. Working with the Contractors who have been providing assistance to the Receiver with a specific emphasis on the collection of accounts receivable, supporting the sale of the PNG Properties, updating Sekur's books and records and overseeing field operation compliance;
  - 28.7. Communicating with the AER related to various requests for information and the sale of PNG Properties; and
  - 28.8. Providing updates to and having discussions with legal counsel regarding the receivership process.
29. With the exception of a few ancillary items which include the completion of the final GST returns, collection of the final JIB amounts, and payment of the Remaining Disbursements and Remaining Funds (as both defined later in this report), the Receiver has completed all aspects concerning the administration of the receivership and is not aware of any other purpose for which it is required. In the circumstances, the Receiver is of the view that it is appropriate to be discharged from its mandate, subject to completing these duties.

# Statutory Claims

30. As outlined in the First Report, the Company has indicated that there are no payroll source deductions owing to the CRA as Sekur never had any employees. The CRA has indicated that there is no outstanding pre-receivership GST liability and that a GST trust audit will not be performed on pre-receivership transactions. CRA has been notified of the January 13 Hearing.
31. The Receiver will be completing the post-receivership GST claims and paying the final post-receivership GST amount in due course.

# Secured Creditor Claims

32. As outlined in the First Report and above, Guggenheim was owed approximately \$39.3 million at the Date of Receivership. McCarthy has performed the Security Review and has concluded that the Guggenheim Security is valid, enforceable and in a first-in-priority position in relation to the personal property of Sekur. A portion of the distribution that would otherwise be paid to Guggenheim will be paid to the AER on the basis of an agreement between them pursuant to which the AER agreed to permit the Receiver to transfer Sekur's licenses of wells, facilities and pipelines pursuant to the sales process of the Receiver notwithstanding that the licensee liability rating of Sekur was caused by such sales to be less than 1.0 (the "**AER Agreement**"). Without this agreement, it would not have been possible for the Receiver to complete a majority of the sales of assets in respect of which Sekur held licenses from the AER, standing significant remaining value in the estate. The AER required that the terms of this agreement remain confidential.
33. Pursuant to the Distribution Order, on October 16, 2015 an interim distribution of approximately \$1.26 million was made by the Receiver to Guggenheim. At the January 13 Hearing, the Receiver will seek Court approval of a final distribution of funds collected by the Receiver to Guggenheim and the AER pursuant to the AER Agreement.
34. As a result of a default by Sekur under a processing agreement entered into with Bearspaw, Bearspaw had registered financing statements against Sekur pursuant to the *Personal Property Security Act* of Alberta ("**PPSA**") in December 2013. As part of its consideration for the Bearspaw Transaction, Bearspaw released Sekur of its PPSA charge on closing.
35. On September 1, 2015 Gunnarr Resources Inc. ("**Gunnarr**") contacted the Receiver concerning an incident in July 2015 where crude production belonging to Gunnarr was inadvertently sold by Sekur's marketing company. Sekur and Gunnarr had a contract in place where Gunnarr would deliver its crude to a Sekur facility where the crude would be processed. The contract states that Sekur does not acquire title to the production and that funds received by Sekur for production are considered trust funds. Gunnarr had not received the proceeds from the inadvertent sale of its crude as at September 1, 2015. Typically, these incidents would be reversed in future billing cycles however, the Receivership terminated this practice. After reviewing the incident with counsel and obtaining and reconciling the supporting documentation surrounding the incident, both the Receiver and Gowlings believe the Receiver is in possession of trust funds belonging to Gunnarr and as a result, the Receiver will reimburse Gunnarr for approximately \$10,000 in funds and seek a release.

# Fees and Disbursements of the Receiver and its Legal Counsel

36. Professional fees and disbursements charged by the Receiver and its legal counsel in relation to the administration of the receiverships total approximately \$597,200 (excluding GST), including the estimated remaining billings to completion of \$45,000. These amounts are summarized in the Receiver's Final Statement of Receipts and Disbursements ("**Final SRD**"), which is attached to this Report as "**Schedule 1**".
37. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to the required and necessary duties of the Receiver hereunder, and are reasonable in the circumstances. This proceeding was unusually difficult given the relative amounts realized. In carrying out their duties, the Receiver and its counsel negotiated and settled the first agreement between the AER and a receiver to permit the carrying out of a sales process where the licensee liability rating of the debtor was less than 1.0:1.0, formulated and carried out four supplemental sales processes to sell the remaining assets of Sekur, and negotiated and finalized eleven different asset purchase and sale agreements in respect of Sekur's licensed and unlicensed wells, facilities and pipelines, and all documentation required to be completed in respect of such transactions. While the ultimate realization was modest in relation to the amount of the secured indebtedness owed to Guggenheim and the Lenders, as a result of the agreement with the AER, gross sale proceeds of \$1.35 million was realized from licensed assets that would otherwise not have been had the effort not been expended. Detailed time records supporting the invoices are available in the offices of the Receiver and Gowlings.

# Final Statement of Receipts and Disbursements


38. The actual receipts and disbursements of the Receiver up to and including January 4, 2016, are summarized in the Final SRD, as shown in "**Schedule 1**". As reflected therein, as at January 4, 2016, approximately \$1,910,500 was being held in trust by the Receiver.
39. The Final SRD reflects total receipts of approximately \$3,955,600. The Receiver highlights the following with respect to the more significant receipts:
- 39.1. At the date of Receivership, Sekur held approximately \$656,900 in the ATB Accounts. Subsequent to the date of Receivership, these accounts were closed and all funds were paid to the Receiver;
  - 39.2. Net sale proceeds of approximately \$2,799,800 from the PNG Properties;
  - 39.3. Net production receipts from operations of approximately \$310,300; and
  - 39.4. Accounts receivable, including joint interest billings, of \$120,500.
40. The Final SRD reflects disbursements of approximately \$2,045,100. The Receiver highlights the following with respect to the more significant disbursements:
- 40.1. Pursuant to the Distribution Order, an interim distribution payment was made to Guggenheim for approximately \$1,258,100;
  - 40.2. Payment of the Receiver's professional fees and disbursements totalling approximately \$304,200 for the period ended November 27, 2015 and the Receiver's legal counsel's professional fees and disbursements total approximately \$85,200 for the period ended September 9, 2015;
  - 40.3. Payment to office contractors for services provided throughout the receivership period total approximately \$136,300;
  - 40.4. Payment of commissions to NRG totalling \$85,600 related to the August Sales and Final Sales Process pursuant to the Commission Order;
  - 40.5. Payment for field operating expenses totalling approximately \$39,000; and
  - 40.6. Payment of rent for approximately \$39,200 related to the office premises.

41. The estimated remaining unpaid disbursements included in the Receiver's Final SRD (the "**Remaining Unpaid Disbursements**"), are as follows:
- 41.1. The Receiver's actual fees and disbursements totalling approximately \$64,600 for the period ended December 30, 2015 and the Receiver's legal counsel's actual fees and disbursements total approximately \$143,200 for the period ended December 31, 2015;
  - 41.2. \$30,000 for estimated remaining Receiver's fees to obtain its discharge;
  - 41.3. \$15,000 for estimated remaining legal fees for Gowlings to complete the administration;
  - 41.4. \$30,000 for estimated payments to office contractors for services to complete the administration;
  - 41.5. \$16,000 for estimated remaining general office and IT expenses to complete the administration;
  - 41.6. \$3,000 for estimated remaining payments to field operators to complete the administration;
  - 41.7. \$10,000 for reimbursement of trust funds to Gunnarr;
  - 41.8. \$60,000 for estimated payments to purchasers of assets for joint interest billings;
  - 41.9. \$20,500 for estimated payment to the CRA for post-receivership GST liability; and
  - 41.10. \$25,000 for estimated miscellaneous expenses to complete the administration.
42. The estimated remaining receipt is approximately \$30,000 the Receiver expects to collect from JIB's.
43. Following the payment of the Remaining Unpaid Disbursements and after the collection of the remaining JIB's, it is anticipated that approximately \$1.52 million of funds will remain in the Receiver's trust account (the "**Remaining Funds**").
44. The Remaining Funds, subject to the approval of this Honourable Court, will be paid by the Receiver to the AER and Guggenheim in accordance with the AER Agreement and the Distribution Order.
45. The Receiver does not expect any distributions to any unsecured creditors.

# Conclusion

46. As a result of the foregoing, the Receiver respectfully requests the following:
- 46.1. Approval of the reported actions of the Receiver since November 23, 2015 to date in administering these receivership proceedings;
  - 46.2. Approval of the accounts of the Receiver and Gowlings, inclusive of an accrual for the fees and disbursements in connection with the completion of these proceedings, including the costs of this application;
  - 46.3. Approval of the payment of the Remaining Unpaid Disbursements and Remaining Funds;
  - 46.4. Declaring that the Receiver has duly and properly discharged its duties, responsibilities and obligations;
  - 46.5. Discharging the Receiver upon it filing a sworn affidavit confirming all matters have been completed;
  - 46.6. Declaring that the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in these receivership proceedings up to and including the date hereof, and that 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 in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court, and that, subject to the foregoing, any claims against the Receiver in connection with the performance of its duties are stayed, extinguished and forever barred; and
  - 46.7. Such further and other relief and directions as counsel may request and this Honourable Court may deem appropriate.

**DELOITTE RESTRUCTURING INC.,**  
in its capacity as Receiver of Sekur Energy  
Management Corp. and not in its personal or  
corporate capacity

  
\_\_\_\_\_  
Jeff Keeble, CA • CIRP, CBV  
Senior Vice President

Schedule 1 –  
Statement of Receipts and  
Disbursements for the Period  
Ended January 4, 2016



**Sekur Energy Management Corp.**  
**Final Statement of Receipts and Disbursements**  
**For the period ended January 4, 2016**

Description	Amount	Note
<b>Receipts</b>		
Cash on hand	\$ 656,927	i
Sale of PNG assets	2,799,822	ii
Production revenue receipts	310,281	iii
Collection of accounts receivable / joint interest billings	120,488	iv
Alberta Government royalty refund	6,472	v
GST refund	6,150	vi
GST collected	55,475	vii
Miscellaneous receipts	5	
Total receipts	<u>3,955,620</u>	
<b>Disbursements</b>		
Interim disbursement to Guggenheim	1,258,076	viii
Receiver's fees and costs	304,168	ix
Contractor services	136,338	x
Commission to NRG Divestitures Inc.	85,642	xi
Legal fees	85,192	xii
Rent for office premises	39,207	xiii
GST paid	35,009	xiv
Office operating expenses	53,929	xv
Field operating expenses	38,989	xvi
Government of Alberta Mineral and Surface leases	8,556	xvii
Total disbursements	<u>2,045,106</u>	
<b>Excess of revenues over disbursements</b>	<u><u>\$ 1,910,514</u></u>	
<b>Remaining Receipts</b>		
Collection of accounts receivable / joint interest billings	30,000	xviii
Total remaining receipts	<u>30,000</u>	
<b>Remaining Unpaid Disbursements</b>		
Receiver's fees and costs	64,563	xix
Receiver's estimated fees to completion	30,000	xx
Legal fees	143,229	xxi
Estimated legal fees to completion	15,000	xxii
Contractor services	30,000	xxiii
Office operating expenses	16,000	xxiv
Field operating expenses	3,000	xxv
Gunnarr Resources Inc. trust claim	10,000	xxvi
Joint interest billings to purchasers of assets	60,000	xxvii
Post-filing GST liability	20,466	xxviii
Contingency	25,000	xxix
Total remaining unpaid disbursements	<u>417,257</u>	
<b>Excess after remaining receipts and unpaid disbursements</b>	<u><u>\$ 1,523,256</u></u>	

**Notes:**

- i Represents cash on hand in ATB bank as at August 12, 2015, subsequently transferred to Receiver's account.
- ii Represents actual cash receipts after closing adjustments for asset sales to Signalta Resources Limited, Twin Butte Energy Ltd. and Head First Energy Inc. in September 2015, to Response Energy Corporation and Newcrest Resources Ltd in October 2015, and to Bearspaw Petroleum Ltd, TKL Consultants Ltd., and Toro Oil & Gas Ltd. in November and December 2015.
- iii Represents collection of production revenues from operated properties.
- iv Represents collection of general trade and joint interest receivables.
- v Represents a refund on Government of Alberta royalty deposits as a result of lower than expected production.
- vi Represents GST refund for the month of June 2015.
- vii GST collected on asset sales and production revenues.
- viii Interim distribution to Guggenheim pursuant to an order granted at the September 22, 2015 Court hearing.
- ix Represents fees and disbursements for Receiver's activities completed for the period ended November 27, 2015.
- x Represents payments to office contractors for services rendered for the period ended December 15, 2015.
- xi Represents commissions paid to NRG Divestitures Inc. as set out in an agreement with Sekur dated May 7, 2015 and approved by an Order of the Court of Queen's Bench on September 10, 2015.
- xii Represents legal fees incurred for the period ended September 9, 2015.
- xiii Represents occupation rent of office premises for the period ended December 14, 2015.
- xiv Represents GST paid on disbursements disbursed to date.
- xv Represents general office and IT expenses disbursed to date.
- xvi Represents payments to field operators for monitoring and repairs on Sekur operated properties.
- xvii Represents payments to the Government of Alberta for Mineral and Surface rentals for Sekur operated properties.
- xviii Represents estimated remaining receipt from joint interest billings.
- xix Represents unpaid Receiver's fees to December 30, 2015.
- xx Represents estimated Receiver's fees to complete the administration.
- xxi Represents unpaid legal fees for Gowlings to December 31, 2015.
- xxii Represents estimated remaining legal fees for Gowlings to complete the administration.
- xxiii Represents estimated remaining payments to office contractors for services to complete the administration.
- xxiv Represents estimated remaining general office and IT expenses to complete the administration.
- xxv Represents estimated remaining payments to field operators to complete the administration.
- xxvi Represents reimbursement of trust funds to Gunnarr Resources Inc.
- xxvii Represents estimated payments for joint interest billings owed to purchasers of assets.
- xxviii Represents estimated payment of post-filing GST liability.
- xxix Represents estimated payments for miscellaneous expenses to completion of the engagement.