

COURT FILE NUMBER 1001 - 17751
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF CANADIAN WESTERN BANK
DEFENDANT WHITEMUD RESOURCES INC.

DOCUMENT

ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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Client File No.: 27113.24

**DATE ON WHICH ORDER WAS
PRONOUNCED**

MAY 10, 2011 at CALGARY, ALBERTA

**NAME OF JUDGE
WHO MADE THIS ORDER**

JUSTICE K. M. HORNER

ORDER

UPON THE APPLICATION of Deloitte & Touche Inc. in its capacity as the Court-appointed Receiver and Manager (the "Receiver") of the Defendant, Whitemud Resources Inc. ("Whitemud"); AND UPON hearing from counsel for the Receiver and counsel for other

interested parties; AND UPON reviewing the First Report of the Receiver dated March 23, 2011 (the "First Report"), the Confidential Supplement to the First Report of the Receiver dated March 28, 2011 (the "Confidential Supplement"), and the Second Report of the Receiver dated May 6, 2011 (the "Second Report");

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Receiver is hereby authorized and directed, as soon as is reasonably practical after the granting of this Order, to pay to Olympia Trust Company ("Olympia"), in Olympia's capacity as Trustee for and on behalf of the holders of those 12% Convertible Secured Subordinated Debentures (the "Debentures") issued by Whitemud pursuant to the terms of that Trust Indenture dated August 6, 2009 (the "Indenture"), a sum sufficient to fully discharge Whitemud's obligations under the Debentures (the "Debenture Payment").
2. Upon the Receiver making the Debenture Payment to Olympia, Whitemud's obligations to the holders of the Debentures shall be fully discharged.
3. Upon the Debenture Payment being made, Kasten Energy Inc. ("Kasten") shall be entitled to the benefit of and shall be granted a charge (the "Debenture Payment Charge") on all of the Property (as defined in the December 15, 2010 Consent Order appointing Receiver and Manager granted in this Action, hereinafter the "Consent Receivership Order") to secure all of Whitemud's obligations to Kasten regarding the funds provided by Kasten to the Receiver for the purpose of making the Debenture Payment (the "Debenture Payment Funds").
4. Upon the Debenture Payment being made, the Receiver is authorized and empowered to execute and deliver to Kasten, in the name of Whitemud, such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively the "Definitive Documents") as may be reasonably required by Kasten with respect to its provision of the Debenture Payment Funds.
5. Upon the Debenture Payment being made:
 - (a) the Debenture Payment Charge shall constitute a charge on the Property and shall rank in priority immediately subordinate to the security interests, mortgages and

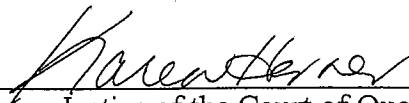
charges granted by Whitemud to Canadian Western Bank, which have since been assigned to and acquired by Kasten, and subordinate to any other claims that rank in priority to the charges granted by Whitemud to Canadian Western Bank;

- (b) the filing, registration and perfection of the Distribution Payment Charge shall not be required; and
- (c) the Distribution Payment Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Debenture Payment Charge.

6. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Saskatchewan or any other jurisdiction is hereby requested to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order.

7. All courts, tribunals, regulatory and administrative bodies in Saskatchewan or any other jurisdiction are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this 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.

8. The Receiver is at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.


Justice of the Court of Queen's Bench
in Chambers