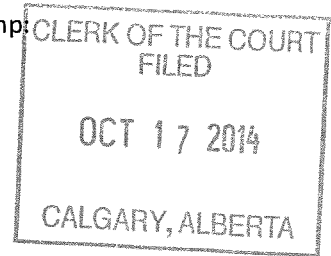


COURT FILE NUMBER 1401-05914
COURT OF QUEEN'S BENCH
OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT CP ENERGY MARKETING LP
RESPONDENT KYOTO FUELS CORPORATION

Clerk's stamp:



DOCUMENT APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: David Mann / Derek Pontin
Ph. (403) 268-7097 / 6301 Fx. (403) 268-3100
File No.: 131079-90

NOTICE TO RESPONDENTS:

This application is made against you. You are the Respondent.

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

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

Date	October 21, 2014
Time	2:00 pm
Where	Court of Queen's Bench of Alberta Calgary Courts Centre 601 – 5th Street S.W. Calgary, AB T2P 5P7
Before Whom	Madam Justice Streckf

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

Remedy claimed or sought:

1. an Order:

- (a) increasing the Receiver's borrowing limit, as stated in paragraph 21 of the Receivership Order, from \$600,000 to \$850,000 and confirming the Receiver's Borrowings Charge applies and extends to any increased borrowings of the Receiver;
- (b) approving the actions and conduct of the Receiver as described in the Receiver's First Report, dated October 16, 2014 (the "**First Report**");
- (c) authorizing, empowering, and directing the Receiver to proceed with the Proposed Final Bid Process described in the First Report; and
- (d) such further and other relief and this Honourable Court may deem just and appropriate.

Grounds for making this application:

- 2. The Receiver has taken steps to ensure the safety and security of Kyoto's biodiesel production plant (the "**Plant**") and assets (the "**Mothball Process**"). In conjunction with the Mothball Process, the Receiver conducted an extended sales process in respect of all of Kyoto's assets.
- 3. No acceptable offers were received in the course of the initial sales process and Receiver is exploring, in conjunction with Kyoto's senior secured lenders, alternatives for the sale, liquidation and/or dismantling of the Plant.
- 4. The First Report sets out the actions and activities of the Receiver to the date of the First Report and the monthly cost for the continued maintenance and safe keeping of the Plant and administration of the receivership.
- 5. The Receiver has borrowed \$600,000 by way of Receiver's Certificates to date. The Receiver anticipates needing an additional \$250,000 to advance the Receivership in the manner described in the First Report, including to complete the Proposed Final Bid Process described therein.
- 6. Agriculture Financial Services Corporation has agreed to advance the Receiver an additional \$250,000 by way of Receiver's Certificates.
- 7. The Receiver has been and continues to be in communication with the primary stakeholders in the Kyoto estate and the Alberta Government.
- 8. Such further grounds as this Honourable Court may allow.

Material or evidence to be relied on:

- 9. The pleadings and proceedings in this action.
- 10. The First Report of the Receiver, dated October 16, 2014.
- 11. The Affidavit of Rosie Cooney, to be filed.
- 12. Such further and other material and evidence as counsel may advise and this Honourable Court may allow.

Applicable Rules:

13. N/A

Applicable Acts and regulations:

14. N/A

Any irregularity complained of or objection relied upon:

15. N/A

How the application is proposed to be heard or considered:

16. Orally in Chambers.

WARNING

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