



Clerk's stamp

Court File Number 1501- 06552
Court COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre Calgary
Applicant Robert Martin Friedland
Respondents Ivanhoe Energy Inc.
Document APPLICATION BY ROBERT MARTIN FRIEDLAND

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File No.: 133987.1005

NOTICE TO THE RESPONDENT

This application is made against you. You are a respondent.

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

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

Date: Tuesday, June 16, 2015
Time: 10:30 a.m.
Where: Calgary Courts Center
Before: The Honourable Justice J. Streckfuss

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

Remedy Claimed or Sought:

1. Abridging, if necessary, the time for service of this application and deeming service of this application and the evidence filed in support of the application as being good and sufficient.
2. Appointing KPMG Inc. ("KPMG") as receiver over the assets, undertakings and property of Ivanhoe Energy Inc. ("Ivanhoe") on substantially the same terms and conditions contained in the draft Receivership Order attached as Schedule "A" hereto.
3. Such further and other relief, advice, and directions as counsel may advise and this Honourable Court may permit.

Grounds For Making This Application:

A) The Parties

4. The Applicant, Robert Martin Friedland ("Mr. Friedland"), is an international financier who specializes in providing financing and venture capital to junior companies in the energy and minerals industries, whether directly, through a network of corporations that he owns or controls, or through business ventures in which he has an interest.
5. Mr. Friedland was a co-founder of Ivanhoe and has been closely involved with the company since that time. Mr. Friedland was a director of Ivanhoe from 1995 until October 10, 2014, and he was executive co-chairman from 2008 until October 10, 2014. Between 2008 and 2011, he acted as Ivanhoe's chief executive officer. Mr. Friedland resigned his positions with Ivanhoe effective October 10, 2014.
6. Mr. Friedland is Ivanhoe's senior secured creditor as well as Ivanhoe's single largest individual creditor. In addition, corporations that Mr. Friedland owns or controls are significant unsecured creditors of Ivanhoe. Mr. Friedland is also Ivanhoe's single largest shareholder, holding approximately 16.78% of Ivanhoe's issued and outstanding shares and convertible debentures that are convertible into 99,206 shares.
7. Ivanhoe is a corporation established under the laws of Yukon and extra provincially registered in Alberta. It is a reporting issuer whose shares were traded on the TSX (under ticker symbols IE.TO and IE-DB.TO) and NASDAQ (under ticker symbol IVAN) markets. In February 2015, Ivanhoe was delisted from both the TSX and NASDAQ.
8. Ivanhoe is bankrupt.
9. On February 20, 2015, Ivanhoe filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA"). Ivanhoe failed to make a proposal within the time permitted for doing so and was deemed to have made an

assignment into bankruptcy on June 2, 2015. Ernst & Young Inc. was appointed as the trustee in bankruptcy of Ivanhoe (the "Trustee in Bankruptcy").

10. Ivanhoe's principal corporate office was located at 999 Canada Place, Suite 654, Vancouver, British Columbia. Its registered and records office is located at 300-204 Black Street, Whitehorse, Yukon.

B) The Loan

11. Pursuant to a loan agreement, dated October 10, 2014, between Ivanhoe and Mr. Friedland (as subsequently amended, the "Loan Agreement"), Mr. Friedland provided a bridge loan in the amount of US \$2.2 million to Ivanhoe (the "Loan").
12. The Loan matured on April 8, 2015, and is now due and payable in full.
13. Amounts outstanding in connection with the Loan bear interest at the rate of 10% per year, calculated semi-annually not in advance.
14. Pursuant to an amendment to the Loan Agreement, dated December 29, 2014, between Ivanhoe and Mr. Friedland (the "Loan Agreement Amendment"), the Loan Agreement was amended to provide for a second advance of US \$540,000 that was advanced on or about December 29, 2014.
15. On February 10, 2015, the Loan Agreement was again amended at Ivanhoe's request to increase the Loan by a further US \$2,370,016, which amount was advanced on or about February 10, 2015.

C) Mr. Friedland's Security

16. The Loan is secured by a fixed and floating charge debenture dated October 10, 2014 (the "Charging Debenture") made by Ivanhoe (as chargor) to and in favour of Mr. Friedland (as holder), in the maximum amount of US \$5 million at an interest rate of 30% per year.
17. Pursuant to the Charging Debenture, Ivanhoe:
 - (a) Granted, assigned as security, conveyed, mortgaged, pledged and charged, as and by way of a first fixed and specific mortgage, charge and pledge, to and in favour of Mr. Friedland, and granted to Mr. Friedland a continuing security interest in, all of Ivanhoe's right, title, interest and estate in and to the Specifically Mortgaged Lands, the Oil Sands Leases, and all Oil Sands and other hydrocarbons within, upon or under the Specifically Mortgaged Lands, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures then or thereafter constructed or placed on the Specifically Mortgaged Lands and all accretions, additions and accessions to any of the foregoing, any

substitution of any of the foregoing and any and all proceeds of any of the foregoing and including all of Ivanhoe's present and after-acquired right, title, estate and interest in and to all proceeds derived from any of the foregoing (as such capitalized terms are defined in the Debenture);

- (b) Granted, assigned as security, conveyed, mortgaged and charged, as and by way of a first floating charge, to and in favour of Mr. Friedland, all of Ivanhoe's right, title, interest and estate in and to all real property (including without limitation all Oil Sands and other hydrocarbons) not subject to the fixed charge set for above, both present and future, of every nature and kind and wherever situate, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures then or thereafter constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions to any of the foregoing, which Ivanhoe had, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing; and
- (c) Granted, assigned as security, conveyed, transferred, mortgaged and charged as and by way of a fixed and specific mortgage and charge to and in favour of Mr. Friedland, and granted to Mr. Friedland a continuing security interest in, all of Ivanhoe's present and after-acquired personal property, including without limitation all present and after-acquired goods (including without limitation all Oil Sands and other hydrocarbons extracted from time to time and all Products), chattel paper, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located (collectively, the "Charge", and the property subject to the Charge, the "Charged Property");

as security for the due payment and performance of all obligations, including all debts, obligations, liabilities, and indebtedness to Mr. Friedland, including any such debts, obligations, liabilities and indebtedness incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding (the "Obligations").

18. The Charge becomes and is enforceable against Ivanhoe upon the occurrence of an event of default under the Loan Agreement.
19. When the Charge is enforceable, Mr. Friedland may, at any time, in his sole discretion: (a) declare any or all of the Obligations to be forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which were expressly waived by Ivanhoe; and (b) realize upon the Charged Property, including by (among other things) instituting proceedings in any court of competent

jurisdiction for the appointment of a receiver of all or any part of the Charged Property.

20. In addition to the Charging Debenture, Ivanhoe delivered a first supplemental debenture dated February 10, 2015 to Mr. Friedland (the "Supplemental Charging Debenture" and, together with the Charging Debenture, the "Charging Debentures"). The Supplemental Charging Debenture was supplemental to and in implementation of the Charging Debenture, and incorporates by reference (*mutatis mutandis*) many of the provisions of the Charging Debenture.
21. The Supplemental Charging Debenture increased the principal sum set out in the Charging Debenture from US \$5 million to US \$10 million.

D) DIP Loan and Charge

22. On or about February 20, 2015, Ivanhoe commenced proposal proceedings (the "Proposal Proceedings") under the BIA.
23. On or about February 27, 2015 Ivanhoe obtained interim debtor-in possession financing (the "DIP Financing") in connection with the Proposal Proceedings pursuant to a term sheet it entered into with Mr. Friedland (the "DIP Term Sheet"). The DIP Financing is in the amount of US \$1 million and bears interest at the rate of 13%, calculated daily.
24. The DIP Financing matured on June 1, 2015.
25. The DIP Financing is secured by a court-ordered super-priority charge (the "DIP Charge") on all assets, rights, undertakings and properties of Ivanhoe, of every nature and kind whatsoever, and wherever situated including all proceeds thereof.

E) Ivanhoe's Defaults, and Mr. Friedland's Demands for Repayment

26. On June 4, 2015, Mr. Friedland delivered a notice of default to Ivanhoe advising that Ivanhoe was in default under the Loan Agreement and the Charging Debentures because, among other things, it committed the following events of default, or permitted them to occur and continue:
 - (a) Ivanhoe has failed to repay all indebtedness outstanding under the Loan Agreement on the Maturity Date;
 - (b) Ivanhoe has failed to make principal, interest or fee payments under the Loan Agreement;
 - (c) Ivanhoe has commenced a voluntary proceeding under the BIA;
 - (d) Ivanhoe has been deemed to have made a general assignment for the benefit of its creditors; and

- (e) There have occurred events and developments that, in the Lender's opinion, are each likely to have a Material Adverse Effect (as defined in the Loan Agreement).
27. In accordance with the terms of the Charging Debentures, upon the occurrence of any one of the foregoing events of default, Mr. Friedland is entitled to: (a) demand payment of all amounts owing by Ivanhoe; and (b) seek the appointment of a receiver.
28. In addition, on June 4, 2015, Mr. Friedland delivered a notice of default to Ivanhoe advising that Ivanhoe is in default of its obligations under the DIP Term Sheet.
29. Ivanhoe has committed events of default, or has permitted them to occur and continue, including (but not limited to):
- (a) A deemed assignment of Ivanhoe into bankruptcy has occurred;
 - (b) Ivanhoe has failed to pay the principal amount outstanding under the DIP Term Sheet on the maturity date, being June 1, 2015;
 - (c) Ivanhoe has failed to pay interest and/or fees in accordance with the DIP Term Sheet when due and payable;
 - (d) Ivanhoe has failed to file a Proposal with the Proposal Trustee (as those terms are defined in the DIP Term Sheet) on or before April 21, 2015;
 - (e) Ivanhoe has failed to receive the required approval of all classes of creditors to a Proposal by May 13, 2015; and
 - (f) The Proposal Trustee has failed to apply to the Court for approval of a Proposal within 5 business days following its approval by all classes of creditors.
30. In accordance with the terms of the DIP Term Sheet, upon the occurrence of any one of the foregoing events of default, Mr. Friedland is entitled to: (a) demand payment of all amounts owing by Ivanhoe; and (b) seek the appointment of a receiver.

F) Indebtedness

31. Ivanhoe has been in default of the Loan Agreement and the DIP Term Sheet since April 8, 2015 and June 1, 2015, respectively. The full amount of Ivanhoe's indebtedness to Mr. Friedland under the Loan Agreement (being US \$5,348,666.08, including accrued interest, as at June 10, 2015) and the DIP Term Sheet (being US \$1,034,040.02, including accrued interest, as at June 10, 2015) are now due and payable. Ivanhoe has not repaid any amounts owing to Mr. Friedland in connection with the Loan Agreement or the DIP Term Sheet. Interest and fees continue to accrue.

G) The Appointment of a Receiver

32. Mr. Friedland makes this application on the following grounds:

- (a) Mr. Friedland holds security over all of Ivanhoe's property to secure repayment of the Indebtedness pursuant to the Debentures and the court-ordered DIP Charge;
- (b) By the terms of the Debentures and the DIP Term Sheet, Mr. Friedland is entitled to (among other things) institute proceedings in any court of competent jurisdiction for the appointment of a receiver of all of the Charged Property;
- (c) The appointment of KPMG as receiver over all of the assets, undertakings and property of Ivanhoe is also just, equitable, convenient and necessary to realize on Ivanhoe's assets in a fair and reasonable manner that will maximize the value of Ivanhoe's assets for the benefit of all of Ivanhoe's creditors.
- (d) KPMG has consented to act as receiver over the assets, undertakings and property of Ivanhoe;
- (e) The within application is of an urgent nature; and
- (f) Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or Evidence to be Relied on:

- 33. The Affidavit of Peter Meredith, sworn June 9, 2015;
- 34. The Supplemental Affidavit of Peter Meredith, sworn June 10, 2015;
- 35. The Consent to Act as Receiver executed by a duly authorized representative of KPMG Inc.;
- 36. The proposed form of Receivership Order, attached hereto as **Schedule "A"**; and
- 37. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- 38. Rules 6.3(1), 6.9(1)(a), 6.47 and 13.5 of the *Rules of Court*, as amended.

Applicable Legislation:

- 39. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and particularly s. 243 thereof;
- 40. *Judicature Act*, RSA 2000, c J-2, as amended, and particularly s. 13(2) thereof; and
- 41. Such other Rules, Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any Irregularity Complained of or Objection Relied on:

42. None.

How the Application is Proposed to be Heard:

43. This application is proposed to be heard by the Presiding Justice in Chambers, in person.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant 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 dates and at the time shown at the beginning of this 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.

SCHEDULE "A"

Draft Order

Court File Number

Clerk's stamp

Court COURT OF QUEEN'S BENCH OF ALBERTA

Judicial Centre Calgary

Applicant Robert Martin Friedland

Respondent Ivanhoe Energy Inc.

Document RECEIVERSHIP ORDER

Address for Service and
Contact Information of
Party Filing this Document
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Lawyers for the Applicant
File No.: 133987.1005

DATE ON WHICH ORDER WAS PRONOUNCED: June 16, 2015

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: The Honourable Justice J. Streckfuss

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of Robert Martin Friedland in respect of Ivanhoe Energy Inc. (the "Debtor");

AND UPON having read the Application, the Affidavits of Peter Meredith sworn June 9 and 10, 2015, and the Affidavit of Service of *, filed:

AND UPON reading the consent of KPMG Inc. to act as receiver ("Receiver") of the Debtor, filed;

AND UPON hearing counsel for ●;

IT IS HEREBY ORDERED and DECLARED THAT:

1. The time for service of the notice of application for this Order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA") and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (d) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue to the business of the Debtor or any part or parts thereof;
 - (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (f) to settle, extend or compromise any indebtedness owing to or by the Debtor;
 - (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (h) to undertake environmental or workers' health and safety assessments of the Property;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (j) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1 million; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with Ernst & Young Inc., in its capacity as the trustee in bankruptcy of the Debtor (the "Trustee"), including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. The Trustee, all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on the Trustee's instructions or behalf, and all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all

access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (a) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (b) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "Regulatory Body" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this paragraph shall (a) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (b) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having, on the date of the bankruptcy of the Debtor, oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and this Court directs that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act, S.C. 2005, c.47* ("WEPPA").

PIPEDA

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such

information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - (A) complies with the order; or
 - (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - (B) court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or

- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to sections 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$● (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4), 81.6(2) and 88 of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Notwithstanding Rule 6.11 of the Alberta *Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
27. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 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.
29. The Receiver shall be 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 and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Plaintiff shall have his costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by

the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
32. The Receiver shall establish and maintain a website in respect of these proceedings at <http://www.kpmg.com/ca/en/services/Advisory/TransactionRestructuring/CreditorlinkSites/Ivanhoe-energy> and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KPMG Inc., the receiver (the "Receiver") of all of the assets, undertakings and properties of Ivanhoe Energy Inc. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the [16th] day of June, 2015 (the "Order") made in action numbers ●, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$●, being part of the total principal sum of \$● which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Bank of ● from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2015.

KPMG Inc., solely in its capacity as Receiver
of the Property (as defined in the Order), and
not in its personal capacity

Per: _____
Name:
Title: