



Clerk's stamp:

COURT FILE NUMBER **1501-06552**
 COURT OF QUEEN'S BENCH OF ALBERTA
 JUDICIAL CENTRE **CALGARY**
 PLAINTIFF **ROBERT MARTIN FRIEDLAND**
 DEFENDANTS **IVANHOE ENERGY INC.**
 DOCUMENT **APPLICATION**
 ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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NOTICE TO RESPONDENTS

This application is made against you. You are a 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	<u>December 18, 2015</u>
Time	<u>9:00 a.m.</u>
Where	<u>Calgary Courts Centre</u>
Before Whom	<u>The Honourable Madam Justice Romaine</u>

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

Remedy claimed or sought:

1. The Applicant, KPMG Inc. (the "**Receiver**"), in its capacity as court appointed receiver of all of the current and future assets, undertakings and properties of Ivanhoe Energy Inc. ("**Ivanhoe**") seeks an Order substantially in the form attached hereto as Schedule "**A**":

- (a) abridging the time for service of this application and declaring that this motion is properly returnable today, if necessary, and further service of this Application, other than to those listed on the Service List attached hereto as Schedule "**B**" is hereby dispensed with;
- (b) approving the settlement agreement (the "**Settlement**") dated December 17, 2015 between the Receiver, Talisman Energy Canada ("**Talisman**"), Robert Martin Friedland ("**Friedland**"), Ernst & Young Inc. in its capacity as bankruptcy trustee of the estate of Ivanhoe (the "**Trustee**") and other interested parties to these proceedings;
- (c) authorizing and approving the Receiver to make distributions in accordance with the Settlement, as more particularly set out in the third report of the Receiver dated December 17, 2015 (the "**Third Report**");
- (d) declaring that the Court ordered Administration Charge and DIP Lender's Court Charge created pursuant to paragraphs 5 and 12 of the Order of the Honourable Mr. Justice P.R. Jeffrey (the "**Proposal Financing Order**") in the Court of Queen's Bench of Alberta Court File No. 25-1963517 and paragraph 17 of the Receivership Order (defined below) are terminated;
- (e) approving the actions, conduct and activities of the Receiver to date, as outlined in the Third Report and all previous reports filed in these proceedings;
- (f) approving the Receiver's Receipts and Disbursements for the period ended December 8, 2015 as set out in the Third Report;
- (g) approving the Receiver's accounts and the accounts of its independent legal counsel; and

- (h) such further and other relief and directions as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

2. The grounds upon which the Receiver relies in making the within Application are as follows:

- (a) The Receiver was appointed as Receiver pursuant to an Order of the Honourable Madam Justice J. Strekaf dated June 16, 2015, as amended on June 17, 2015 (the "**Receivership Order**");
- (b) Friedland and Talisman are creditors of Ivanhoe and hold valid and enforceable security over the Property (as defined in the Receivership Order);
- (c) on December 17, 2015, a settlement (the "**Settlement**") was confirmed among the Receiver, Friedland, the Trustee, Talisman and other interested parties to these proceedings as it relates to the quantum and priority of the secured claims of Friedland and Talisman (collectively the "**Secured Claims**");
- (d) the Receiver has, together with its legal counsel, reviewed the available facts and circumstances pertaining to the Secured Claims and the Receiver is of the view that the quantum of the Secured Claims and the proposed distributions in the Settlement are fair and reasonable, as set out in the Third Report;
- (e) as provided for in paragraphs 17 and 18 of the Receivership Order, the Receiver made interim payments in full satisfaction of the Court ordered Administration Charge and DIP Lender's Court Charge, as defined in paragraphs 5 and 12 of the Proposal Financing Order, and there are no outstanding claims pursuant to these charges;
- (f) the reasons described in the Third Report; and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

3. The Applicant intends to rely upon the following materials:
 - (a) the Third Report of the Receiver dated December 17, 2015; and
 - (b) such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

4. The Receiver will rely upon and refer to the following during the making of the Application:
 - (a) the provisions of the *Bankruptcy & Insolvency Act*, RSC 1985, c B-3, as amended; and
 - (b) the *Alberta Rules of Court*.

Any irregularity complained of or objection relied on:

5. None.

How application is proposed to be heard or considered:

6. In person before the Honourable Madam Justice Romaine on the 18th day of December, 2015 at 9:00 a.m.

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 date and at the 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.

Schedule "A"

Clerk's stamp:

COURT FILE NO. **1501-06552**
COURT **COURT OF QUEEN'S BENCH OF ALBERTA**
JUDICIAL CENTRE **CALGARY**
APPLICANT **ROBERT MARTIN FRIEDLAND**
RESPONDENT **IVANHOE ENERGY INC.**
DOCUMENT **INTERIM DISTRIBUTION ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

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Att: Emi Bossio
Telephone: 403-296-2286
Facsimile: 403-296-2299
File: 6308
Email: ebossio@pohl.ca

DATE ON WHICH ORDER WAS PRONOUNCED: December 18, 2015

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF THE JUDGE WHO MADE THIS ORDER: The Honourable Justice B.E.C. Romaine

UPON THE APPLICATION by KPMG Inc. ("KPMG") in its capacity as Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Ivanhoe Energy Inc. ("Ivanhoe"), **AND UPON** having read the Application, the third report of the Receiver dated December 17, 2015 (the "Third Report"), filed; **AND UPON** having read the Affidavit of Service of Carol Benish sworn December 17, 2015, filed; **AND UPON** hearing counsel for the Receiver, counsel for Robert Martin Friedland ("Friedland"), counsel for Talisman Energy Canada ("Talisman"), counsel for Ernst &

Young Inc. in its capacity as trustee of the bankrupt estate of Ivanhoe (the "**Trustee**"), and any other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the receivership order granted June 16, 2015, as amended on June 17, 2015, by the Honourable Madam Justice J. Streckf (the "**Receivership Order**") and the Third Report.
2. The time for service of the Application and materials in support thereof is hereby abridged, if necessary, such that the Application is properly returnable today and all parties entitled to notice of this Application have been properly served and further service is hereby dispensed with.
3. The settlement agreement (the "**Settlement**") dated December 17, 2015 between the Receiver, Talisman, Friedland, the Trustee and other interested parties to these proceedings, marked as Appendix C but not attached to the Third Report due to the confidential and commercially sensitive nature of its contents, is hereby approved.
4. The Receiver is hereby authorized and directed to make distributions in accordance with the Settlement and as set out in the Third Report.
5. There are no outstanding claims under the Court ordered Administration Charge and DIP Lender's Court Charge created pursuant to paragraphs 5 and 12 of the Order of the Honourable Mr. Justice P.R. Jeffrey in the Court of Queen's Bench of Alberta Court File No. 25-1963517 and paragraph 17 of the Receivership Order, and these charges are hereby terminated.
6. The actions, conduct and activities of KPMG to date, as outlined in the Third Report and in all previous reports filed by KPMG in these receivership proceedings, are hereby approved.
7. KPMG's statement of Receipts and Disbursements set out in the Third Report is hereby approved.
8. KPMG's accounts and the accounts of its independent legal counsel for the period ended October 31, 2015 are hereby approved.

9. Service of this Order on the persons listed in the Service List attached as Schedule "B" to the Application by email, facsimile, courier, registered mail, regular mail or personal delivery shall constitute good and sufficient service of this Order, and no persons other than the persons listed on the Service List are entitled to be served with a copy of this Order.

J.C.Q.B.A.

Schedule "B"

COURT FILE NUMBER 1501-06552

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT CALGARY

PLAINTIFF ROBERT MARTIN FRIEDLAND

DEFENDANT IVANHOE ENERGY INC.

SERVICE LIST

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