

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

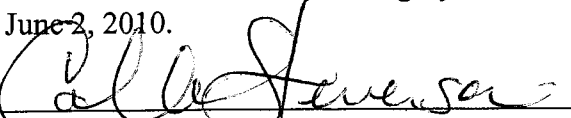
IN THE MATTER OF THE PROPOSAL OF
RICHARDS OIL & GAS LIMITED

AFFIDAVIT

I, FERDIE ARTZEN, of the City of Calgary, in the Province of Alberta, Businessman,
MAKE OATH AND SAY THAT:

1. I am the Vice President - Land of Richards Oil & Gas Limited ("Richards" or "the Company"), an insolvent person, and as such have knowledge of the matters hereinafter deposed to.
2. Richards filed a Notice of Intention to make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* on May 5, 2010 and Alger & Associates Inc. was appointed Richards' Proposal Trustee. A true copy of the said NOI is attached as Exhibit "A" to the Trustee's First Report filed in these proceedings.
3. Richards has taken the following restructuring steps:
 - (a) In mid 2009, Richards engaged the services of Avonlea Ventures Inc. to assist the Company in efforts to restructure its affairs;
 - (b) As part of the restructuring plan, Richards divested the following assets:
 - (i) Lone Rock property sold March 2009;
 - (ii) Lacombe property sold in April 2009
 - (iii) Crossfield deep rights sold June 2009;
 - (iv) Crossfield Seismic Licenses in July 2009;

- (v) Thorsby property sold in September 2009
 - (vi) Gadsby property sold October 2009; and
 - (vii) Crossfield shallow rights sold effective February 2010.
 - (viii) In April 2010, Richards facilitated the sale of National Bank of Canada's ("NBC") security to Kallisto Energy Corp. as Richards was not in compliance with the terms of the lending agreement with NBC. This provided Richards with an opportunity for additional time to restructure its affairs.
4. Richards requires a further 45 days to resolve matters related to updating accounting records and continuing discussions with tax advisors on the appropriate structure to preserve and utilize tax losses of approximately \$20 million. The Company also requires further time to continue discussions with the unsecured debenture holders on the requirement for voting by the trustee under the trust indenture.
 5. Richards has acted and is continuing to act in good faith and is proceeding with due diligence bearing in mind all creditors.
 6. Richards requires the requested extension in order to be able to make a viable Proposal.
 7. It is my view no creditor will be materially prejudiced by this the extension of time as the successful Proposal will result in potentially higher dividends for unsecured creditors and preserve the value of the tax losses of the Company.
 8. I swear this Affidavit in support of an application to extend the time within which Richards and its Trustee will be permitted to file a Proposal under Section 62(1) of the *Bankruptcy and Insolvency Act*.

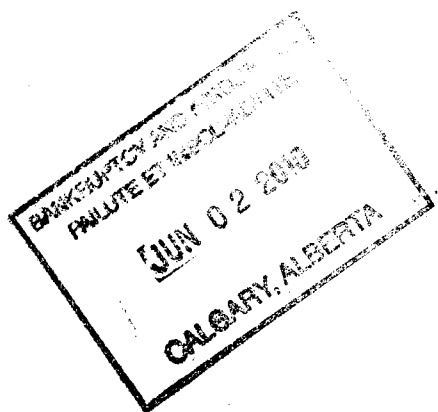
SWORN BEFORE ME at Calgary, Alberta)
 June 2, 2010.)
)
 A COMMISSIONER FOR OATHS in and)
 for the Province of Alberta.)



 FERDIE ARTZEN

Action No. 25-1356341

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY



IN THE MATTER OF THE PROPOSAL OF
RICHARDS OIL & GAS LIMITED

AFFIDAVIT

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Attention: Randal Van de Mosselaer

File No. 266394/RSV