

I hereby certify this to be a true copy of

the original Order

Dated this 22 day of Oct 2010

K. Green Stills
for Clerk of the Court

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**

BEFORE THE HONOURABLE
MADAM JUSTICE J. STREKAF
IN CHAMBERS

) AT THE COURTS CENTRE IN THE
) CITY OF CALGARY, PROVINCE OF
) ALBERTA, ON FRIDAY THE 22ND
) DAY OF OCTOBER, 2010

APPROVAL ORDER

UPON the application of Richards Oil & Gas Limited ("Richards") and Alger & Associates Inc. (the "Trustee") in its capacity as Proposal Trustee of Richards, **AND UPON** having read the pleadings and proceedings filed herein; **AND UPON** having read the Affidavit of Ferdie Artzen sworn September 29, 2010 ("the Artzen Affidavit"), filed, the Affidavits previously filed in this Action, the Report of the Trustee on the Proposal dated September 27, 2010, filed, and the previous Reports of the Trustee filed in the within Action; **AND UPON** being advised of the results of the meeting of the creditors of Richards and in particular the voting by the creditors to approve the Proposal (the "Proposal") which was filed by Richards pursuant to section 62 of the *Bankruptcy and Insolvency Act* ("BIA") on September 2, 2010; **AND UPON** having considered and being satisfied as to the reasonableness of the Proposal; **AND UPON** hearing counsel for Richards, and counsel for the Trustee;


IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:

1. Service of Notice of this application is deemed to be good and sufficient, and capitalized terms used in this Order and not otherwise defined shall have the same meaning as given to them in the Proposal;

2. The Proposal has been agreed to and approved by the requisite majorities of Affected Creditors in accordance with the provisions of the BIA.
3. The Proposal is fair, reasonable, and is calculated to benefit the general body of Richards' creditors, and is accordingly hereby finally and absolutely sanctioned and approved pursuant to the provisions of the BIA.
4. Effective as of the Effective Date, the Proposal and all associated steps, compromises, transactions, arrangements assignments, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon Richards, all Affected Creditors and all other Persons affected by the Proposal.
5. Richards is authorized to complete the transactions contemplated by the Proposal, and to otherwise implement the Proposal and effect the reorganization, payments and distributions provided for in the Proposal.
6. The Trustee shall give security in cash or by bond or suretyship without delay, in accordance with subsection 16(1) of the BIA.
7. The First Articles of Reorganization and the Final Articles of Reorganization are hereby approved, and Richards is hereby authorized to file the First Articles of Reorganization and the Final Articles of Reorganization in accordance with the terms of the Proposal, and upon such filing Richards' Articles shall be deemed to be amended in accordance with the First Articles of Reorganization and the Final Articles of Reorganization.
8. Richards is hereby granted leave to reapply, if necessary, for an order removing the current Board of Directors and replacing it with a new Board of Directors.
9. Subject to the performance by Richards of its obligations under the Proposal, all obligations, agreements or leases to which Richards is a party shall be and remain in full force and effect, unamended, as at the Effective Date, and no party to any such obligation, agreement or lease shall on or following the Effective Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:


- (a) of any event which occurred prior to, and not continuing after, the Effective Date, or which is or continues to be suspended or waived under the Proposal, which would have entitled any other party thereto to enforce its rights or remedies;
 - (b) of any default or event of default arising as a result of the financial condition or insolvency of Richards;
 - (c) of the effect upon Richards of the completion of any of the transactions contemplated under the Proposal; or
 - (d) of any compromises, settlements, restructurings or reorganizations effected pursuant to the Proposal.
10. From and after the Effective Date, each Affected Creditor and any Person affected by the Proposal will be deemed to have consented and agreed to all of the provisions of the Proposal in its entirety. In particular, each Affected Creditor shall be deemed on their own behalf and on behalf of their heirs, executors, administrators, successors and assigns, for all purposes:
- (a) to have executed and delivered to Richards all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
 - (b) to have waived any default by Richards in any provision, express or implied, in any Agreement or other arrangement existing between such Affected Creditor and Richards that occurred on or prior to the Effective Date;
 - (c) to have agreed that if there is any conflict between the provision, express or implied, of any Agreement or other arrangement existing between such Affected Creditor and Richards as at the Effective Date (other than those entered into by Richards on, after, or with effect from, the Effective Date) and the provisions of the Proposal, then the provision of the Proposal take precedence and priority and the provisions of such Agreement or other arrangement are amended accordingly; and

- (d) to have released and discharged absolutely all Claims against Richards and its directors and officers in accordance with the provisions of Section 24 of the Proposal, which release shall become effective on the Effective Date in accordance with the Proposal.
11. From and after the Effective Date, claims (the "Affected Claims") of any and all Affected Creditors against Richards of any nature are hereby compromised, discharged, and released in accordance with the Proposal, and the ability of any Person to proceed against Richards in respect of or relating to such Affected Claims is forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Proposal in respect of their Affected Claims.
12. The Trustee is authorized to perform its functions and fulfill its obligations under the Proposal to facilitate the implementation of the Proposal.
13. Pursuant to the BIA, this Order shall have full force and effect in all provinces of Canada. This Court requests the aid and recognition of: (i) any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada; (ii) any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province; (iii) any court or any judicial, regulatory or administrative body of the United States; and (iv) the states or other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms hereof.
14. Richards and the Trustee may apply to the Court for advice and direction in respect of any matter arising from or under the Proposal.




J.C. Q.B.A.

Entered this 22 day
of October, 2010



Clerk of the Court



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APPROVAL ORDER

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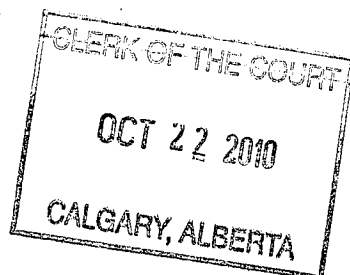
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