

I hereby certify this to be a true copy of the original Order of which it purports to be a copy.

Dated this 6th day of April 2010
for Registration
Registry Division of the
Court of Queen's Bench of Alberta

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

IN THE MATTER OF THE PROPOSAL OF
WESTERN CANADA ENERGY LTD.

Before The Honourable Madam Justice) At the Courts Centre, in the City of Calgary, in
K. M. Horner, In Chambers) the Province of Alberta, on Tuesday, the 6th
) day of April, 2010.
)

APPROVAL AND VESTING ORDER

UPON the application of Western Canada Energy Ltd. ("**Western**"); **AND UPON** reading the Report of Alger & Associates Inc. (the "**Trustee**") dated April 1, 2010 (the "**Report**"), filed, and the Oil and Gas Asset Purchase Agreement dated March 14, 2010 between Western and Shoreline Energy Limited Partnership ("**Shoreline**"), as amended by the Amending and Assignment Agreement dated April 5, 2010 between Western, Shoreline Acquisition Corp. (the "**Purchaser**"), and Shoreline (collectively the "**ASA**"); **AND UPON** hearing counsel for Western and counsel for other interested parties; **AND UPON** it appearing that the ASA is in the best interests of Western and its creditors;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

- 1. Service of notice of this application and the supporting materials is deemed to be good and sufficient, and the time for service is abridged to the time actually given;

Defined Terms

- 2. All capitalised terms not defined herein shall have the meanings defined in the ASA;

Approval of the Transaction

3. The ASA is commercially reasonable and is hereby authorised and approved. Western is hereby authorised and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the terms of the ASA;
4. Western is hereby authorised and directed to perform or cause to be performed the covenants of the ASA substantially in accordance with its terms, subject to such amendments as Western and the Purchaser may approve which do not materially and adversely affect the terms therein;

Vesting Provisions

5. Upon Closing, all of Western's right, title, interest, estate and equity of redemption in and to the Assets shall, without further instrument of transfer or assignment, vest in the Purchaser in accordance with and as contemplated by the ASA absolutely and forever, free and clear of and from any and all claims by, through, or under Western, and free and clear of and from any and all estate, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of Western whether or not they have attached or have been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "**Claims**"), excepting only the Permitted Encumbrances, and whether such Claims came into existence prior to, subsequent to, or as a result of any previous order of this Court, by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the "**Claimants**"), including for greater certainty and

without limiting the generality of the foregoing: (i) the Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order of this Court in these proceeding;

6. Without limiting the generality of the foregoing paragraph 5, upon Closing, all of Western's right, title, interest, estate and equity of redemption in and to the Assets shall vest in the Purchaser free and clear of and from any and all Claims by:
 - (a) Tallahassee Petroleum Inc. ("**Tallahassee**"), and in particular in relation to the Purchase and Sale Agreement between Western and Tallahassee dated on or about October 26, 2010 and forming the subject matter of Queen's Bench Action Number 1001-01959; and
 - (b) Dewpoint Resources Ltd. ("**Dewpoint**"), and in particular in relation to the Purchase and Sale Agreement between Western and Dewpoint dated on or about October 26, 2010 and forming the subject matter of Queen's Bench Action Number 1001-01030.
7. The Purchaser shall, by virtue of the completion of the transaction, have no liability of any kind whatsoever to any Claimants in respect of any Claims any of the Claimants may have against Western;
8. Other than a certified copy of this Order and a letter from Davis LLP, counsel to Western, authorising the use of this Order (the "**Authorisation Letter**"), no further authorisation or approval or other action by any governmental authority or regulatory body exercising jurisdiction over the Assets shall be required for the Closing and post-Closing implementation of the transaction contemplated in the ASA;

Discharge of Registrations

9. Western is authorised and directed to deliver to the Purchaser at Closing a general conveyance and specific conveyances signed by Western, and upon filing of a certified

copy of this Order and the Authorisation Letter, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Assets to the Purchaser except for Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrars of the North and South Alberta Land Registration Districts (the “**Registrars**”) shall, notwithstanding subsection 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4 (Alberta), as amended, cancel and discharge the Claims registered against the interests of Western in respect of freehold properties located in the Province of Alberta and, without limiting the generality of the foregoing, the Registrars shall cancel and discharge the claims identified in Schedule 1 to this Order. For greater and further certainty, the Registrars shall not cancel and discharge the registration of any claims registered against the estates or interests other than the estate or interest of Western; and
- (b) the Minister of Energy for Alberta acting pursuant to section 99 of the *Mines and Minerals Act*, R.S.A. 2000, c. M-17 (Alberta), as amended and sections 36 and 47 of the *Builders’ Lien Act*, R.S.A. 2000, c. B-7 (Alberta), as amended, is hereby directed to cancel and discharge the Claims registered against the estate or interest of Western in and to the Assets located in the Province of Alberta including, and without limiting the generality of the foregoing, the Minister of Energy shall cancel and discharge the claims identified in Schedule 2 to this Order. For further certainty, the Minister of Energy shall not cancel and discharge the registration of such builders’ liens, security interests or builders’ lien statements registered against estates or interests other than the estate or interest of Western;

Olympia Trust Company

10. Upon Closing and payment of the Consideration by the Purchaser to the Proposal Trustee:

- (a) Olympia Trust Company (the "**Trustee**") is thereupon released and discharged from any and all liability that the Trustee now has or may have up to that date by reason of or in any way arising out of the acts or omissions of the Trustee while acting in its capacity as Trustee of the Deed of Trust and Mortgage dated August 29, 2007 (as amended) between Western and the Trustee (the "**Trust Indenture**");
- (b) all 10 ½% redeemable, retractable, subordinated debentures (the "**Debentures**") issued and outstanding pursuant to the Trust Indenture shall be deemed to be terminated without any requirement for the original Debenture certificates to be returned to the Trustee for cancellation; and
- (c) the Trustee is directed to adjust the register of Debentures maintained pursuant to the Trust Indenture to reflect the cancellation of all issued and outstanding Debentures. Immediately upon the Trustee adjusting the register of Debentures to reflect a zero balance, the Trust Indenture shall be deemed terminated and of no further force or effect (except for the indemnity provisions set out therein for the benefit of the Trustee that are specifically stated to survive termination of the Trust Indenture);

Miscellaneous

- 11. The transaction contemplated in the ASA shall not be void or voidable and shall not constitute nor shall be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, and the transaction, or any actions taken in connection therewith, shall not constitute conduct meriting an oppression remedy;
- 12. Nothing in this Order shall prejudice any person's *in personam* claim against Western;
- 13. This Honourable Court hereby requests the aid and recognition of any court or administrative body in any province of Canada, the Federal Court of Canada, any

administrative tribunal or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body in the United States of America or any other foreign courts or any administrative body or other tribunal to act in aid of and to be complimentary to this Court in carrying out the terms of this Order;

14. The parties hereto are at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

"K.M. Horvath"
J.C.C.Q.B.A.

ENTERED this 6 day of April, 2010.

K. MCAUSLAND



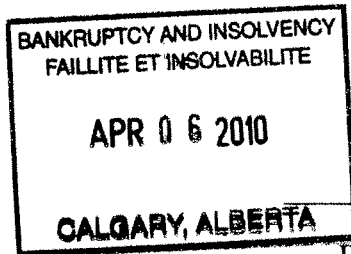
Clerk of the Court of Queen's Bench

Schedule 1

Instrument Number	Date of Registration	Type of Registration	Registrant
		None.	

Schedule 2

Encumbrance ID	Crown Lease Number	Date of Registration	Type of Registration	Registrant
		None.		



Estate No. 25-1327701

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APPROVAL AND VESTING ORDER

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