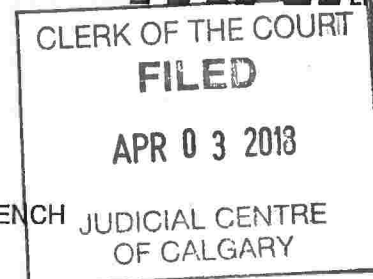


MNP
LTD

Clerk's stamp:



COURT FILE NUMBER

1501-12220

COURT

COURT OF QUEEN'S BENCH JUDICIAL CENTRE
OF CALGARY

JUDICIAL CENTRE

CALGARY

APPLICANT

ALBERTA TREASURY BRANCHES

RESPONDENTS

COGI LIMITED PARTNERSHIP, CANADIAN
OIL & GAS INTERNATIONAL INC.,
CONSERVE OIL GROUP INC. AND
CONSERVE OIL 1st CORPORATION

DOCUMENT

TENTH REPORT OF THE RECEIVER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

G. Brian Davison, Q.C.
DLA Piper (Canada) LLP
Barristers and Solicitors
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LICENSED INSOLVENCY TRUSTEES

1500, 640 – 5TH AVENUE SW, CALGARY AB, T2P 3G4

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APPENDICES

APPENDIX A

Certificate of Amendment

APPENDIX B

COC9 Interim Statement of Receipts and Disbursements

INTRODUCTION AND BACKGROUND

1. Pursuant to an October 26, 2015 Order of the Honourable Justice A.D. Macleod, (the "**Receivership Order**"), MNP Ltd. (the "**Receiver**") was appointed as receiver and manager of COGI Limited Partnership ("**COGI LP**"), its general partner Canadian Oil & Gas International Inc. ("**COGI Inc.**") and Conserve Oil Group Inc. ("**Conserve**").
2. On November 10, 2015, pursuant to an Order of the Honourable P.R. Justice Jeffrey (the "**Subsidiary Order**"), the Receiver's powers set forth in paragraph 4(r) of the Receivership Order were expanded to include a number of Conserve's subsidiaries (referred to therein as the "**Conserve Subsidiaries**"), including Conserve Oil 9th Corporation ("**COC9**"), specifically the power to:

"...remove current director(s) and/or officers, terminate any management or consultancy agreements which purport to control the assets and operations of the Conserve Subsidiaries, review the Records (as that term is defined in paragraph 6 of the Receivership Order) of the Conserve Subsidiaries, and conduct examinations of any Persons (as that term is defined in paragraph 5 of the Receivership Order) of the Conserve Subsidiaries, and take whatever steps the Receiver deems necessary to preserve and control the assets and operations of the Conserve Subsidiaries for the benefit of all stakeholders."
3. The Receiver has never been the receiver, manager or trustee of the Conserve Subsidiaries, none of the Conserve Subsidiaries have been assigned into receivership or bankruptcy and there is no stay of proceedings with respect to the Conserve Subsidiaries.
4. On January 6, 2016, MNP Ltd. was further appointed as the receiver and manager of the assets and undertakings of Conserve Oil 1st Corporation ("**COC1**" and together with COGI LP, COGI Inc. and Conserve, "**COGI**" or the "**Company**").
5. COGI LP is a limited partnership formed pursuant to the laws of the province of Alberta. COGI Inc.'s only business is as general partner of COGI LP and to hold title to various assets for the benefit of COGI LP. Conserve is a private company and the 100% shareholder of COGI Inc. as well as a number of other companies, including COC9.
6. COC9 is the general partner of Conserve Oil POC Growth IV Limited Partnership ("**Growth IV**"), an Alberta limited partnership. Growth IV's limited partner is itself a German limited partnership, POC Growth 4, GmbH & Co KG ("**POC 4 KG**"). The Receiver is unaware of, and has seen no evidence indicating, any other business of COC9 other than acting as Growth IV's general partner.
7. Growth IV holds a 13.848% interest in the Joffre D-2 Unit ("**Joffre**"), which COGI LP operates pursuant to the terms of an Unit Operating Agreement.
8. This is the Receiver's tenth report to the Court (the "**Tenth Report**"), which should be read in conjunction with the Receiver's prior Reports. Capitalized terms not defined herein are as defined in the prior Reports or the Receivership Order. All references to currency are in Canadian dollars unless otherwise stated.
9. In preparing the Tenth Report and making comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of COGI, the books and records of COGI, and information from other third-party sources (collectively, the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with

generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.

10. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at www.mnpdebt.ca/cogi.

PURPOSE OF THE REPORT

11. The purpose of the Tenth Report is to provide this Honourable Court with the Receiver's comments and information in respect of:
 - (a) activities of the Receiver since the date of the Ninth Report; and
 - (b) Growth IV and funds belonging to it that are available for distribution.

ACTIVITIES OF THE RECEIVER

12. Since its last Report, the Receiver has:
 - (a) together with its consultant, Niven Fischer Energy Management Inc., a Sproule Company, continued to operate the oil and gas properties of COGI;
 - (b) continued negotiations with respect to collection of a note receivable owing to COC1;
 - (c) continued efforts to collect other accounts receivable;
 - (d) negotiated with various municipalities for the payment of taxes and, in many instances, made payment of those taxes; and
 - (e) continued negotiations with a potential purchaser for most of COGI's oil and gas assets.

COC9 AND GROWTH IV

13. After the Subsidiary Order was granted, the Receiver requested that the bank accounts of COC9 be frozen and funds forwarded to the Receiver.
14. On March 14, 2016, the Receiver deposited \$392,801.77 previously held in Bank of Montreal Value Plan Deposit Account No. 2641 1991-289 (the "**COC9 Funds**"), into a separate trust account controlled by the Receiver to ensure that the COC9 Funds were not comingled with those belonging to COGI.
15. COC9 was subsequently struck from the Alberta Corporate Registration System and currently has no directors or officers.
16. The Receiver has seen no evidence of any other businesses conducted by COC9 and the Receiver has confirmed that the deposits made to the COC9 Funds between June and October 2015 are attributable to Growth IV's interest in Joffre. Accordingly, the Receiver is of the view that the COC9 Funds are held in COC9's capacity as general partner of Growth IV.
17. Since obtaining control of the COC9 Funds, the amount has marginally increased. The Receiver has paid revenue accruing to COC9 from COGI into the COC9 Funds but has also deducted COC9's share of costs associated with operations and a rework conducted on the Joffre D-2 Unit. The balance of the COC9 Funds as at March 29, 2018 totals \$394,563.28.

18. Effective November 15, 2017, an amendment to Growth IV's certificate of limited partnership (the "**Amendment**") was executed by GEL German Energy Ltd. ("**GEL**"), POC 4 KG, and the Receiver, pursuant its powers set forth in the Subsidiary Order. The Amendment removes COC9 as the general partner of the Growth IV and appoints GEL as general partner of the Partnership. A copy of the Amendment is attached as **Appendix A**.
19. GEL, as the new general partner of Growth IV, has requested that the Receiver transfer the COC9 Funds to GEL in order for GEL to carry out its functions as general partner.

INTERIM RECEIPTS AND DISBURSEMENTS OF COC9

20. Attached hereto as **Appendix B** is a copy of the COC9 Statement of Receipts and Disbursement for the period November 10, 2015 to March 29, 2018.

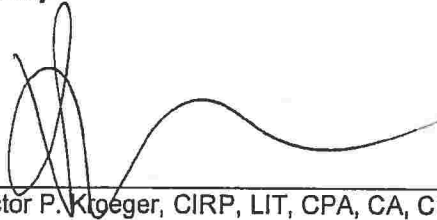
CONCLUSION

21. Based upon the foregoing, the Receiver seeks the Court's approval for the following:
 - (a) The Receiver's activities with respect to the COC9 Funds; and
 - (b) Approval to distribute the COC9 funds to GEL.

All of which is respectfully submitted this 29th day of March, 2018.

MNP Ltd.

In its capacity as Receiver-Manager of
COGI Limited Partnership, Canadian Oil & Gas International Inc.,
Conserve Oil Group Inc. and Conserve Oil 1st Corporation and not in its
personal capacity



Per: _____
Victor P. Kloeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

APPENDIX A

AMEND LIMITED PARTNERSHIP - Proof of Filing

Alberta Amendment Date: 2017/12/13

Service Request Number: 28168483
Registration Number: LP16994899
Limited Partnership Name: CONSERVE OIL POC GROWTH IV LIMITED PARTNERSHIP
Limited Partnership Status: Active

Note: There is only 1 active General Partner

General Partner

General Partner Status: Inactive
General Partner Type: Legal Entity
Corporate Access Number: 2016635746
Last Name / Legal Entity Name: CONSERVE OIL 9TH CORPORATION
Street: SUITE 500, 340 - 12TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2R 1L5

General Partner Status: Active
General Partner Type: Legal Entity
Corporate Access Number: 2020071128
Last Name / Legal Entity Name: GEL GERMAN ENERGY LTD.
Street: 1500, 222 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 0B4

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Certificate of Limited Partnership (AB)	10000707113368299	2012/09/10

Notice to Amend | 10000307116566434 | 2017/12/13

**Registration Authorized By: LUKAS FREY
SOLICITOR**



LP16994899

NOTICE OF AMENDMENT

**IN THE MATTER OF
CONSERVE OIL POC GROWTH IV LIMITED PARTNERSHIP**

Registration Number: LP16994899

AND IN THE MATTER OF Section 70 of *The Partnership Act*, (RS.A. 2000 c. P-3, as amended)

AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP (THE "CERTIFICATE")

CONSERVE OIL POC GROWTH IV LIMITED PARTNERSHIP

Notice is given in accordance with Section 70(1) of the *Partnership Act* (Alberta) that the certificate (the "Certificate") of Conserve Oil POC Growth IV Limited Partnership (the "Partnership"), registration no. LP16994899, filed with the Registrar of Corporations for the Province of Alberta, is amended as follows:

1. Effective November 15, 2017, the limited partner of the Partnership (the "Limited Partner") approved the removal of Conserve Oil 9th Corporation as general partner of the Partnership and appointed GEL German Energy Ltd. at 1500, 222 3rd Avenue SW, Calgary, AB, T2P 0B4 (the "General Partner") as general partner of the Partnership with full power and authority of the general partner as stipulated under the limited partnership agreement governing the Partnership dated effective as of the 31st day of May, 2012.

The Limited Partner has granted to the General Partner, its successors and assigns, a power of attorney constituting the General Partner, with full power of substitution, as the Limited Partner's true and lawful attorney and agent, with full power and authority, in the Limited Partner's name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, and record or file, as the case may be, as and where required any amendment to the Partnership Agreement or certificate which the General Partner deems necessary or appropriate to qualify, continue the qualification of, or keep in good standing, the Partnership in, or otherwise comply with the laws of, the Province of Alberta or any other jurisdiction wherein the Partnership may carry on or be deemed to carry on business, or the General Partner may deem it prudent to register the Partnership, in order to maintain the limited liability of the Limited Partners or to comply with applicable laws.


[Signature page follows]

SO... 6434

Execution Page-Notice to amend Certificate of Limited Partnership

DATED at the City of Laurensfeld, Germany, this 15 day of November 2017 and made effective as of the 15th day of November 2017.

GEL German Energy Ltd., as General Partner of the Partnership

Per: 
Authorized Signatory

POC GROWTH 4, GmbH & Co. KG, as the First Limited Partner

Per: 
Authorized Signatory

SD.... 6434

DATED at the City of Calgary, in the Province of Alberta, this 6th December day of ~~November~~ 2017 and made effective as of the 15th day of November, 2017.

MNP Ltd., Court Appointed Receiver of
Conserve Oil Group Inc., pursuant to its
authority over CONSERVE OIL 9TH
CORPORATION, as granted by Justice Jeffrey
in Court Action 1501-12220, order dated Nov.
10, 2015

Per: 

Authorized Signatory

Victor P. Kroeger
Senior Vice President

APPENDIX B

Conserve Oil 9th Corp.

**Interim Statement of Receipts and Disbursements
For the Period November 10, 2015 to March 29, 2018**

	March 14/16	March 29/18
		\$
Receipts		
Cash in Bank (BMO acct 1991-289)	392,801.77	
Revenue	11,427.92	
Interest Income	371.48	
Total Receipts	<u>404,601.17</u>	
Disbursements		
COGI - DEL	10,037.89	
Total Disbursements	<u>10,037.89</u>	
Excess of Receipts over Disbursements		
Represented by Cash in bank		<u><u>394,563.28</u></u>