

**IN THE MATTER OF THE BANKRUPTCY OF
CONSERVE OIL GROUP INC.**

MINUTES OF THE FIRST MEETING OF CREDITORS

DATE: January 25, 2016
TIME: 9:45 a.m.
LOCATION: Boardroom A&B, Livingston Place West, 250 2nd St SW, Calgary
CHAIRMAN: Victor Kroeger, Trustee
ATTENDANCE: Per the Attached List

AUTHORITY AND CALL TO ORDER

Victor Kroeger of MNP Ltd., Trustee, acted as Chairman under the authority of section 105(1) of the *Bankruptcy and Insolvency Act*. The Chairman declared the meeting properly called, and a quorum being present and duly constituted.

Greg Ibbott of MNP Ltd. acted as Secretary.

PURPOSE OF MEETING

1. The Chairman explained the purpose of the meeting as set out in section 102(5) of the *Bankruptcy and Insolvency Act* as follows (a) to consider the affairs of the bankrupt, (b) to affirm the appointment of the Trustee or to substitute another in its place, (c) to appoint Inspectors, and (d) to give such directions to the Trustee as the creditors may see fit with reference to the administration of the Estate.
2. The Chairman tabled the following documents for discussion:
 - Certificate of Appointment of Trustee
 - Statement of Affairs
 - Trustee's Preliminary Report
 - Proof of Publication in Local Newspaper
 - Notice to Creditors of Bankruptcy and First Meeting of Creditors
 - Trustee's Affidavit of Mailing

The Chairman noted that the director and officers of Conserve Oil Group Inc. ("Conserve" or the "Company") had resigned on the date of the Receivership which was prior to the time of the bankruptcy. Therefore, no Notice to Officer of Bankrupt Corporation of First Meeting of Creditors was issued.

3. A Quorum of creditors was present at the meeting, as per the attached Attendance List.
4. The Chairman summarized and discussed the Trustee's Preliminary Report at the meeting. A copy of the Trustee's Preliminary Report is attached.

MOTIONS

1) Appointment of Trustee

A motion was made for the affirmation of the appointment of MNP Ltd. as Trustee of the Estate. The motion was unanimously carried and the appointment of MNP Ltd. as Trustee of the Estate was affirmed.

Moved by: David Maffitt
Seconded by: Trustee, Proxy for Orion Electric & Controls Ltd.
Motion carried.

2) Appointment of Inspectors

A motion was made for appointment of the following party as Inspector to the Estate:

1. Bruce Stang, ATB Financial.

The motion was unanimously carried and the above individual was appointed as Inspector to the Estate.

Moved by: David Maffitt
Seconded by: Trustee, Proxy of Penney Steamers
Motion Carried.

AFFAIRS OF THE BANKRUPT

There were no further questions or comments with respect to the affairs of the Company

DIRECTIONS TO THE TRUSTEE

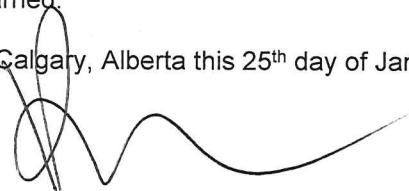
There were no specific directions to the Trustee with respect to the administration of the Estate.

ADJOURNMENT

There being no further business the Chairman terminated the meeting at 9:55 am.

Moved by: David Maffitt
Seconded by: Trustee, Proxy of Schlumberger Lift Solutions
Motion carried.

Dated at Calgary, Alberta this 25th day of January, 2016.



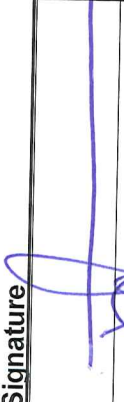


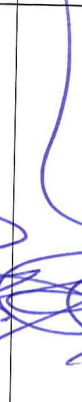



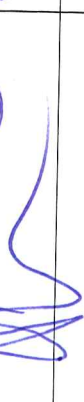


Victor Kroeger, CA, CIRP, CFE
Chairman

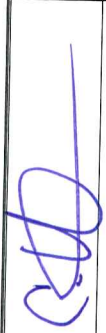
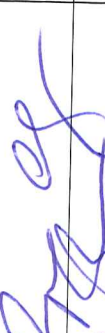


ATTENDANCE LIST FOR THE MEETING OF CREDITORS

In the matter of the bankruptcy of

Conserve Oil Group Inc.

Suite 1000, Livingston Place West 250, 2nd Street SW
Calgary, AB

Signature	Name (please print)	Representing	Amount of Claim
	Victor Kroeger	Alberta Treasury Branches	\$291,015.81
	Victor Kroeger / MNP	Orion Electric & Controls Ltd	\$5,268.91
	Victor Kroeger / MNP	Penney Steamers	\$19,150.96
	Victor Kroeger / MNP	Schlumberger Lift Solutions	\$17,245.16
	Victor Kroeger	MNP Trustee	-
	JULIE KENNEDY	MNP	-
	Victor Kroeger - MNP	ATB Financial	\$290,015.81
	Danielle Matthews	Perpetual Energy Inc.	29,000
	Alex Campos	Perpetual Energy Inc.	29,000.00
	DAVID MATYGA	Phoenix Energy	\$837.30

Signature	Name (please print)	Representing	Amount of Claim
	Katrina Webster	DLA Piper for MNP	—
	Ryan Accare	DLA Piper for MNP	—
	Brian Nause	DLA for MNP	—
	Greg Zibott	MNP	—

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CONSERVE OIL GROUP INC.**

TRUSTEE'S PRELIMINARY REPORT

BACKGROUND

1. COGI Limited Partnership ("COGI LP") and Canadian Oil & Gas International Inc. ("COGI Inc.") filed for protection under the Companies' Creditors Arrangement Act ("CCAA") which was approved pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted August 28, 2015 (the "Initial Order"). MNP Ltd. was appointed as Monitor of COGI LP and COGI Inc. pursuant to the Initial Order.
2. The CCAA proceedings were terminated pursuant to an order granted by the Court on October 26, 2015.
3. On October 26, 2015 MNP Ltd. was appointed as receiver and manager (the "Receiver") of the assets, undertakings and properties of COGI LP, COGI Inc., and Conserve Oil Group Inc. ("Conserve") (collectively, the "Company") pursuant to an order granted by the Court.
4. The Receiver was authorized to assign COGI LP, COGI Inc., and Conserve into bankruptcy pursuant to the order granted by the Court on November 10, 2015.
5. On December 23, 2015 the Receiver filed an assignment in bankruptcy on behalf of the Company and MNP Ltd. was named as Trustee of the Bankrupt Estate (the "Trustee").
6. COGI LP is a limited partnership pursuant to the laws of the province of Alberta. COGI LP is an oil and gas venture with producing properties in Alberta and non-producing properties in Saskatchewan.
7. COGI Inc. is the general partner of COGI LP. The only business of COGI Inc. is as general partner of COGI LP and to hold title to various assets for the benefit of COGI LP. COGI Inc. is a wholly owned subsidiary of Conserve.
8. Conserve is responsible for the day to day management of COGI LP and COGI Inc. pursuant to a management agreement dated August 30, 2013.
9. The Trustee is of the view that the Company's insolvency was primarily caused by the drastic decline in oil prices.

BOOKS AND RECORDS

10. The Receiver is in possession of the books and records of the Company. The Statement of Affairs was prepared by the Trustee based upon information obtained in the Company's books and records.

CONSERVATORY AND PROTECTIVE MEASURES

11. At the date of bankruptcy, all of the assets remained in the possession of the Receiver. As a result, no conservatory or protective measures were required to be undertaken by the Trustee.

ASSET REALIZATION AND PROJECTED DISTRIBUTION

12. All of the Company's assets are being realized through the receivership proceedings. As such, the only asset that may become available to the creditors in the bankruptcy proceedings is surplus proceeds from the receivership proceedings, if any. At this time, the Trustee does not anticipate there will be any surplus proceeds for unsecured creditors.

SUMMARY OF CLAIMS

13. Below is a summary of claims contained in the Company's Statement of Affairs:

Description	Amount
Secured	\$ 35,000,000
Unsecured	13,463,811
	<u>\$ 48,463,811</u>

14. Below is a summary of claims received as at 3:00pm on Friday, January 22, 2016:

Description	# of Claims	Amount
Secured	1	\$ 1,000
Preferred		-
Unsecured	8	410,883
Contingent		-
	<u>9</u>	<u>\$ 411,883</u>

15. All of the Company's assets are subject to a general security agreement held by Alberta Treasury Branch (the "Bank"). An Alberta Personal Property Registry search as at October 20, 2015 did not indicate any additional registered creditors.
16. The Trustee is not aware of any first ranking secured claims pursuant to subsection 81.3(1) of the *Bankruptcy and Insolvency Act*.
17. The Trustee is not aware of any deemed trust claims at this time.

LEGAL

18. The Trustee is in possession of an independent legal opinion obtained by the Receiver with respect to the security held by the Bank which indicates that the Bank's security is valid and enforceable.

REVIEW OF TRANSFERS AT UNDERVALUE

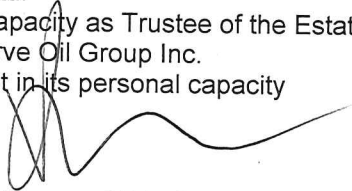
19. The Trustee is required to undertake a review for any transactions that occurred prior to the date of bankruptcy that would constitute a transfer at undervalue or a fraudulent preference as defined by subsections 95 and 96 of the *Bankruptcy and Insolvency Act*.
20. The Trustee has not yet completed its review for transfers at undervalue or fraudulent preferences.

OTHER

21. The Trustee has been provided with a third party guarantee with respect to its fees and disbursements to the extent of its statutory obligations.
22. Further information with respect to these proceedings will be made available on the Trustee's website (www.mnpdebt.ca/coji) as it becomes available.

Dated at Calgary, Alberta this 22nd day of January, 2016.

MNP Ltd.
In its capacity as Trustee of the Estate of
Conserve Oil Group Inc.
And not in its personal capacity



Victor Kroeger, CPA, CA, CIRP, CFE
Senior Vice President