

**QWEST DIVERFISIED CAPITAL CORPORATION (25-94586) AND  
QUEST DIVERSIFIED ENERGY CORPORATION (25-094585) - IN RECEIVERSHIP  
FIRST INTERIM REPORT OF RECEIVER**  
Subsection 246(2) of the *Bankruptcy and Insolvency Act*

**BACKGROUND**

Effective November 3, 2015, MNP Ltd. was appointed as Receiver and Manager (the "Receiver") of the assets, undertakings and properties of Qwest Diversified Capital Corporation and Qwest Diversified Energy Corp. ("Qwest" or the "Company") pursuant to an order (the "Receivership Order") granted by the Court of Queen's Bench of Alberta (the "Court").

A copy of the Receivership Order can be found on our website at [www.mnpdebt.ca/qwest](http://www.mnpdebt.ca/qwest).

Qwest is a Canadian based junior oil and gas exploration and production company and has developed a number of oil & gas wells in Alberta.

**ASSETS**

The Receiver took possession and control of the Company's assets on November 4, 2015.

In February 2016, the Receiver entered into a purchase and sale agreement in respect of the oil and gas property owned by the Company, but the sale was not completed.

**STATEMENT OF RECEIPTS AND DISBURSEMENTS**

The Receiver's Interim Statement of Receipts and Disbursements for the period November 3, 2015 to September 9, 2016 is attached as Appendix A.

**PLAN OF ACTION**

The Receiver is considering options regarding the assets of the Company.

Dated at Calgary, Alberta this 14<sup>th</sup> day of September, 2016.

MNP Ltd.

In its capacity as Receiver and Manager of  
Qwest Diversified Capital Corporation and Qwest Diversified Energy Corp.  
And not in its personal capacity



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

**APPENDIX A**

**Qwest Diversified Capital Corporation and Qwest Diversified  
Energy Corporation - In Receivership  
Interim Statement of Receipts and Disbursements  
For the Period November 3, 2015 to September 9, 2016**

**Receipts**

Third Party Guarantee	\$ 50,000.00
Net Receipts from Operations (Schedule 1)	10,494.15
Miscellaneous Refund	761.72
<b>Total Receipts</b>	<b><u>61,255.87</u></b>

**Disbursements**

Filing Fees	140.00
Insurance	6,480.00
Mail Redirection	163.75
Net GST Paid/Received	(2,316.51)
Receiver's Fees (Schedule 2)	8,551.25
Receiver's Legal Fees (Schedule 2)	26,217.50
<b>Total Disbursements</b>	<b><u>39,235.99</u></b>

**Excess of Receipts over Disbursements**

<b>Represented by Cash in Bank</b>	<b><u>\$ 22,019.88</u></b>
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Schedule 1

**Qwest Diversified Capital Corporation and Qwest Diversified  
Energy Corporation - In Receivership  
Net Receipts from Operations  
For the Period November 3, 2015 to September 9, 2016**

**Receipts**

Oil and Gas Revenues

Bonavista

\$ 146,789.64

Pembina

353,293.25

500,082.89

**Disbursements**

Field operations

254,405.36

Niven Fischer Energy Services Inc.

50,152.34

Production accounting

9,981.84

Royalty and lease payments

175,049.20

**Total Disbursements**

489,588.74

**Net Receipts from Operations**

\$10,494.15

**Qwest Diversified Capital Corporation and Qwest Diversified Energy Corporation - In Receivership**  
**Interim Statement of Receipts and Disbursements**  
**For the Period November 3, 2015 to September 9, 2016**  
**Summary of Professional Fees**

Description	Invoice Number	Invoice Date	Fees	Disbursements	GST Exempt Disbursements	Subtotal	GST	Total	Amount Paid	Amount Outstanding
<b>Receiver's Fees and Disbursements</b>										
For the period November 3 to December 31, 2015	7496118	11-Jan-16	40,023.75	185.87	-	\$ 40,209.62	\$ 2,010.48	\$ 42,220.10	\$ -	\$ 42,220.10
For the period January 1 to January 31, 2016	7531849	24-Feb-16	8,551.25	-	-	8,551.25	427.56	8,978.81	8,978.81	-
For the period February 1 to 29, 2016	7555071	15-Mar-16	8,675.00	34.11	-	8,709.11	435.46	9,144.57	-	9,144.57
For the period March 1 to 31, 2016	7604608	14-Apr-16	6,386.50	4.34	-	6,390.84	319.54	6,710.38	-	6,710.38
For the period April 1 to 30, 2016	7656960	06-May-16	5,314.00	-	-	5,314.00	265.70	5,579.70	-	5,579.70
For the period May 1 to 31, 2016	7689791	07-Jun-16	2,964.50	-	-	2,964.50	148.22	3,112.72	-	3,112.72
For the period June 1 to 30, 2016	7720474	22-Jul-16	5,956.50	-	-	5,956.50	297.82	6,254.32	-	6,254.32
For the period July 1 to 31, 2016	7736011	17-Aug-16	4,857.00	-	-	4,857.00	242.85	5,099.85	-	5,099.85
<b>Total - Receiver's Fees and Disbursements</b>			<b>\$ 82,728.50</b>	<b>\$ 224.32</b>	<b>\$ -</b>	<b>\$ 82,952.82</b>	<b>\$ 4,147.63</b>	<b>\$ 87,100.45</b>	<b>\$ 8,978.81</b>	<b>\$ 78,121.64</b>
<b>Receiver's Legal Fees</b>										
Parlee McLaws LLP	666154	28-Nov-15	\$ 6,706.00	\$ 175.75	\$ 40.00	\$ 6,921.75	\$ 344.09	\$ 7,265.84	\$ 7,265.84	\$ -
Parlee McLaws LLP	667499	31-Dec-15	19,022.00	263.75	10.00	19,295.75	964.29	20,260.04	20,260.04	-
Parlee McLaws LLP	669134	10-Feb-16	5,479.00	49.25	-	5,528.25	276.41	5,804.66	-	5,804.66
Parlee McLaws LLP	671190	11-Mar-16	19,406.00	495.00	120.00	20,021.00	995.05	21,016.05	-	21,016.05
Parlee McLaws LLP	674660	30-Apr-16	20,048.00	4,309.20	206.39	24,563.59	1,217.86	25,781.45	-	25,781.45
Parlee McLaws LLP	675064	30-Apr-16	1,810.50	80.75	-	1,891.25	94.56	1,985.81	-	1,985.81
Parlee McLaws LLP	676695	31-May-16	690.50	13.50	-	704.00	35.20	739.20	-	739.20
Parlee McLaws LLP	678540	30-Jun-16	3,934.00	1.75	-	3,935.75	196.79	4,132.54	-	4,132.54
<b>Total - Receiver's Legal Fees</b>			<b>\$ 77,096.00</b>	<b>\$ 5,388.95</b>	<b>\$ 376.39</b>	<b>\$ 82,861.34</b>	<b>\$ 4,124.25</b>	<b>\$ 86,985.59</b>	<b>\$ 27,525.88</b>	<b>\$ 59,459.71</b>