



McCarthy Tétrault LLP
Suite 4000
421-7th Avenue S.W.
Calgary AB T2P 4K9
Canada
Tel: 403-260-3500
Fax: 403-260-3501

Sean F. Collins
Direct Line: (403) 260-3531
Direct Fax: (403) 260-3501
Email: scollins@mccarthy.ca

Assistant: Smith, Marcia
Direct Line: (403) 260-3546
Email: marciasmith@mccarthy.ca

May 2, 2014

HAND DELIVERED

Court of Queen's Bench of Alberta
Calgary Courts Centre
North Tower,
601 - 5th Street SW
Calgary AB T2P 5P7

Attention: The Honourable Madam Justice Horner

My Lady:

**Re: In the Matter of the CCAA proceedings in respect of Alston Energy Inc.
Q.B. Action No. 1301-14151
Returnable May 5, 2014 at 10:30 a.m.; to be rescheduled as a contested
application between Alberta Treasury Branches ("ATB") and Alston Energy Inc.
("Alston")**

We are the counsel to Alvarez & Marsal Canada Inc., the court-appointed monitor in the above-captioned CCAA proceedings (the "**Monitor**"). Please find enclosed an unredacted, unfiled copy of the Monitor's Third Report dated April 30, 2014. We wish to advise Your Ladyship of the following:

1. A redacted copy of the Third Report, unfiled, was provided to the Service List on April 30, 2014. The purpose for the redaction is that certain of the information in the Receipts and Disbursement section of the Third Report are subject to a sealing order that was granted by the Honourable Mr. Justice A.D. Macleod on March 4, 2014 (specifically, information relating to the sale proceeds that were derived from the sale of certain assets). Counsel for Alston will be applying to lift the sealing order now that the transaction to which the sealing order relates has closed and we have advised the Service List that, upon granting of the order lifting the ceiling order, the unredacted Third Report will be filed and served;
2. At the time of preparing the Third Report, the Monitor had not yet been advised by ATB of its intention to oppose the extension of the stay of proceedings and to cross-apply for the appointment of a receiver and manager. The Monitor has advised Alston and ATB that it will not be amending or supplementing the Third Report. The Monitor is considering whether any additional submissions to the contents of the Third Report are required, save the fact that the Monitor now makes no recommendation with respect to the application by Alston for an extension of the stay nor with respect to the forthcoming application of ATB to appoint a receiver manager.

Yours truly,

McCarthy Tétrault LLP

Sean F. Collins

SFC/mas
Encl.

c.c. Service List