

# Update Plan of Arrangement - No Amendment - Proof of Filing

**Alberta Amendment Date: 2009/10/14**

**Service Request Number:** 13771631

**Corporate Access Number:** 2013409434

**Legal Entity Name:** BUFFALO RESOURCES CORP.

**Legal Entity Status:** Active

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## Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2007/08/03
Director Schedule	ELECTRONIC	2007/08/03
Amalgamation Agreement	10000402000051331	2007/08/03
Statutory Declaration	10000202000051332	2007/08/03
Articles/Plan of Arrangement/Court Order	10000707106491381	2009/10/14

**Registration Authorized By:** SYD S. ABOUGOUSH  
SOLICITOR

# Update Plan of Arrangement - No Amendment - Registration Statement

**Alberta Amendment Date: 2009/10/14**

**Service Request Number:** 13771631  
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**Legal Entity Name:** BUFFALO RESOURCES CORP.  
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**Future Dating Required:**

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**Registration Authorized By:** SYD S. ABOUGOUSH  
SOLICITOR



ART

10000707106491381

2013409434

Business Corporations Act  
(Alberta)

Sections 193


<b>1. Name of Corporation:</b>  <b>BUFFALO RESOURCES CORP.</b>	<b>2. Corporate Access Number:</b>  <b>2013409434</b>
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**3. In accordance with the Order approving the Arrangement, the Articles of the Corporation are amended as follows:**

In accordance with the attached Order of the Court of Queen's Bench of Alberta dated October 14, 2009 approving an arrangement pursuant to section 193 of the *Business Corporations Act (Alberta)*, the Plan of Arrangement, a copy of which is attached hereto as Exhibit 1 (which is incorporated into and forms a part hereof), involving Twin Butte Energy Ltd., Buffalo Resources Corp. and the shareholders of Buffalo Resources Corp. is hereby effected.

The Articles of Buffalo Resources Corp. are unamended by the arrangement.

Trevor Penford  
 \_\_\_\_\_  
 Name of Person Authorizing (please print)  
  
 Senior Vice President and Chief Financial Officer  
 \_\_\_\_\_  
 Title (please print)

  
 \_\_\_\_\_  
 Signature  
  
 October 14, 2009  
 \_\_\_\_\_  
 Date

This information is being collected for purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3<sup>rd</sup> Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

**EXHIBIT I**  
**Plan of Arrangement**

**Plan of Arrangement under Section 193  
of the  
*Business Corporations Act (Alberta)***

**ARTICLE 1  
INTERPRETATION**

**1.1** In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (c) "**Arrangement Agreement**" means the arrangement agreement dated effective August 18, 2009 between Twin Butte and Buffalo with respect to the Arrangement and all amendments thereto and restatements thereof;
- (d) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the Buffalo Meeting;
- (e) "**Articles of Arrangement**" mean the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;
- (f) "**Buffalo**" means Buffalo Resources Corp., a corporation amalgamated under the laws of the Province of Alberta;
- (g) "**Buffalo Meeting**" means the special meeting of Buffalo Shareholders to be held to consider, among other things, the Arrangement Resolution and related matters, and any adjournment(s) thereof;
- (h) "**Buffalo Shareholders**" means the holders from time to time of Buffalo Shares;
- (i) "**Buffalo Shares**" means common shares in the capital of Buffalo;
- (j) "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;
- (k) "**Certificate**" means the certificate or certificates or confirmation of filing which may be issued by the Registrar pursuant to Subsection 193(11) of the ABCA giving effect to the Arrangement;
- (l) "**Court**" means the Court of Queen's Bench of Alberta;
- (m) "**Depository**" means such trust company as may be designated by Twin Butte and Buffalo for the purpose of receiving the deposit of certificates formerly representing Buffalo Shares;

- (n) "**Dissenting Buffalo Shareholders**" means registered holders of Buffalo Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (o) "**Effective Date**" means the date the Arrangement is effective under the ABCA;
- (p) "**Effective Time**" means the time when the Arrangement becomes effective pursuant to the ABCA;
- (q) "**Final Order**" means the order of the Court approving the Arrangement pursuant to Subsection 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (r) "**Holder**" means a registered holder of Buffalo Shares immediately prior to the Effective Date or any person who surrenders to the Depository certificates representing Buffalo Shares duly endorsed for transfer to such person in accordance with the provisions set forth in the Letter of Transmittal;
- (s) "**Interim Order**" means the interim order of the Court under Subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement and the holding of the Buffalo Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (t) "**ITA**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;
- (u) "**Letter of Transmittal**" means the letter of transmittal accompanying the information circular sent to the Buffalo Shareholders in connection with the Buffalo Meeting, pursuant to which such holders are required to deliver certificates representing Buffalo Shares in order to receive share certificates representing the Twin Butte Shares issued to them pursuant to the Arrangement;
- (v) "**person**" has the meaning set forth in the ABCA;
- (w) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (x) "**Twin Butte**" means Twin Butte Energy Ltd., a corporation amalgamated under the ABCA; and
- (y) "**Twin Butte Shares**" means common shares in the capital of Twin Butte.

**1.2** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

**1.3** Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

**1.4** Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

**1.5** In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

**1.6** References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **ARTICLE 2 ARRANGEMENT AGREEMENT**

**2.1** This Plan of Arrangement is made pursuant to the Arrangement Agreement.

**2.2** This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective as of, and be binding as of and after, the Effective Time on: (i) the Buffalo Shareholders; (ii) Buffalo; and (iii) Twin Butte.

**2.3** The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Sections 3.1 and 3.2 has become effective in the sequence set out therein. If no Certificate is required to be issued by the Registrar pursuant to Subsection 193(11) of the ABCA, the Arrangement shall become effective on the date the Articles of Arrangement are sent to, and filed by, the Registrar pursuant to Subsection 193(10) of the ABCA.

## **ARTICLE 3 ARRANGEMENT**

**3.1** Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) the Buffalo Shares held by Dissenting Buffalo Shareholders shall be, and shall be deemed to be, transferred to Twin Butte (free and clear of any and all liens, claims and encumbrances) and shall be, and shall be deemed to be, immediately cancelled and cease to be outstanding, and such Dissenting Buffalo Shareholders shall cease to have any rights as Buffalo Shareholders other than the right to be paid the fair value of their Buffalo Shares in accordance with Article 4; and
- (b) each Buffalo Share that is not held by a Dissenting Buffalo Shareholder who is ultimately entitled to be paid the fair value of its Buffalo Shares or Twin Butte or any affiliate thereof (which Buffalo Share shall not be exchanged under the Arrangement and shall remain outstanding as a Buffalo Share held by Twin Butte or any affiliate thereof) shall be, and shall be deemed to be, transferred to Twin Butte (free and clear of any and all liens, claims and encumbrances) in exchange for the issuance by Twin Butte of 0.70 of a Twin Butte Share for each Buffalo Share.

**3.2** Upon the exchange of Buffalo Shares for Twin Butte Shares pursuant to Section 3.1(b):

- (a) such Holder shall be added to the register of holders of Twin Butte Shares;
- (b) such Holder shall cease to be a holder of the Buffalo Shares so exchanged and the name of such Holder shall be removed from the register of holders of Buffalo Shares as it relates to the Buffalo Shares so exchanged; and
- (c) Twin Butte shall become the holder of the Buffalo Shares so exchanged and shall be added to the register of holders of Buffalo Shares.

**3.3** Notwithstanding anything herein contained, no fractional Twin Butte Shares will be issued. Where the aggregate number of Twin Butte Shares to be issued to a former holder of Buffalo Shares would result in a fraction of a Twin Butte Share being issued, the number of Twin Butte Shares to be issued will be rounded to the nearest whole number of Twin Butte Shares (with fractions equal to exactly 0.5 to be rounded up).

#### **ARTICLE 4 DISSENTING BUFFALO SHAREHOLDERS**

**4.1** Each registered holder of Buffalo Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Buffalo Shareholder shall, at the Effective Time, cease to have any rights as a holder of Buffalo Shares and shall only be entitled to be paid the fair value of the holder's Buffalo Shares by Buffalo. A Dissenting Buffalo Shareholder who is entitled to be paid the fair value of the holder's Buffalo Shares shall be deemed to have transferred the holder's Buffalo Shares to Buffalo for cancellation at the Effective Time pursuant to Section 3.1(a) of this Plan, notwithstanding the provisions of Section 191 of the ABCA. A Dissenting Buffalo Shareholder who for any reason is not entitled to be paid the fair value of the holder's Buffalo Shares shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting Buffalo Shareholder and, accordingly, shall receive Twin Butte Shares on the basis set forth in Section 3.1(b) of this Plan of Arrangement, notwithstanding Section 191 of the ABCA. The fair value of the Buffalo Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Buffalo Shareholders at the Buffalo Meeting; but in no event shall Twin Butte or Buffalo be required to recognize such Dissenting Buffalo Shareholder as a securityholder of Twin Butte or Buffalo or their successors after the Effective Time and the name of such holder shall be removed from the applicable register of securityholders as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement. In addition, a registered Buffalo Shareholder may only exercise dissent rights in respect of all, and not less than all, of its Buffalo Shares.

#### **ARTICLE 5 SHARE CERTIFICATES**

**5.1** From and after the Effective Time, certificates formerly representing Buffalo Shares that were exchanged pursuant to Section 3.1(b) shall represent only the right to receive the Twin Butte Shares to be issued pursuant to Section 3.1(b), or as to those certificates formerly representing Buffalo Shares held by Dissenting Buffalo Shareholders (other than those Dissenting Buffalo Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1), to receive the fair value of the Buffalo Shares formerly represented by such certificates.

**5.2** Twin Butte and Buffalo shall, as soon as practicable, following the later of the Effective Date and the date of deposit by a former holder of Buffalo Shares of a duly executed and completed Letter of Transmittal and the certificates formerly representing such Buffalo Shares, either:



- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former Holder at the address specified in the Letter of Transmittal; or
- (b) if requested by such former Holder in the Letter of Transmittal, make available or cause to be made available at the Depository for pickup by such former Holder,

certificates representing the number of Twin Butte Shares issued to such former Holder under the Arrangement.

**5.3** If any certificate which immediately prior to the Effective Time represented an interest in outstanding Buffalo Shares that were exchanged pursuant to Section 3.1(b) has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depository shall issue and deliver in exchange for such lost, stolen or destroyed certificate the number of Twin Butte Shares to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement, provided the holder shall, as a condition precedent to the receipt thereof, give a bond to each of Twin Butte and Buffalo and their respective transfer agents, which bond is in form and substance satisfactory to each of Twin Butte and Buffalo and their respective transfer agents, acting reasonably, or shall otherwise indemnify Twin Butte and Buffalo and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

**5.4** All dividends or other distributions made with respect to any Twin Butte Shares issued to former Holders of Buffalo Shares pursuant to the Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository in trust for the registered holder thereof. Subject to Section 5.5, the Depository shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depository in such form as the Depository may reasonably require, such dividends or other distributions to which such holder is entitled, net of applicable withholding and other taxes.

**5.5** Any certificate formerly representing Buffalo Shares that is not deposited with all other documents as required by this Plan of Arrangement before the fifth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder of such shares to receive Twin Butte Shares (and any dividends or other distributions thereon) or cash, as applicable. In such case, such Twin Butte Shares shall be returned to Twin Butte for cancellation and any dividends or other distributions in respect of Twin Butte Shares or cash, as applicable, shall be returned to Twin Butte.

**5.6** Twin Butte, Buffalo and the Depository shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of Buffalo Shares or Twin Butte Shares such amounts as Twin Butte, Buffalo or the Depository is required to deduct and withhold with respect to such payment under the ITA or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Twin Butte, Buffalo and the Depository are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Twin Butte, Buffalo or the Depository, as the case may be, to enable it to comply with such deduction or withholding requirement and Twin Butte, Buffalo or the Depository shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

**ARTICLE 6  
AMENDMENTS**

**6.1** Twin Butte and Buffalo may by mutual agreement amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the Buffalo Meeting, approved by the Court; and (iii) communicated to, and approved by, Buffalo Shareholders if and as required by the Court.

**6.2** Other than as may be required under the Interim Order, any amendment to this Plan of Arrangement may be proposed by Buffalo or Twin Butte at any time prior to or at the Buffalo Meeting (provided that the other party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Buffalo Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

**6.3** Any amendment to this Plan of Arrangement that is approved by the Court following the Buffalo Meeting shall be effective only if it is consented to by each of Buffalo and Twin Butte.

**ARTICLE 7  
FURTHER ASSURANCES**

**7.1** Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

Action No.: 0901-13573

I hereby certify this to be a true copy of the original order  
Dated this 14 day of October 2009  
for Clerk of the Court

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

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, R.S.A., 2000, C. B-9, AS AMENDED;

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING TWIN BUTTE ENERGY LTD., BUFFALO RESOURCES CORP. AND THE SHAREHOLDERS OF BUFFALO RESOURCES CORP.

BEFORE THE HONOURABLE ) AT THE CALGARY COURTS CENTRE, IN  
JUSTICE B.E.C. ROMAINE ) THE CITY OF CALGARY, PROVINCE OF  
IN CHAMBERS ) ALBERTA, ON WEDNESDAY, THE 14<sup>TH</sup>  
 ) DAY OF OCTOBER, 2009.  
 )

**FINAL ORDER**

UPON the application (the "**Application**") of Buffalo Resources Corp. ("**Buffalo**") for approval of a proposed arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**") involving Buffalo Resources Corp., Twin Butte Energy Ltd. ("**Twin Butte**") and the holders of common shares of Buffalo ("**Buffalo Shareholders**");

AND UPON reading the Petition of Buffalo filed September 10, 2009, the Affidavit of Trevor Penford sworn September 10, 2009 and the Supplemental Affidavit of Trevor Penford sworn October 14, 2009;

AND UPON noting that service of the notice of this Application has been effected in accordance with the Interim Order granted September 14, 2009 (the "**Interim Order**");

AND UPON hearing counsel for Buffalo and counsel for Twin Butte;

**AND UPON** noting that the Executive Director of the Alberta Securities Commission (the “**Executive Director**”) has been served with notice of this Application as required by subsection 193(8) of the ABCA and that the Executive Director neither consents to nor opposes this Application;

**AND UPON** being advised that No Notices of Intention to Appear have been filed with respect to this Application;

**AND UPON** noting that a special meeting (the “**Meeting**”) of the Buffalo Shareholders was called and conducted in accordance with the Interim Order, that the required quorum was present at the Meeting and that the Buffalo Shareholders approved the Arrangement in the manner and by the requisite majority provided for in the Interim Order.

**AND UPON** it appearing that it is impracticable to effect the transactions contemplated by the Arrangement under any provision of the ABCA other than Section 193;

**AND UPON** noting that this Final Order may constitute the basis for a claim to an exemption from the registration and prospectus requirements under the United States *Securities Act of 1933*, as amended, with respect to securities to be issued under the Arrangement;

**AND UPON** this Honourable Court finding that the requirements to approve the Arrangement have been fulfilled, the Arrangement has been put forward in good faith, the terms and conditions of the issuance and exchange of securities set forth therein are procedurally and substantively fair and reasonable to the Buffalo Shareholders and that the Arrangement ought to be approved;

**IT IS HEREBY ORDERED, DECLARED AND DIRECTED THAT:**

1. The Plan of Arrangement proposed by Buffalo, attached as Schedule “A” to this Final Order, is hereby approved by this Honourable Court under Section 193 of the ABCA and the Arrangement will, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, become effective under the ABCA and be binding in accordance with its terms on Buffalo, Twin Butte, the Buffalo Shareholders and all other persons.

2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Buffalo Shareholders and to all other affected parties.
3. The Articles of Arrangement in respect of the Arrangement shall be filed pursuant to the provisions of Section 193 of the ABCA on such date as Buffalo determines.
4. Service of notice of this Application, the notice in respect of the Meeting and the Interim Order is hereby deemed good and sufficient.
5. Service of this Final Order shall be made on all such persons who appeared on this application, either by counsel or in person, and upon the Executive Director.
6. Buffalo, Twin Butte or entities which are successors to or result from Buffalo or Twin Butte pursuant to the Arrangement, shall be entitled at any time to seek leave to vary this Final Order or to seek the advice and direction of this Honourable Court as to the implementation of this Final Order.

"B.E.C. Romaine"

J.C.C.Q.B.A.

ENTERED at Calgary, Alberta, this 14<sup>th</sup>  
day of October, 2009.

K. MCAUSLAND



CLERK OF THE COURT

**SCHEDULE "A"****Plan of Arrangement under Section 193  
of the  
*Business Corporations Act* (Alberta)****ARTICLE 1  
INTERPRETATION**

**1.1** In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;
- (b) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (c) "**Arrangement Agreement**" means the arrangement agreement dated effective August 18, 2009 between Twin Butte and Buffalo with respect to the Arrangement and all amendments thereto and restatements thereof;
- (d) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the Buffalo Meeting;
- (e) "**Articles of Arrangement**" mean the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;
- (f) "**Buffalo**" means Buffalo Resources Corp., a corporation amalgamated under the laws of the Province of Alberta;
- (g) "**Buffalo Meeting**" means the special meeting of Buffalo Shareholders to be held to consider, among other things, the Arrangement Resolution and related matters, and any adjournment(s) thereof;
- (h) "**Buffalo Shareholders**" means the holders from time to time of Buffalo Shares;
- (i) "**Buffalo Shares**" means common shares in the capital of Buffalo;
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- (m) "**Depository**" means such trust company as may be designated by Twin Butte and Buffalo for the purpose of receiving the deposit of certificates formerly representing Buffalo Shares;
- (n) "**Dissenting Buffalo Shareholders**" means registered holders of Buffalo Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (o) "**Effective Date**" means the date the Arrangement is effective under the ABCA;
- (p) "**Effective Time**" means the time when the Arrangement becomes effective pursuant to the ABCA;
- (q) "**Final Order**" means the order of the Court approving the Arrangement pursuant to Subsection 193(9)(a) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (r) "**Holder**" means a registered holder of Buffalo Shares immediately prior to the Effective Date or any person who surrenders to the Depository certificates representing Buffalo Shares duly endorsed for transfer to such person in accordance with the provisions set forth in the Letter of Transmittal;
- (s) "**Interim Order**" means the interim order of the Court under Subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement and the holding of the Buffalo Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
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- (u) "**Letter of Transmittal**" means the letter of transmittal accompanying the information circular sent to the Buffalo Shareholders in connection with the Buffalo Meeting, pursuant to which such holders are required to deliver certificates representing Buffalo Shares in order to receive share certificates representing the Twin Butte Shares issued to them pursuant to the Arrangement;
- (v) "**person**" has the meaning set forth in the ABCA;
- (w) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (x) "**Twin Butte**" means Twin Butte Energy Ltd., a corporation amalgamated under the ABCA; and
- (y) "**Twin Butte Shares**" means common shares in the capital of Twin Butte.

**1.2** The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

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1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective as of, and be binding as of and after, the Effective Time on: (i) the Buffalo Shareholders; (ii) Buffalo; and (iii) Twin Butte.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Sections 3.1 and 3.2 has become effective in the sequence set out therein. If no Certificate is required to be issued by the Registrar pursuant to Subsection 193(11) of the ABCA, the Arrangement shall become effective on the date the Articles of Arrangement are sent to, and filed by, the Registrar pursuant to Subsection 193(10) of the ABCA.

## ARTICLE 3 ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) the Buffalo Shares held by Dissenting Buffalo Shareholders shall be, and shall be deemed to be, transferred to Twin Butte (free and clear of any and all liens, claims and encumbrances) and shall be, and shall be deemed to be, immediately cancelled and cease to be outstanding, and such Dissenting Buffalo Shareholders shall cease to have any rights as Buffalo Shareholders other than the right to be paid the fair value of their Buffalo Shares in accordance with Article 4; and
- (b) each Buffalo Share that is not held by a Dissenting Buffalo Shareholder who is ultimately entitled to be paid the fair value of its Buffalo Shares or Twin Butte or any affiliate thereof (which Buffalo Share shall not be exchanged under the Arrangement and shall remain outstanding as a Buffalo Share held by Twin Butte or any affiliate thereof) shall be, and shall be deemed to be, transferred to Twin Butte (free and clear of any and all liens, claims and encumbrances) in exchange for the issuance by Twin Butte of 0.70 of a Twin Butte Share for each Buffalo Share.

3.2 Upon the exchange of Buffalo Shares for Twin Butte Shares pursuant to Section 3.1(b):



- (a) such Holder shall be added to the register of holders of Twin Butte Shares;
- (b) such Holder shall cease to be a holder of the Buffalo Shares so exchanged and the name of such Holder shall be removed from the register of holders of Buffalo Shares as it relates to the Buffalo Shares so exchanged; and
- (c) Twin Butte shall become the holder of the Buffalo Shares so exchanged and shall be added to the register of holders of Buffalo Shares.

**3.3** Notwithstanding anything herein contained, no fractional Twin Butte Shares will be issued. Where the aggregate number of Twin Butte Shares to be issued to a former holder of Buffalo Shares would result in a fraction of a Twin Butte Share being issued, the number of Twin Butte Shares to be issued will be rounded to the nearest whole number of Twin Butte Shares (with fractions equal to exactly 0.5 to be rounded up).

#### **ARTICLE 4 DISSENTING BUFFALO SHAREHOLDERS**

**4.1** Each registered holder of Buffalo Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Buffalo Shareholder shall, at the Effective Time, cease to have any rights as a holder of Buffalo Shares and shall only be entitled to be paid the fair value of the holder's Buffalo Shares by Buffalo. A Dissenting Buffalo Shareholder who is entitled to be paid the fair value of the holder's Buffalo Shares shall be deemed to have transferred the holder's Buffalo Shares to Buffalo for cancellation at the Effective Time pursuant to Section 3.1(a) of this Plan, notwithstanding the provisions of Section 191 of the ABCA. A Dissenting Buffalo Shareholder who for any reason is not entitled to be paid the fair value of the holder's Buffalo Shares shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting Buffalo Shareholder and, accordingly, shall receive Twin Butte Shares on the basis set forth in Section 3.1(b) of this Plan of Arrangement, notwithstanding Section 191 of the ABCA. The fair value of the Buffalo Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Buffalo Shareholders at the Buffalo Meeting; but in no event shall Twin Butte or Buffalo be required to recognize such Dissenting Buffalo Shareholder as a securityholder of Twin Butte or Buffalo or their successors after the Effective Time and the name of such holder shall be removed from the applicable register of securityholders as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement. In addition, a registered Buffalo Shareholder may only exercise dissent rights in respect of all, and not less than all, of its Buffalo Shares.

#### **ARTICLE 5 SHARE CERTIFICATES**

**5.1** From and after the Effective Time, certificates formerly representing Buffalo Shares that were exchanged pursuant to Section 3.1(b) shall represent only the right to receive the Twin Butte Shares to be issued pursuant to Section 3.1(b), or as to those certificates formerly representing Buffalo Shares held by Dissenting Buffalo Shareholders (other than those Dissenting Buffalo Shareholders deemed to have participated in the Arrangement pursuant to Section 4.1), to receive the fair value of the Buffalo Shares formerly represented by such certificates.

**5.2** Twin Butte and Buffalo shall, as soon as practicable, following the later of the Effective Date and the date of deposit by a former holder of Buffalo Shares of a duly executed and completed Letter of Transmittal and the certificates formerly representing such Buffalo Shares, either:

- (a) forward or cause to be forwarded by first class mail (postage prepaid) to such former Holder at the address specified in the Letter of Transmittal; or
- (b) if requested by such former Holder in the Letter of Transmittal, make available or cause to be made available at the Depository for pickup by such former Holder,

certificates representing the number of Twin Butte Shares issued to such former Holder under the Arrangement.

**5.3** If any certificate which immediately prior to the Effective Time represented an interest in outstanding Buffalo Shares that were exchanged pursuant to Section 3.1(b) has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depository shall issue and deliver in exchange for such lost, stolen or destroyed certificate the number of Twin Butte Shares to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement, provided the holder shall, as a condition precedent to the receipt thereof, give a bond to each of Twin Butte and Buffalo and their respective transfer agents, which bond is in form and substance satisfactory to each of Twin Butte and Buffalo and their respective transfer agents, acting reasonably, or shall otherwise indemnify Twin Butte and Buffalo and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

**5.4** All dividends or other distributions made with respect to any Twin Butte Shares issued to former Holders of Buffalo Shares pursuant to the Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depository to be held by the Depository in trust for the registered holder thereof. Subject to Section 5.5, the Depository shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depository in such form as the Depository may reasonably require, such dividends or other distributions to which such holder is entitled, net of applicable withholding and other taxes.

**5.5** Any certificate formerly representing Buffalo Shares that is not deposited with all other documents as required by this Plan of Arrangement before the fifth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder of such shares to receive Twin Butte Shares (and any dividends or other distributions thereon) or cash, as applicable. In such case, such Twin Butte Shares shall be returned to Twin Butte for cancellation and any dividends or other distributions in respect of Twin Butte Shares or cash, as applicable, shall be returned to Twin Butte.

**5.6** Twin Butte, Buffalo and the Depository shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of Buffalo Shares or Twin Butte Shares such amounts as Twin Butte, Buffalo or the Depository is required to deduct and withhold with respect to such payment under the ITA or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Twin Butte, Buffalo and the Depository are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Twin Butte, Buffalo or the Depository, as the case may be, to enable it to comply with such deduction or withholding requirement and Twin Butte, Buffalo or the Depository shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

**ARTICLE 6  
AMENDMENTS**

6.1 Twin Butte and Buffalo may by mutual agreement amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) filed with the Court and, if made following the Buffalo Meeting, approved by the Court; and (iii) communicated to, and approved by, Buffalo Shareholders if and as required by the Court.

6.2 Other than as may be required under the Interim Order, any amendment to this Plan of Arrangement may be proposed by Buffalo or Twin Butte at any time prior to or at the Buffalo Meeting (provided that the other party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Buffalo Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment to this Plan of Arrangement that is approved by the Court following the Buffalo Meeting shall be effective only if it is consented to by each of Buffalo and Twin Butte.

**ARTICLE 7  
FURTHER ASSURANCES**

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

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Action No. 0901-13573                      A.D. 2009.

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

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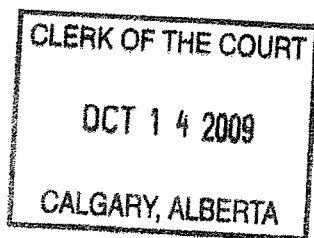
IN THE MATTER OF SECTION 193 OF  
THE BUSINESS CORPORATIONS ACT,  
R.S.A., 2000, C. B-9, AS AMENDED;

AND IN THE MATTER OF A  
PROPOSED                      ARRANGEMENT  
INVOLVING TWIN BUTTE ENERGY  
LTD., BUFFALO RESOURCES CORP.  
AND THE SHAREHOLDERS OF  
BUFFALO RESOURCES CORP.

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**FINAL ORDER**

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