



MEYERS NORRIS PENNY LIMITED

Action No.: 0901-09579

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

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

-and-

DRIFTWOOD RESOURCES LTD. AND
GREEN POINT RESOURCES LTD.

Defendant

SECOND REPORT TO THE COURT
OF MEYERS NORRIS PENNY LIMITED
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
DRIFTWOOD RESOURCES LTD. AND GREEN POINT RESOURCES LTD.

March 30 2010

APPENDICES

- APPENDIX A Interim Statement of Receipts and Disbursements for the Period
June 25, 2009 to March 26, 2010
- APPENDIX B Schedule of Residual Assets

INTRODUCTION AND PURPOSE

1. The Court of Queen's Bench of Alberta (the "Court") appointed Meyers Norris Penny Limited as receiver and manager (the "Receiver") of Driftwood Resources Ltd. ("Driftwood") and Green Point Resources Ltd. ("Green Point") (collectively, the "Company") pursuant to an order granted June 25, 2009 (the "Receivership Order").
2. This report constitutes the Receiver's Second Report to the Court (the "Second Report") and should be read in conjunction with the Receiver's First Report to the Court dated January 18, 2010.
3. The purpose of the Second Report is to provide this Honourable Court with:
 - a) An update as to the Receiver's activities since the date of the First Report;
 - b) The Receiver's Interim Statement of Receipts and Disbursements for the period June 25, 2009 to March 26, 2010; and
 - c) Information on the Agreements of Purchase and Sale executed by the Receiver.
4. The Receiver is seeking the approval of the Court to sell the Company's interest in certain oil and gas properties.

LIMITATIONS OF SECOND REPORT

5. The information contained in the Second Report has been obtained from the records of the Company. The Receiver has relied on this information and has not performed an audit, review or other verification of such information.

RECEIVER'S ACTIVITIES

6. Since the date of the First Report, the Receiver has performed various activities, including, but not limited to, the following:
 - a) facilitated the closing of the sale of certain of Driftwood's assets as discussed in the First Report;
 - b) continued discussions and meetings with prospective purchasers as discussed in further detail below;
 - c) facilitated continued operations including calculation of gross-overriding royalty payments, preparation of monthly joint interest billings to January 31, 2010 and payment of post-receivership obligations including royalty and lease payments;
 - d) made arrangements to renew insurance coverage with respect to the Company's assets;
 - e) collected certain pre-receivership accounts receivable and post-receivership revenues;

- f) repaid the Receiver's Certificate; and
- g) collected the retainer paid by Driftwood and the surplus funds from the receivership of Parker Point Petroleum Ltd.

OPERATIONS

- 7. As noted in the First Report, the Company's oil and gas interests are approximately 90% natural gas. Prior to receivership the Company reported production of approximately 130 barrels of oil equivalent per day ("BOE/day"). However, it was determined that actual production was closer to approximately 80 BOE/day for the reasons outlined in the First Report. It should be noted that these estimated production rates included all of the Company's interest and properties, including Sousa and Jenner, which were sold by the Receiver in January 2010. As such, the actual production rate for the Company's properties, excluding Sousa and Jenner, totaled approximately 55 BOE/day (historically, Sousa and Jenner have represented approximately 30% of the Company's production).
- 8. Although the Company recently received \$4.90 per GJ for February 2010 production, natural gas prices have since fallen. Current production as at February 2010 is at approximately 12 BOE/day (excluding production from Sousa and Jenner).

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 9. The Receiver's Interim Statement of Receipts and Disbursements for the period June 25, 2009 to March 26, 2010 is attached hereto as Appendix A.

PROPERTY DIVESTITURE OFFERING

- 10. As noted in the First Report, prior to the receivership, the Company retained CB Securities Inc. ("CB") as its advisor in connection with the divestiture of the Company's oil and gas interests. On July 17, 2009, the Receiver agreed to continue an advisory arrangement with CB under a new engagement agreement.
- 11. On August 13, 2009, CB commenced a property divestiture offering with respect to the Company's oil and gas interests (the "Offering"). The Offering stipulated a non-binding bid date of September 23, 2009. A copy of the Notice of Property Divestiture Offering is attached as Appendix B to the First Report.
- 12. Notice of the property divestiture offering was posted on CB's website (www.cbsecurities.com), advertised in Nickle's Daily Oil Bulletin and, as at September 23, 2009, CB had issued 1,180 introductory letters and 500 emails to Canadian, international and other oil and gas companies. A copy of the introductory letter is attached as Appendix C to the First Report.
- 13. The introductory letter and a link to CB's website were also posted on the Receiver's website (www.mnpdebt.ca).
- 14. A total of 62 parties requested the Offering Circular and 30 parties executed the Confidentiality Agreement.

NON-BINDING BIDS RECEIVED

15. As noted in the First Report, sixteen parties submitted non-binding bids in response to the Offering (the "Offerors"). All of the non-binding bids received were for individual properties or various combinations of individual properties. There were no *en bloc* bids received.
16. Subsequent to the receipt of non-binding bids, CB continued to solicit interest from additional parties for the purchase of the Company's properties on an *en bloc* basis.
17. CB continued to negotiate with the various Offerors and, as a result, three additional non-binding bids received resulted in the execution of Agreements of Purchase and Sale. These Agreements of Purchase and Sale are discussed in further detail below.

AGREEMENTS OF PURCHASE AND SALE

Bumper Development Corporation Ltd. ("Bumper")

18. On March 16, 2010 the Receiver entered into an Agreement of Purchase and Sale with Bumper (the "Bumper Agreement") for the sale of the Company's interest in three of the Company's oil and gas properties, namely Three Hills, Elk Island and Norris. A copy of the Bumper Agreement is attached as Appendix A to the Confidential Addendum to the Second Report.
19. The Bumper Agreement stipulates an effective date of September 1, 2009.

Gateway Petroleum Inc. ("Gateway")

20. On February 8, 2010 the Receiver entered into an Agreement of Purchase and Sale with Gateway (the "Gateway Agreement") for the sale of the Company's interest in two of the Company's oil and gas properties, namely Morningside and Thorsby. A copy of the Gateway Agreement is attached as Appendix B to the Confidential Addendum to the Second Report.
21. The Gateway Agreement stipulates an effective date of February 1, 2010.

Tyvan Oils Ltd. ("Tyvan")

22. On March 15, 2010 the Receiver entered into an Agreement of Purchase and Sale with Tyvan (the "Tyvan Agreement") for the sale of the Company's interest in one of Driftwood's oil and gas properties, namely Hoosier. A copy of the Tyvan Agreement is attached as Appendix C to the Confidential Addendum to the Second Report.
23. The Tyvan Agreement stipulates an effective date of September 1, 2009.

Summary of Agreements of Purchase and Sale

24. The Receiver respectfully requests that the Confidential Addendum and the Bumper Agreement, the Gateway Agreement and the Tyvan Agreement (collectively, the "Agreements") be sealed so as not to taint any future sales process in the event the sales contemplated by the Agreements do not close.

25. The Agreements are subject to Court approval, which the Receiver is now seeking, and also calls for the immediate vesting of the subject properties.
26. Bumper, Gateway and Tyvan have all provided the Receiver with a non-refundable deposit in an amount equal to 10% of the purchase price.
27. The Receiver supports the Agreements for reasons provided in the Confidential Addendum and summarized below:
 - a) Based on discussions with CB, the purchase prices contemplated by the Agreements are reasonable for the subject properties; and
 - b) National Bank of Canada (the "Bank") supports the sale of the subject properties to Bumper, Gateway and Tyvan.

LEGAL OPINION ON BANK'S SECURITY

28. As noted in the First Report, the Receiver retained independent legal counsel to obtain a legal opinion with respect to the Bank's security. The legal opinion indicated that, based on a review of the Bank's security documents and searches conducted, the Bank's security as against the assets of the Company is valid and enforceable.

OTHER PRIORITY CLAIMS

29. As noted in the First Report, the Receiver is not aware of any other claims that would rank ahead of the Bank's security.

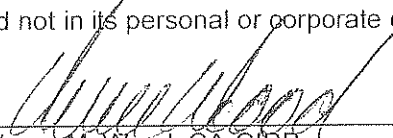
RESIDUAL ASSETS

30. By Order of this Honorable Court granted on January 27, 2010 the sale of Driftwood's interests in two properties to Drake Energy Ltd. was approved. The details of the sale were set out in the First Report and the Confidential Addendum to the First Report.
31. In the event this Honorable Court approves the Agreements that are the subject of this application, there will still be minor interests remaining in the name of the Company in certain non-producing properties (the "Residual Assets"). The Residual Assets were exposed to the market during the sales process; however, no expressions of interest were received. A listing of the Residual Assets is attached as Appendix B.
32. The Receiver disclaims any interest in the Residual Assets and is seeking the Court's authorization of same and the authority to execute quit claims in respect of the Residual Assets and/or sell the Residual Assets, if deemed appropriate, without any further applications to this Honourable Court.

All of which is respectfully submitted this 30th day of March, 2010.

MEYERS NORRIS PENNY LIMITED, In its capacity
as Court-Appointed Receiver and Manager of
Driftwood Resources Ltd. and Green Point Resources
Ltd. and not in its personal or corporate capacity

Per: _____


Verne M. Wood, CA-CIRP
Senior Vice President

APPENDIX A

Driftwood Resources Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period June 25, 2009 to March 26, 2010

	June 25, 2009 to Jan. 15, 2010	Activity During Period	June 25, 2009 to Mar. 26, 2010
Receipts			
Accounts Receivable	\$ 32,109.06	\$ -	\$ 32,109.06
Revenues	90,239.52	22,435.11	112,674.63
Sale of Assets	-	250,000.00	250,000.00
Sale of Assets - Deposit	25,000.00	(25,000.00)	-
Receiver's Certificate	50,000.00	(50,000.00)	-
Other Assets - Parker Point Petroleum Ltd.	-	41,060.27	41,060.27
GST Collected	4,511.98	4,871.76	9,383.74
GST Refund	2,055.30	-	2,055.30
Total Receipts	<u>203,915.86</u>	<u>243,367.14</u>	<u>447,283.00</u>
Disbursements			
General and Administrative	276.15	415.48	691.63
Consulting Services (Note 1)			
Pre Receivership	9,814.50	-	9,814.50
Post Receivership	21,349.14	10,867.07	32,216.21
Accounting Services			
Accounting Services (Note 1)	12,376.13	3,324.05	15,700.18
Accounting Software and System Rental	1,233.33	400.00	1,633.33
Operating Expenses	39,552.02	38,601.42	78,153.44
Insurance	-	12,411.00	12,411.00
Commissions	-	12,500.00	12,500.00
GST Paid	5,607.29	6,520.36	12,127.65
Royalty and Lease Payments	14,273.31	6,131.55	20,404.86
Property Taxes	11,002.55	-	11,002.55
Transfer to Green Point Resources Ltd.	2,938.96	-	2,938.96
Professional Fees (Note 1)			
Business Review	6,698.79	-	6,698.79
Legal Fees and Disbursements (Note 2)	9,995.35	16,522.74	26,518.09
Receiver's Fees and Disbursements (Note 2)	15,633.45	60,483.83	76,117.28
Total Disbursements	<u>150,750.97</u>	<u>168,177.50</u>	<u>318,928.47</u>
Excess of Receipts over Disbursements	<u>\$ 53,164.89</u>	<u>\$ 75,189.64</u>	<u>\$ 128,354.53</u>
Represented by:			
Disbursement to National Bank of Canada		95,000.00	95,000.00
Cash on Hand	53,164.89	(19,810.36)	33,354.53
	<u>\$ 53,164.89</u>	<u>\$ 75,189.64</u>	<u>\$ 128,354.53</u>

NOTE 1: For ease of administration, in certain instances, the disbursements reported with respect to consulting services, accounting services and professional fees include amounts relating to both Driftwood Resources Ltd. and Green Point Resources Ltd. These disbursements will be allocated between the two companies prior to any distribution to unsecured creditors.

NOTE 2: The Receiver and its legal counsel agreed to defer payment of their professional fees until such time as a sale of assets has been concluded. A schedule of professional fees and disbursements incurred to date is attached hereto as Schedule 1.

Driftwood Resources Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period June 25, 2009 to March 26, 2010
Summary of Professional Fees (Note 1)

Description	Invoice Number	Invoice Date	Fees	Disbursements	Subtotal	Amount Paid	Amount Outstanding (Note 2)
Receiver's Fees and Disbursements							
For the period June 25, 2009 to July 6, 2009	5917679	09-Jul-09	\$ 14,883.00	\$ 750.45	\$ 15,633.45	\$ 15,633.45	\$ -
For the period July 7, 2009 to August 11, 2009	5928059	19-Aug-09	23,243.00	1,336.93	24,579.93	24,579.93	-
For the period August 12, 2009 to September 11, 2009	5934445	13-Sep-09	21,854.70	1,106.72	22,961.42	22,961.42	-
For the period September 12, 2009 to October 22, 2009	5946095	22-Oct-09	12,299.00	643.48	12,942.48	12,942.48	-
For the period October 23, 2009 to November 24, 2009	5956232	24-Nov-09	8,685.25	462.29	9,147.54	-	9,147.54
For the period November 25, 2009 to December 18, 2009	5965478	21-Dec-09	9,623.40	490.58	10,113.98	-	10,113.98
For the period December 19, 2009 to January 27, 2010	5976177	28-Jan-10	20,206.40	1,010.32	21,216.72	-	21,216.72
For the period January 28, 2010 to March 14, 2010	5999674	15-Mar-10	29,675.00	1,580.75	31,255.75	-	31,255.75
SubTotal - Receiver's Fees and Disbursements			140,469.75	7,381.52	147,851.27	76,117.28	71,733.99
Legal Counsel's Fees and Disbursements							
Miles Davison LLP							
For the period to July 21, 2009	54052	28-Jul-09	5,990.00	17.35	6,007.35	6,007.35	-
For the period to August 31, 2009	54584	31-Aug-09	10,585.00	8.40	10,593.40	10,593.40	-
For the period to September 30, 2009	54880	30-Sep-09	3,707.50	12.76	3,720.26	3,720.26	-
For the period to November 30, 2009	55699	30-Nov-09	2,195.00	14.08	2,209.08	2,209.08	-
For the period to December 22, 2009	56088	22-Dec-09	2,222.50	-	2,222.50	-	2,222.50
For the period to January 27, 2010	56538	29-Jan-10	2,920.00	319.07	3,239.07	-	3,239.07
For the period to February 21, 2010	56769	23-Feb-10	3,340.00	11.00	3,351.00	-	3,351.00
SubTotal - Miles Davison LLP			30,960.00	382.66	31,342.66	22,530.09	8,812.57
Faber Bickman Leon		14-Sep-09	3,880.00	108.00	3,988.00	3,988.00	-
SubTotal - Legal Counsel's Fees and Disbursements			34,840.00	490.66	35,330.66	26,518.09	8,812.57
Total Professional Fees and Disbursements			\$ 175,309.75	\$ 7,872.18	\$ 183,181.93	\$ 102,635.37	\$ 80,546.56

NOTE 1: For ease of administration, the disbursements reported with respect to professional fees include amounts relating to both Driftwood Resources Ltd. and Green Point Resources Ltd. These disbursements will be allocated between the two companies prior to any distribution to unsecured creditors.

NOTE 2: The Receiver and its legal counsel agreed to defer payment of their professional fees until such time as a sale of assets has been concluded.

Green Point Resources Ltd. - In Receivership
Interim Statement of Receipts and Disbursements
For the Period June 25, 2009 to March 26, 2010

	June 25, 2009 to Jan. 15, 2010	Activity During Period	June 25, 2009 to Mar. 26, 2010
Receipts			
Accounts Receivable	\$ 7,626.27	\$ 1,028.08	\$ 8,654.35
Revenues	15,502.43	22,261.88	37,764.31
Sale of Assets - Deposit (Note 1)	-	-	-
Transfer from Driftwood Resources Ltd.	2,938.96	-	2,938.96
GST Collected	775.12	614.72	1,389.84
GST Refund	1,196.44	-	1,196.44
Total Receipts	28,039.22	23,904.68	51,943.90
Disbursements			
General and Administrative	108.12	15.00	123.12
Consulting Services (Note 1)	3,125.00	-	3,125.00
Accounting Services			
Accounting Services (Note 1)	-	-	-
Accounting Software and System Rental	1,500.00	500.00	2,000.00
Storage	1,561.60	68.00	1,629.60
GST Paid	309.33	28.40	337.73
Operating Expenses	2,501.04	443.39	2,944.43
Royalty and Lease Payments	8,882.62	6,490.78	15,373.40
Property Taxes	3,251.60	-	3,251.60
Professional Fees (Note 1)			
Legal Fees and Disbursements (Note 2)	-	-	-
Receiver's Fees and Disbursements (Note 2)	-	-	-
Total Disbursements	21,239.31	7,545.57	28,784.88
Excess of Receipts over Disbursements	\$ 6,799.91	\$ 16,359.11	\$ 23,159.02

NOTE 1: For ease of administration, in certain instances, disbursements incurred with respect to consulting services, accounting services and professional fees relating to both Driftwood Resources Ltd. and Green Point Resources Ltd. have been paid by Driftwood Resources Ltd. These disbursements will be allocated between the two companies prior to any distribution to unsecured creditors.

NOTE 2: The Receiver and its legal counsel agreed to defer payment of their professional fees until such time as a sale of assets has been concluded. A schedule of professional fees and disbursements incurred to date is attached as Schedule 1 to the Interim Statement of Receipts and Disbursements of Driftwood Resources Ltd

APPENDIX B

Driftwood Resources Ltd. and Green Point Resources Ltd. - In Receivership
Residual Assets
Lands and Leases

Lessor #	Description	Working Interest	Encumbrances
Driftwood Resources Ltd.			
Thorsby Area			
Cr #0405010183	Twp. 48 Rge. 01 W5M: Sec 14 (Thorsby) (Png to base Belly River to base Viking)	30%	1) Crown SS
Cr #0404120491	Twp. 48 Rge. 01 W5M: Sec 28 (Thorsby) (Png below base Belly River)	30%	1) Crown SS
House Mountain			
Cr #0503070233	Twp. 70 Rge. 12 W5M: NE Sec 23 (Png below base Pekisko)	15%	1) Crown SS 2) GORR 1% on 100% to Fall Creek Dev. 3) GORR 1% on 100% to Tiell Dev.
Cr #0503070234	Twp. 70 Rge. 12 W5M: SE Sec 26 (Png below base Pekisko) Including well 00/01-26-70-12W5M	BPO: 25% ; APO: 15%	1) Crown SS 2) GORR 1/23.8365 (5-15%) oil and 15% gas to payout 3) GORR 1% on 100% to Fall Creek Dev. 4) GORR 1% on 100% to Tiell Dev.
Cr #0505080560	Twp. 70 Rge. 12 W5M: SW Sec 26 (all Png) including well 00/01-26-70-12W5M	15%	1) Crown SS 2) GORR 1% on 100% to Fall Creek Dev. 3) GORR 1% on 100% to Tiell Dev.
Cr #0505100572	Twp. 70 Rge. 12 W5M: Sec 15 (Png to base Bluesky/Bulhead)	15%	1) Crown SS 2) GORR 1% on 100% to Fall Creek Dev. 3) GORR 1% on 100% to Tiell Dev.
Cr #0506010430	Twp. 70 Rge. 12 W5M: SE Sec 22 (Png below base Banff)	15%	1) Crown SS 2) GORR 1% on 100% to Fall Creek Dev. 3) GORR 1% on 100% to Tiell Dev.
Cr #0506010431	Twp. 70 Rge. 12 W5M: NE Sec 22 (Png below base Banff)	15%	1) Crown SS 2) GORR 1% on 100% to Fall Creek Dev. 3) GORR 1% on 100% to Tiell Dev.
Joffre			
Cr #0487090090	Twp.38 Rge. 26 W4M: NE Sec 34 (Png below base Viking to base Mannv. Excl NG in Ostracod)	100%	1) Crown SS 2) GORR 8% to Anderson
Green Point Resources Ltd.			
Cessford			
Cr #0405030724	Twp.24 Rge. 11 W4M: Sec 11 (Png below base Med hat SS excluding NG in Basal Colorado) Including well 02/11-024-11W4/x (Mannville)	GORR 7.2%	1) Crown SS
Cr #0405030729	Twp.24 Rge.11 W4M: Sec 15 (Png below base Med hat SS excluding NG in Basal Colorado) Including well 00/15-14-024-11W4/x (D&A)	24%	1) Crown SS

** Includes any and all lands, interests, wells, pipelines and/or facilities held by Driftwood Resources Ltd. and Green Point Resources Ltd. that are not subject to a signed Agreement of Purchase and Sale as at March 29, 2010, regardless if such lands, interests, wells, pipelines and/or facilities are scheduled above.

Action No. 0901-09579

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

BETWEEN:

NATIONAL BANK OF CANADA

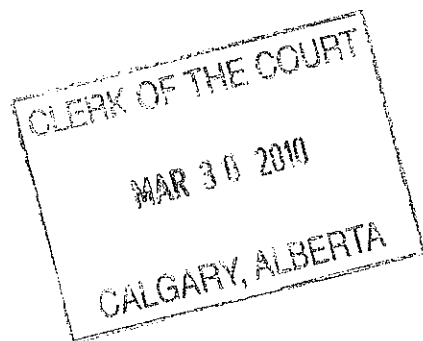
Plaintiff

- and -

DRIFTWOOD RESOURCES LTD. AND
GREEN POINT RESOURCES LTD.

Defendant

SECOND REPORT TO THE COURT
of Meyers Norris Penny Limited
in its capacity as the Court-appointed
Receiver and Manager of
Driftwood Resources Ltd. and
Green Point Resources Ltd.



MILES DAVISON LLP
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