

News Release

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Lexin agrees to cooperate with receivership, director pays \$175 000

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For immediate release.

Calgary, Alberta (June 13, 2017)...Lexin Resources Ltd. (Lexin) has agreed to voluntarily include its related entities into the receivership process and cooperate in addressing safety issues at Lexin sites. Today, the Alberta Court of Queen’s Bench approved this addition, which will better enable the receiver to proceed with the sale of Lexin-licensed assets.

“Lexin and Mr. Smith’s cooperation in the receivership process is a positive development,” said AER president and CEO Jim Ellis. “I am optimistic that this cooperation will get us out of the courtroom and allow us to focus on reducing the burden placed on the Orphan Well Association, minimizing environmental risk, and getting the most economic benefit for Albertans.”

Michael J. Smith, the director of Lexin, has accepted responsibility for Lexin’s noncompliances and has agreed to pay \$175 000 and not control any licensee or approval holder in this province. This development, in addition to an agreed statement of facts, concludes the AER’s investigation into Lexin’s noncompliances. Lexin, or any purchaser of a Lexin licence, must still address outstanding noncompliances.

“Our priority throughout this unprecedented situation has been to ensure the safety of Albertans and protection of the environment,” said Ellis. “I strongly believe that Albertans should not be on the hook for a company’s end of life obligations. We will continue to protect the interests of Albertans and safeguard the environment as we develop this province’s natural resources.”

Information on the noncompliances that led to the AER issuing a corporate-wide [closure order](#) and [receivership order](#) is available on the [Compliance Dashboard](#) and in the statement of facts.

Lexin sites remain shut in. The AER, the Orphan Well Association, and companies with an interest in the sites have been inspecting the sites and will continue to provide for their care and custody until the sales process is complete. For more information on the sales process, visit the receiver’s website at www.granthornton.ca/lexin.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

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[Backgrounder: Agreed Statement of Facts](#)

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