



ELECTION ON DISPOSITION OF PROPERTY BY A TAXPAYER TO A TAXABLE CANADIAN CORPORATION

- For use by a taxpayer and a taxable Canadian corporation to jointly elect under subsection 85(1) where the taxpayer has disposed of eligible property... File one completed copy of the election and related schedules (if any) as follows: 1 - a) one copy by the transferor, or b) two or more copies if two or more transferors elect regarding the transfer of the same property... 2 - on or before the earliest date on which any one of the parties to the election is required to file an income tax return... 3 - at the tax centre serving the area where the transferor is located... 4 - separate from any tax returns... Sections and subsections referred to on this form are from the Income Tax Act.

Do not use this area

Name of taxpayer (transferor) (print) Social insurance number or Business Number
Address Postal code
Tax year of taxpayer for the period from Year Month Day to Year Month Day Tax services office

Name of co-owner(s), if any (if more than one, attach schedule giving similar details) (print) Social insurance number
Address Postal code Tax services office

Name of corporation (transferee) (print) Business Number
Western Energy Services Corp. 86058 1826
Address Postal code
#1700 215 9th Avenue SW Calgary AB Canada T2P 1K3
Tax year of corporation for the period from Year Month Day to Year Month Day Tax services office
2013 01 01 to 2013 12 31 Calgary
Name of person to contact for additional information Area code Telephone number
Donna Mah 403 984-5698

Penalty for late-filed and amended elections

An election that is filed after its due date is subject to a late-filing penalty. Form T2057 can be filed within 3 years after its due date if an estimate of the penalty is paid at the time of filing. Form T2057 can also be amended or filed after the 3-year period, but in these situations, a written explanation of the reason the election is amended or late-filed must be attached for consideration by the Minister and an estimate of the applicable penalty must be paid when this election is filed.

Calculation of late-filing penalty:

Table with 3 columns: Description, Amount, Label. Rows include: Fair market value of property transferred, Less: agreed amount, Difference (0.00 A), Amount A x 1/4 x 1% x N\* (0.00 B), \$100 x N\* (0.00 C)

\* N represents the sum of each month or each part of a month in the period from the due date to the actual filing date. Amount C cannot exceed \$8,000.

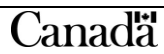
Late-filing penalty is the lesser of B and C above 0.00

Make a cheque or money order payable to the Receiver General. Specify "T2057" on the remittance and, to ensure proper credit, please indicate the name and social insurance number of the taxpayer, or Business Number if a corporation.

Amount enclosed

Unpaid amounts including late-filing penalties are subject to daily compound interest, at a prescribed rate.

Do not use this area



**Information required**

On the following page, list, describe, and state the fair market value of transferred properties. The description and fair market value of the consideration received has to be shown opposite the related property transferred. Where the transferred property is a partnership interest, attach a schedule of the calculation of the adjusted cost base. If space on the form is insufficient, attach schedules giving similar details. You have to designate the order of disposition of each depreciable property. With this election you do not have to file the following materials: schedules supporting this designation, documentation relating to the responses to the questions below, and a brief summary of the method of evaluating the fair market value of each property transferred. However you have to keep them as the Canada Revenue Agency may ask to see them at a later date.

- 1- Is there a written agreement relating to this transfer?  Yes  No
- 2- Does a price adjustment clause apply to any of the properties? (See the Interpretation Bulletin IT-169 for details.)  Yes  no
- 3- Do any persons other than the taxpayer own or control directly or indirectly any shares of any class of the transferee?  Yes  No
- 4- Does a non-arm's length rollover exist between 2 or more corporations?  Yes  No
  - a) Have all or substantially all (90% or more) of all the properties of the corporation(s) been transferred to the transferee corporation?  Yes  No
- 5- Is the taxpayer a non-resident of Canada?  Yes  No
- 6- Are any of the properties transferred capital properties?  Yes  No
  - If **yes**
    - a) have they been owned continuously since Valuation-Day (V-Day)?  Yes  No
    - b) have they been acquired after V-Day in a transaction considered not to be at arm's length?  Yes  No
    - c) since V-Day, has the taxpayer or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares? (If **yes**, provide details of amounts and dates received and attach a schedule.)  Yes  No
- 7- Is the agreed amount of any of the transferred properties based on an estimate of fair market value on V-Day?  Yes  No
  - a) If **yes**, does a formal documented V-Day value report exist?  Yes  No
- 8- Has an election under subsection 26(7) of the *Income Tax Application Rules* (Form T2076) been filed by or on behalf of the taxpayer?  Yes  No

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:

Name of corporation (print)	Business Number	Paid-up capital of shares transferred

**Description of shares received**

Number of shares transferor received	Class of shares	Redemption value per share	Paid-up capital	Voting or non-voting	Are shares Retractable ? *
	Common	N/A	As determined under s. 85(2.1)	Voting	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No
					<input type="checkbox"/> Yes <input type="checkbox"/> No

\*Retractable means redeemable at the option of the holder.

**Informative notes**

- The rules for section 85 elections are complex. Essential information is contained in Information Circular, IC76-19 and Interpretation Bulletins, IT-169, IT-291, and IT-378.
- Complete all the information areas and answer all questions. If this form is incomplete, the Canada Revenue Agency may consider the election invalid, and subsequent submissions may be subject to a late-filing penalty.
- If the agreed amount exceeds the adjusted cost base of the property in the election, you must report the difference as a capital gain, as income or a combination of both, whichever applies.

**Particulars of Eligible Property Disposed of and Consideration Received**

Date of sale or transfer of all properties listed below:		Year	Month	Day	Note: For properties sold or transferred on different dates, use separate T2057s.			
		2013	04	22				
Property Disposed of				Agreed Amount (can not be zero) B	Amount to be reported B – A If greater than 0 see Note 4	Consideration Received		
Description	Elected Amount Limits		Fair Market Value			Non-share	Share	Fair Market Value of Total consideration
	A			Description	Number and Class			
Capital Property Excluding Depreciable Property	(Brief legal)	\$	\$ (See Note 1)	\$	\$			\$
	Common shares of IROC Energy Services Corp.						Common shares of Western Energy Services Corp.	
Depreciable Property	(Description and prescribed Class)		(See Note 2)					
Eligible Capital Property	(Kind)		(See Note 3)					
Inventory Excluding Real Property	(Kind)		(Cost Amount)					
Resource Property	(Brief legal)		NIL					
			NIL					
Security or Debt Obligation Property	(Description)		(Cost Amount)					
Specified Debt Obligation (For financial institutions only)			(Cost Amount)					
Capital Property That is Real Property Owned by a Non-Resident Person								
Nisa Fund No. 2 (see note 5)			(Cost Amount)					

Note 1: Adjusted cost base (which is subject to adjustment per section 53).  
 Note 2: The lesser of undepreciated capital cost of all property of the class and the cost of the property.  
 Note 3: The lesser of 4/3 x cumulative eligible capital and the cost of the property. (Under proposed changes, new rules will apply on subsequent dispositions of eligible capital property occurring after December 20, 2002).  
 Note 4: This amount is to be reported either as a capital gain or as income, whichever applies. Also, in the case of depreciable property and eligible capital property, a portion of the amount may have to be reported as a capital gain while another portion of the amount may have to be reported as income.  
 Note 5: Contributions made in a tax year ending after 2007, and amounts earned on those contributions, are only eligible if that property is owned by an individual.  
 \* Refer to current Interpretation Bulletin IT-291 for more information on eligible property and an explanation of the limits.

**Election and Certification**

The taxpayer and corporation hereby jointly elect under subsection 85(1) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is to the best of their knowledge, correct and complete.

\_\_\_\_\_  
 Signature of Transferor of **Authorized Officer** or Authorized Person\*      **and**      \_\_\_\_\_  
 Signature of **Authorized Officer** of Transferee      \_\_\_\_\_  
 \_\_\_\_\_  
 Date

\* Attach a copy of authorizing agreement