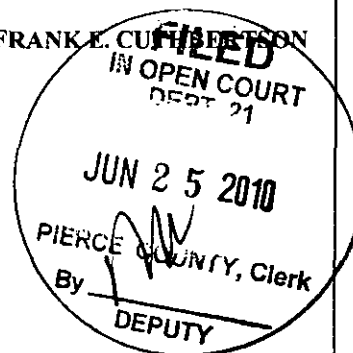




09-2-08315-6 34565774 ORRE 06-28-10

HONORABLE FRANK E. CURTIS



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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

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In Re:

Case No. 09-2-08315-6

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MCUBE PETROLEUM, INC., a Washington corporation;

**STIPULATIONS AND AGREED ORDER
RE PAYMENT OF PROFESSIONAL
EXPENSES (RCW 7.60.180(4))**

11

BASILAM PETROLEUM, LLC, a Washington limited liability company;

12

DISKI PETROLEUM, LLC, a Washington limited liability company;

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HALMAHERA - REMBANG, LLC, a Washington limited liability company;

16

LARAMIE PETROLEUM, INC., a Washington corporation; and

18

ORNA INTERNATIONAL, LTD, a British Virgin Islands company.

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STIPULATIONS

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The parties hereto, as evidenced by the signatures below of the parties and/or their respective attorneys of record, without waiver of or prejudice to existing claims, defenses, and/or objections, including but not limited to jurisdictional and/or affirmative defenses, represent and stipulate as follows:

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1. Smith Alling Lane, P.S. ("SAL") is the only party having appeared in this Receivership and entitled to notice of these proceedings.

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2. SAL, Paul E. Brain, through Brain Law Firm PLLC ("Brain"), and Mark B. Anderson, through Anderson Law Firm, PLLC ("Anderson"), have each provided legal services

28

ANDERSON

LAW FIRM PLLC
1119 PACIFIC AVENUE, SUITE 1305
TACOMA, WASHINGTON 98402
(253) 327-1750 FAX (253) 327-1751

ORIGINAL

1 to and for the benefit of this Receivership Estate, including work on adjunct litigation initiated by
 2 the Receiver in the actions styled *Beecher v. Glaser*, Pierce County Superior Court Cause No.
 3 09-2-14145-8 (the "Glaser Action"), and *Beecher v. Rusnak*, Pierce County Superior Court Cause
 4 No. 09-2-12103-1 (the "Rusnak Action") (collectively, the "Adjunct Actions"). SAL, Brain and
 5 Anderson each claim and are entitled to a share of the attorney fees to be paid from the Receivership
 6 Estate out of the settlement proceeds from these two cases. The Receiver, SAL, Brain and Anderson
 7 each agree that the aggregate amount payable as attorney fees for services provided to the
 8 Receivership Estate is equal to 30% of the gross recovery to the Receivership Estate.

9 3. A dispute arose between SAL and Brain that was the subject of *SAL v. Brain*,
 10 Pierce County Superior Court Case No. 10-2-08000-2, and private arbitration before JAMS
 11 arbitrator Wayne Blair (the "Dispute"). The Dispute, in part, involved issues over the proper
 12 disbursement of attorney fees that were expected to be recovered in the Glaser Action and the
 13 Rusnak Action. The Dispute has been resolved by way of a negotiated settlement between SAL,
 14 Brain and other involved parties, with the consent and approval of the Receiver.

15 4. This Court has approved settlement of the Glaser Action, which will result in a
 16 gross recovery to the Receivership Estate in the amount of \$127,500. The total attorney fee
 17 attributable to this gross recovery is equal to \$38,250, which is 30% of \$127,500. In its Order
 18 approving settlement in the Glaser Action, the Court ordered that attorney fees in the amount of
 19 \$38,250 be held by the Receiver in trust pending a resolution of the Dispute.

20 5. Because the Dispute has now been resolved by way of a negotiated settlement, the
 21 Receiver, SAL, Brain and Anderson agree that the Receiver may disburse forthwith the attorney
 22 fees from the settlement of the Glaser Action currently held in trust by the Receiver as follows:

23 To SAL: \$13,131.23;

24 To Brain: \$18,711.90; and

25 To Anderson: \$6,406.87.

26 6. A motion is pending before this Court for approval of a settlement of the Rusnak
 27 Action, which, if approved, will result in a gross recovery to the Receivership Estate in the
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1 amount of \$2,705,000. The total attorney fee attributable to this gross recovery is equal to
 2 \$811,500, which is 30% of \$2,705,000. That motion is set for hearing on Friday, June 25, 2010.
 3 The Receiver is unaware of any objections having been filed in response to that motion.

4 7. A motion is pending before this Court in which the Receiver has objected to the
 5 attorney fees claimed by SAL against the Receivership Estate. That motion is set for hearing on
 6 July 16, 2010. The Receiver and all other parties to this Stipulation agree to strike that motion.

7 8. A motion is pending before this Court in which the Receiver seeks to approve the
 8 payment of attorney fees to SAL as professional expenses, pursuant to RCW 7.60.180(4). That
 9 motion is set for hearing on July 16, 2010. The Receiver anticipates no objection to the payment
 10 of attorney fees to SAL as professional expenses.

11 9. The parties hereto agree that, within five (5) business days after the proceeds from the
 12 settlement of the Rusnak Action become available to the Receiver, the Receiver shall pay 30% of
 13 those proceeds as attorney fees, which shall be disbursed according to the following percentages:

14 To SAL: 34.33% of the attorney fees;

15 To Brain: 48.92% of the attorney fees; and

16 To Anderson: 16.75% of the attorney fees.

17 10. On February 19, 2010, this Court approved the sale of a portion of rights in a
 18 Production Sharing Contract currently held by Orna International Ltd, a wholly owned
 19 subsidiary of MCube Petroleum, Inc. (the "PSC Sale"). The PSC Sale has not been completed; it
 20 remains subject to and conditioned upon the approval of Indonesian authorities. The parties
 21 hereto agree that, in the event and at such time that the PSC Sale is ultimately consummated, and
 22 within five (5) business days after the proceeds from the PSC Sale become available to the Receiver,
 23 the Receiver shall pay 30% of those proceeds as attorney fees, which shall be disbursed according to
 24 the percentages listed in Paragraph 9 above.

25 11. The Receiver's payment of the amounts specified in Paragraph 5 and Paragraph 9
 26 above will constitute full and final professional compensation for the legal services that SAL
 27 rendered to the Receivership Estate from May 7, 2009 to April 5, 2010 inclusive, without
 28

1 prejudice to the conditional rights to payment as set forth in Paragraph 10 above. The Receiver's
2 payment of the fees specified in Paragraph 5 and Paragraph 9 above to SAL shall fully liquidate
3 and satisfy all claims of SAL for attorney fees incurred by this Receivership Estate and related to
4 the Glaser Action and the Rusnak Action. Upon payment as specified in Paragraph 5 and
5 Paragraph 9 above, SAL agrees to release its liens in the Receivership Estate and in the Adjunct
6 Actions.

7 12. SAL has filed a general creditor's claim in the Receivership Estate for
8 professional compensation for the legal services that SAL rendered to MCube Petroleum, Inc.
9 and its affiliated entities prior to May 7, 2009. This general creditor's claim shall survive the
10 payment of the fees specified herein.

11 STIPULATIONS DATED this 24th day of June 2010.

12 ANDERSON LAW FIRM PLLC

BRAIN LAW FIRM PLLC

13
14 



15 MARK B. ANDERSON, WSBA #25895
16 Attorneys for William L. Beecher, Receiver

PAUL E. BRAIN, WSBA #13438
Attorneys for William L. Beecher, Receiver

17 THE LAW OFFICES OF
18 WATSON & GALLAGHER P.S.

19  #29426
for

SEE ATTACHED

20 THOMAS F. GALLAGHER, WSBA #24199
21 Attorneys for Smith Alling Lane, P.S.

WILLIAM L. BEECHER, Receiver

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27 //
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1 prejudice to the conditional rights to payment as set forth in Paragraph 10 above. The Receiver's
2 payment of the fees specified in Paragraph 5 and Paragraph 9 above to SAL shall fully liquidate
3 and satisfy all claims of SAL for attorney fees incurred by this Receivership Estate and related to
4 the Glaser Action and the Rusnak Action. Upon payment as specified in Paragraph 5 and
5 Paragraph 9 above, SAL agrees to release its liens in the Receivership Estate and in the Adjunct
6 Actions.

7 12. SAL has filed a general creditor's claim in the Receivership Estate for
8 professional compensation for the legal services that SAL rendered to MCube Petroleum, Inc.
9 and its affiliated entities prior to May 7, 2009. This general creditor's claim shall survive the
10 payment of the fees specified herein.

11 STIPULATIONS DATED this 24th day of June 2010.


12 ANDERSON LAW FIRM PLLC

BRAIN LAW FIRM PLLC

13
14
15 SEE ATTACHED
16 MARK B. ANDERSON, WSBA #25895
Attorneys for William L. Beecher, Receiver

SEE ATTACHED
PAUL E. BRAIN, WSBA #13438
Attorneys for William L. Beecher, Receiver

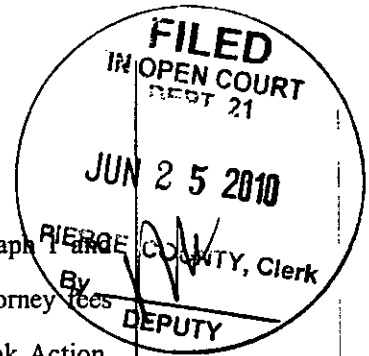
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19 SEE ATTACHED
20 THOMAS F. GALLAGHER, WSBA #24199
Attorneys for Smith Alling Lane, P.S.

WILLIAM L. BEECHER, Receiver

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1 this Order. The Receiver's payment of the amounts to SAL, as specified in Paragraph 1 and
2 Paragraph 3 of this Order, shall fully liquidate and satisfy all claims of SAL for attorney fees
3 incurred by this Receivership Estate and related to the Glaser Action and the Rusnak Action.
4 Upon payment as specified in Paragraph 1 and Paragraph 3 of this Order, the liens filed by SAL
5 in the Receivership Estate and in the Adjunct Actions shall be released and considered void and
6 of no further effect.

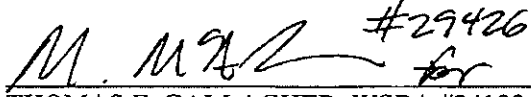
7 6. The general creditor's claim filed by SAL in the Receivership Estate for
8 professional compensation for the legal services that SAL rendered to MCube Petroleum, Inc. and
9 its affiliated entities prior to May 7, 2009, shall survive the payment of the fees specified herein.

10 DONE IN OPEN COURT this 25 day of June, 2010.

11 
12 _____
13 SUPERIOR COURT JUDGE

14 Presented by:
15 ANDERSON LAW FIRM PLLC
16 
17 _____
18 MARK B. ANDERSON, WSBA #25895
19 Attorneys for William L. Beecher, Receiver

20 BRAIN LAW FIRM PLLC
21 
22 _____
23 PAUL E. BRAIN, WSBA #13438
24 Attorneys for William L. Beecher, Receiver

25 THE LAW OFFICES OF
26 WATSON & GALLAGHER P.S.
27  #29426
28 _____ for
THOMAS F. GALLAGHER, WSBA #24199
Attorneys for Smith Alling Lane, P.S.

HONORABLE FRANK E. CUTHBERTSON

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF PIERCE

In Re:
MCUBE PETROLEUM, INC., a Washington
corporation;
BASILAM PETROLEUM, LLC, a
Washington limited liability company;
DISKI PETROLEUM, LLC, a Washington
limited liability company;
HALMAHERA - REMBANG, LLC, a
Washington limited liability company;
LARAMIE PETROLEUM, INC., a
Washington corporation; and
ORNA INTERNATIONAL, LTD, a British
Virgin Islands company.


Case No. 09-2-08315-6
DECLARATION UNDER GR17(a)(2)

Mark B. Anderson, under penalty of perjury, deposes and affirms as follows:

1. I make this Declaration pursuant to GR17(a)(2).

2. On June 23, 2010, I received via e-mail a document styled "Stipulations and Agreed Order Re Professional Expenses (RCW 7.60.180(4))," which document bears the electronic signatures of Michael McAleenan. I have examined the document received and determined that it consists of six (6) pages and that it is complete and legible. The signatures on this document should be accepted by the Court for filing.

DATED at Tacoma, Washington this 24th day of June 2010



MARK B. ANDERSON