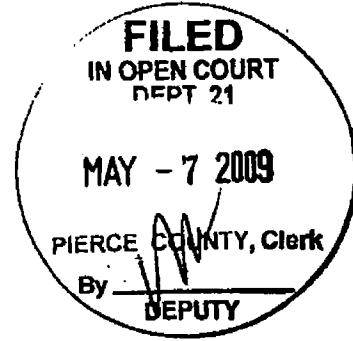


09-2-08315-6 32043447 ORG 05-12-09



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; and

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

Case No. 09-2-08315-6

**ORDER RE MOTION FOR PETITION FOR DISSOLUTION AND RECEIVERSHIP**

THIS MATTER came on before this Court for hearing on the Petition for Dissolution and Receivership with respect to MCube Petroleum, Inc., a Washington corporation, Basilam Petroleum, LLC, a Washington limited liability company, Diski Petroleum, LLC, a Washington limited liability company, and Halmahera - Rembang, LLC, a Washington limited liability company (collectively, the "Companies"). In connection with the Petition, this Court has reviewed and considered the following evidence and submissions by the parties:

1. Petition for Dissolution and Receivership, dated April 23, 2009;
2. Declaration of Paul E. Brain, dated May 5, 2009;
3. Declaration of Receiver William L. Beecher, dated May 5, 2009;
4. Declaration of Thomas Neu, dated April 17, 2009;
5. Declaration of Michael Hinrichsen, dated April 14, 2009; and
6. all other pleadings and papers on file with this Court in this action.

1 This Court has also heard and considered the oral arguments by the parties present and is  
 2 otherwise fully advised. Based on this Court's review and consideration, this Court has  
 3 determined that the Petition for Dissolution and Receivership is well founded and that  
 4 William L. Beecher is an eligible and appropriate person to serve as Receiver of the Companies.  
 5 On the foregoing basis, it is hereby

6 ORDERED, ADJUDGED AND DECREED as follows:

- 7 1. The Petition for Dissolution and Receivership is GRANTED;
- 8 2. MCube Petroleum, Inc., shall be dissolved, its affairs wound up, and its Board of  
 9 Directors dismissed and excused from any further duty;
- 10 3. Basilam Petroleum, LLC, shall be dissolved and its affairs wound up;
- 11 4. Diski Petroleum, LLC, shall be dissolved and its affairs wound up;
- 12 5. Halmahera - Rembang, LLC, shall be dissolved and its affairs wound up;
- 13 6. The Companies, and each of them, are hereby placed into Receivership pursuant  
 14 to Title 7.60 RCW;
- 15 7. Attorney William L. Beecher is hereby appointed Receiver over all the assets and  
 16 accounts of the Companies, to take control forthwith over all of the Companies' dealings and  
 17 transactions with any individual or entity, with full access to all of the Companies' books and  
 18 records necessary or useful to him in the exercise of his powers as Receiver over the Companies'  
 19 business or transactions, in order to (i) preserve the *status quo*; (ii) ascertain the nature and  
 20 extent of improper distributions and disbursements from the Companies; (iii) ascertain the true  
 21 financial condition of the Companies and the disposition of investor/creditor funds; (iv) prevent  
 22 further dissipation of the property and assets of the Companies; (v) prevent the encumbrance or  
 23 disposal of property or assets of the Companies and the investors/creditors; and (vi) respond to  
 24 investor/creditor inquiries.
- 25 8. To the extent not otherwise enumerated herein, the Receiver shall have all powers  
 26 of a general receiver as set forth in Title 7.60 RCW.
- 27 9. To effectuate the foregoing, the Receiver is empowered to:
- 28

1           9.1. Take and retain immediate possession and control of all of the assets and  
2 property, and all books, records and documents of the Companies;

3           9.2. Have exclusive control of and be made the sole authorized signatory for  
4 all accounts at any bank, brokerage firm or financial institution that has possession or control of  
5 any assets or funds of the Companies;

6           9.3. Conduct business, including making trades, and pay from available funds  
7 necessary business expenses as required to preserve or maximize the value of the assets and  
8 property of the Companies;

9           9.4. Locate assets that may have been improperly or wrongfully conveyed to  
10 third parties or otherwise concealed;

11           9.5. Engage and employ persons, including accountants, attorneys and experts,  
12 to assist in the carrying out of the Receiver's duties and responsibilities hereunder, including  
13 appointing a person or entity to manage any aspect of the business of the Companies, and to use  
14 available funds as required to preserve the assets and property of the Companies;

15           9.6. Report to the Court and the parties, within forty-five (45) days from the  
16 date of the entry of this Order and subject to such reasonable extensions as the Court may grant,  
17 the following information:

18                   9.6.1. All assets, money, funds, securities, and real or personal property  
19 then held directly or indirectly by or for the benefit of the Companies, including, but not  
20 limited to, real property, bank accounts, brokerage accounts, investments, business  
21 interests, personal property, wherever situated, identifying and describing each asset, its  
22 current location and value;

23                   9.6.2. A list of secured creditors and other financial institutions with an  
24 interest in the assets of the Receivership;

25                   9.6.3. A list of investors/creditors of the Companies and, to the extent  
26 practicable, the amounts received by the Companies from each such investor/creditor and  
27 the amounts distributed to each such investor/creditor;

28

1 9.7. Develop a preliminary plan for the administration of the assets of the  
2 Receivership, including a recommendation regarding whether any bankruptcy case should be  
3 filed for all or a portion of the assets subject to the Receivership; and

4 9.8. Investigate potential claims on behalf of the Receivership and to initiate  
5 litigation against third parties on a contingent fee basis to recover assets for the benefit of the  
6 Receivership.

7 10. Companies shall agree to provide any written authorizations necessary for the  
8 Receiver to exercise the foregoing powers over the Companies.

9 11. The Receiver's appointment is conditioned upon furnishing a bond in the amount  
10 of \$ 20,000 pursuant to RCW 7.60.045;

11 12. The Receiver's Fee and Retainer Agreement, proposed by Petitioner, is hereby  
12 approved in the form attached as Exhibit A to the Declaration of William L. Beecher dated  
13 May 5, 2009. The Receiver shall be compensated for his work as Receiver in amounts equal to  
14 the greater of hourly fees based on a rate of \$385.00 per hour or 3% of the gross amounts  
15 collected as a result of his efforts, which rate and arrangement is commensurate with the rates  
16 charged by other receivers and consistent with 11 U.S.C. § 326, defining the compensation for  
17 Bankruptcy Trustees, all as more fully set forth in the Receiver's Fee and Retainer Agreement;

18 13. The Receiver and his advisors shall be and hereby indemnified by the Companies  
19 and each of them, except tor acts constituting gross negligence, willful misconduct, fraud, and  
20 breach of fiduciary duty determined by final order no longer subject to appeal or certiorari, for  
21 all judgments; losses, costs, and reasonable expenses including legal fees (which shall be paid  
22 under the indemnity after court approval as they arise), arising from or related to any and all  
23 claims or whatsoever type brought against any of them in their capacities as Receiver or advisors  
24 to the Receiver; provided, however, that nothing herein shall limit the immunity or the Receiver  
25 and his advisors allowed by law or deprive the Receiver and his advisors of indemnity for any  
26 act or omission for which they have immunity.

27 14. No creditor or claimant against the Companies, or any person acting on behalf of  
28 such creditor or claimant, shall take any action to interfere with the control, possession, or

1 management of the assets subject to the Receivership. The appointment of the Receiver under  
2 this Order shall operate as an automatic stay of certain proceedings pursuant to RCW 7.60.110.

3 15. This Order shall be, and is, binding upon Companies, and each of them, including  
4 their respective partners, agents, servants, employees, attorneys, subsidiaries, affiliates and those  
5 persons in active concert or participation with them who receive actual notice of this Order by  
6 personal service, facsimile service, telephone, e-mail or otherwise.

7 16. The Engagement Agreement proposed by Petitioners is hereby approved in the  
8 form attached as Exhibit 13 to the Declaration of Paul E. Brain dated May 5, 2009. Attorneys  
9 Paul E. Brain and Mark B. Anderson, and the law firm of Smith Alling Lane P.S. are hereby  
10 approved to act as Special Counsel to the Receiver, to be compensated on a contingent basis as  
11 set forth in the Engagement Agreement;

12 17. The Litigation Funding Agreement proposed by Petitioners, under which certain  
13 individuals agree to advance litigation costs, is hereby approved in the form attached as  
14 Exhibit 14 to the Declaration of Paul E. Brain dated May 5, 2009. These certain individuals  
15 ("Participants") are each entitled to receive, out of any recovery to the Receivership,  
16 reimbursement of their costs advanced and, as compensation for the advance, Participants are  
17 additionally entitled to collectively receive, out of any recovery to the Receivership, an amount  
18 equal to six and a half percent (6½ %) out of any such recovery, *with respect to Roswell Family Trust Conveyances (FL)* all as more fully set forth in the  
19 Litigation Funding Agreement. The obligation of the Receivership to pay or repay Participants  
20 is subject to the availability of funds recovered into the Receivership. Such reimbursement of  
21 costs advanced and compensation shall be charged as an administrative expense of the  
22 Receivership and shall be paid after compensation to the Receiver.

23 DONE IN OPEN COURT this 7 day of May, 2009

24  
25 Presented by:  
26 SMITH ALLING LANE, P.S.

27 Mark B. Anderson  
28 MARK B. ANDERSON, WSBA #25895  
Attorneys for Petitioners

[Signature]  
SUPERIOR COURT JUDGE

FILED  
IN OPEN COURT  
DEPT 21  
MAY - 7 2009  
PIERCE COUNTY, Clerk  
By [Signature]  
DEPUTY