



B301-052460  
 COURT FILE NUMBER: 25-3052460  
 COURT COURT OF KING'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY  
 PROCEEDING IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF KADEN ENERGY LTD.

APPLICANT KADEN ENERGY LTD.

DOCUMENT: **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
 MLT AIKINS LLP  
 Barrister and Solicitors  
 2100, 222 – 3rd Avenue S.W.  
 Calgary, AB T2P 0B4  
 Telephone: 403.693.5420/4347  
 Facsimile: 403.508.4349  
 Attention: Ryan Zahara/Catrina J. Webster  
 File No.: 0166816.00001

**AFFIDAVIT OF WES SIEMENS**  
**Sworn on May 6, 2024**

I, **WES SIEMENS**, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY AS FOLLOWS:**

- I am the President and Chief Executive Office of Kaden Energy Ltd. ("**Kaden**" or the "**Applicant**") and, as such, I have personal knowledge of the matters deposed to herein, except where stated to be based upon information and belief, and whereso stated, I believe such facts and matters to be true.
- I am swearing this Affidavit in support of an Application by Kaden in support of an Order extending the period of time within which Kaden is required to file a proposal ("**Proposal**") to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**") and the corresponding stay of proceedings provided for in section 69 of the *BIA*, until and including July 4, 2024.

3. This Affidavit is sworn further to my first Affidavit sworn in this action on March 26, 2024 (the "**First Siemens Affidavit**").

**Summary of Activities since Filing the NOI**

4. Kaden is a private, junior oil and gas company focused on acquiring and developing light tight oil in the Cardium Formation in northwest Alberta. Kaden is an Alberta corporation incorporated pursuant to the laws of the Province of Alberta.
5. On March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the *BIA*.
6. On April 2, 2024, this Honourable Court granted an Order (the "**April 2024 Order**") for, among other things, the following:
  - a. granting an extension of time for Kaden to file a Proposal pursuant to section 50.4(9) of the *BIA*, and the corresponding stay of proceedings provided for in section 69 of the *BIA* until and including May 20, 2024; and
  - b. approving the payment of certain amounts for critical suppliers and vendors for services and work provided prior to the filing of the *NOI*;
7. Attached hereto and marked as **Exhibit "A"** is a copy of the April 2024 Order.
8. Since the March 6, 2024 filing and the granting of the April 2024 Order, Kaden has continued discussions with a potential lender to secure financing that, once secured would be used in the context of a proposal Kaden intends to make to its creditors. Kaden is keeping the proposal trustee, BDO Canada Limited (the "**Proposal Trustee**") and its counsel apprised of its efforts to secure such financing.
9. Since the filing of the *NOI*, Kaden has maintained its operations in the normal course and has remained cash-flow positive.
10. The Proposal Trustee has reviewed and provided input on Kaden's updated cash-flow forecast dated May 6, 2024 (the "**Cash-Flow Forecast**").

11. Attached hereto and marked as **Exhibit "B"** is a copy of the updated Cash-Flow Forecast and Report on Cash-Flow Statement.

**Extension of NOI and Stay Period**

12. Since the filing of the NOI, Kaden has been diligently pursuing activities aimed at the presentation of a Proposal, including:
  - a. providing the Proposal Trustee with access to Kaden's premises, property, and books and records;
  - b. working with the Proposal Trustee and counsel to prepare the Cash-Flow Forecast and to identify issues with respect to the financial condition of Kaden and the status of its creditors;
  - c. engaging in discussions with key creditors and a proposed lender to obtain financing to complete a Proposal;
  - d. assessing potential critical payables and engaging in discussions with the Proposal Trustee regarding the payment of such critical payables;
  - e. responding to inquiries from various creditors regarding the status of the NOI proceedings; and
  - f. operating the business in the ordinary course.
13. I am advised by Catrina Webster of MLT Aikins LLP, Kaden's legal counsel, that the period within which Kaden has to file a Proposal will expire on May 20, 2024 pursuant to the April 2024 Order and that if the NOI is not extended, then Kaden will be deemed on May 21, 2024 to have made a voluntary assignment for the benefit of its creditors pursuant to section 50.4(8) of the *BIA*. Kaden is seeking an extension from May 20, 2024 to July 4, 2024.
14. In the circumstances, I do verily believe that Kaden requires an extension of time to file a Proposal to its creditors and that a Proposal will be likely with the benefit of an extension.



### **Critical Service Providers and Suppliers**

15. Pursuant to the April 2024 Order, Kaden was authorized to make pre-filing payments to certain suppliers, service providers, or vendors that are necessary for the operation or preservation of Kaden's business.

#### Bidell

16. Bidell Gas Compression ("**Bidell**") rents 3 compressor units to Kaden which are integral to Kaden's operations and provides related maintenance services for these compressors as required pursuant to the terms of the warranty for these units. In addition, Bidell provides maintenance services for an additional compressor unit as well as Kaden's vapour recovery units and power generations units.
17. On April 4, 2024, production was shut down on one of Kaden's sites due to issues with one of the rented Bidell compressor units and Bidell refused to attend to provide repair services for this unit or generally provide any services and necessary maintenance work to Kaden as a result of the non-payment for services on invoices from January 2024 and February 2024. Without these necessary repairs, Kaden's anticipated lost production amounted to approximately \$15,000 per day. As a result, due to the critical need for the compressor units to continue operating and in order to maintain its current production levels, Kaden provided payment to Bidell in the amount of \$21,615.00 in connection with outstanding pre-filing invoices for lease payments and repairs to ensure continued and uninterrupted operations of Kaden's business.
18. The payments to Bidell were urgently required to ensure the safe operation of the compressor units. In the flurry of activity and urgency associated with the lost production, I forgot to seek the Proposal Trustee's permission to pay Bidell as was required for critical pre-filing payables not specifically listed in the April 2024 Order. I have since had numerous discussions with the Proposal Trustee and its legal counsel as well as Kaden's legal counsel on this issue. Any other payments going forward that we believe to be critical and are not listed on the April 24 Order will not be paid unless Kaden obtains the prior consent of the Proposal Trustee to do so. In speaking with the Proposal Trustee, I understand that it is supportive of the payments to Bidell.



Kaden Royalty Corp.

19. In addition to the payment to certain critical suppliers, Kaden has been providing payments for unpaid royalty amounts to Kaden Royalty Corp. ("**KRC**") and Arc Resources Ltd. ("**Arc**") including certain amounts incurred for the month prior to the filing of the NOI. Kaden proposes to continue making those payments as they become due in the ordinary course. The royalty agreements contain certain language which may require that those funds be held in trust and Kaden has determined that it would be most efficient to simply pay these amounts as they become due after the filing of the NOI (but represent royalty payments incurred in months arising prior to the NOI filing).
20. The payment of these amounts would allow Kaden to avoid diverting resources to a determination of whether these payments constitute a trust claim which has been alleged by KRC and instead could just keep the payments to its royalty holders current post-filing pursuant to the terms of the royalty agreements between the parties.
21. Currently, Kaden owes KRC \$47,367.51 for royalties incurred in February 2024 which are due in May 2024 and proposes to pay these in the normal course from its May revenues received.
22. In addition, Kaden owed Arc \$4,763.49 for royalties incurred in February 2024 and proposes to pay these amounts that would normally be payable from its May revenue.
23. As previously advised in the First Siemens Affidavit, Kaden proposes payments to KRC and Arc on an ongoing basis as they become due in the ordinary course for royalty amounts owing pursuant to Kaden's royalty agreements with KRC and Arc.

CNRL

24. On March 19, 2028, Kaden and Canadian Natural Resources Limited ("**CNRL**") entered into a letter agreement (the "**Letter Agreement**") documenting the terms and conditions for any specific purpose line of credit entered by the parties (the "**Specific Purpose Credit Facilities**").

25. Pursuant to the Letter Agreement, Kaden instructed ATB Financial to issue Specific Purpose Credit Facilities in favour of CNRL as follows:
- a. irrevocable standby letter of credit number 1932336 in an amount not to exceed \$78,186.00 dated March 23, 2018; and
  - b. irrevocable standby letter of credit number 1984860 in an amount not to exceed \$123,278.00 dated May 10, 2018
- (collectively, the "LOCs").
26. As security under the LOCs, Kaden granted cash collateral security in the form of Guaranteed Investment Certificates ("GICs").
27. Pursuant to Article 8 and Schedule "A" of the Letter Agreement, CNRL was entitled to make a demand for payment in the upon the occurrence of a triggering event, which included, among others, the following:
- a. Kaden is in default of an obligation under an abandonment and reclamation obligation ("ARO");
  - b. Kaden is in default of any payment obligation or its Financial Obligations (as defined in the Letter Agreement) owing to CNRL; and
  - c. If CNRL has a reasonable belief that Kaden will fail to comply with a certain payment or financial obligation.
28. On March 28, 2024, CNRL demanded and caused ATB to release the funds from the LOCs in an amount of \$201,464.00 (the "Released Funds") by converting the GICs. As CNRL should be aware, Kaden is not in default of (i) its obligations under an ARO; or (ii) any payment obligation owing to CNRL. As a result, on May 6, 2024, Kaden demanded that the Released Funds be held in trust pending the completion of the NOI proceedings. Attached hereto and marked as **Exhibit "C"** is a copy of the May 6, 2024 correspondence to CNRL.
29. There is no impact on Kaden's Cash-Flow Forecast because the LOCs were fully cash collateralized through the GICs.

30. Kaden intends to continue working with its legal counsel to ensure the Released Funds are preserved pending the completion of the NOI proceedings.

### **Claims Process**

31. Pursuant to the April 2024 Order, a claims procedure was approved by the Court to facilitate the determination and classification of claims assets against Kaden by its creditors.
32. Kaden is in the process of finalizing its creditor list, and unfortunately, that process has been delayed due to the nature of delayed billing and receipt of invoices in the oil and gas industry in order to allow Kaden to finalize the entire list of creditor claims as the NOI filing date. However, Kaden anticipates commencing the claims process shortly as set out in the April 2024 Order. The claims process will greatly assist Kaden in formulating its Proposal and making distributions in accordance with the final Proposal.

### **Financing to Fund a Proposal**

33. Kaden has been and has almost completed its negotiations with a potential lender to secure financing for its Proposal. Kaden is working with its legal counsel to finalize a term sheet with the potential lender to contribute certain funds from that financing to fully fund a Proposal to Kaden's creditors. Kaden is keeping the Proposal Trustee apprised of the status of its negotiations with the potential lender and intends to use the next stay period, if granted, to finalize those negotiations and begin formulating a proposal to its creditors.

### **Relief Sought**

34. I do verily believe that Kaden has acted and is continuing to act in good faith and with due diligence in completing the preliminary work and preparation of a proposal to its creditors.





COURT FILE NUMBER 25-3052460

COURT COURT OF KING'S BENCH  
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JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as  
amended

APPLICANT KADEN ENERGY LTD.

**DOCUMENT CERTIFICATE OF REMOTE COMMISSIONING**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP  
Barristers and Solicitors  
2100, 222 3 Ave SW  
Calgary, AB T2P 0B4  
Phone: 403.693.5420/4347  
Fax: 403.508.4349  
Attention: Ryan Zahara/Catrina J. Webster  
File: 0166816.00001

**Document commissioned by a Lawyer during a Public Emergency Period**

1. I, Catrina J. Webster, being a lawyer in and for the Province of Alberta, certify that in witnessing and commissioning the within Affidavit of Wes Siemens executed by the affiant herein, on May 6, 2024.
2. I have complied with the requirements and conditions as outlined in the Notice to the Profession and Public-Remote Commissioning 2020-02 by the Court of King's Bench of Alberta on March 25, 2020.
3. I am satisfied that a two-way video conferencing was necessary because it was impossible or unsafe, for medical reasons, for the affiant and the commissioner to be physically present together.
4. I witnessed the signature in a single session during which I was able at all times to see and hear the affiant signing the Affidavit by electronic means.
5. I am satisfied that the affiant as named in the Affidavit is who the person purports to be.

6. I received from the deponent the signed Affidavit together with the exhibits by electronic means.
7. I have maintained in my files, the signed Affidavit with my signature as a commissioner for oaths, and I have requested that the affiant provide to me the Affidavit containing the affiant's original signature.

Dated this 6<sup>th</sup> day of May, 2024.



\_\_\_\_\_  
*(Signature of lawyer)*

**Catrina J. Webster**

\_\_\_\_\_  
*(Print or type lawyer's name)*

This affidavit was affirmed using video technology as Wes Siemens was not physically present before the Commissioner of Oaths but was linked with the Commissioner of Oaths utilizing video technology. The process for remote commissioning of affidavits was thoroughly followed as outlined in the Notice to the Profession and Public – Remote Commissioning 2020-02 by the Court of King's Bench on March 25, 2020.



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1. I am the President and Chief Executive Office of Kaden Energy Ltd. ("**Kaden**" or the "**Applicant**") and, as such, I have personal knowledge of the matters deposed to herein, except where stated to be based upon information and belief, and whereso stated, I believe such facts and matters to be true.
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30. Kaden intends to continue working with its legal counsel to ensure the Released Funds are preserved pending the completion of the NOI proceedings.

#### **Claims Process**

31. Pursuant to the April 2024 Order, a claims procedure was approved by the Court to facilitate the determination and classification of claims assets against Kaden by its creditors.
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#### **Financing to Fund a Proposal**

33. Kaden has been and has almost completed its negotiations with a potential lender to secure financing for its Proposal. Kaden is working with its legal counsel to finalize a term sheet with the potential lender to contribute certain funds from that financing to fully fund a Proposal to Kaden's creditors. Kaden is keeping the Proposal Trustee apprised of the status of its negotiations with the potential lender and intends to use the next stay period, if granted, to finalize those negotiations and begin formulating a proposal to its creditors.

#### **Relief Sought**

34. I do verily believe that Kaden has acted and is continuing to act in good faith and with due diligence in completing the preliminary work and preparation of a proposal to its creditors.

35. I make this Affidavit in support of an application by Kaden for an Order extending the time within which to file a Proposal.

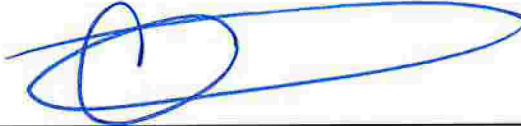
SWORN BEFORE ME at the City of Calgary, in the )  
Province of Alberta, this 6<sup>th</sup> day of May 2024. )

\_\_\_\_\_  
A Notary Public in and for the Province of Alberta )

  
\_\_\_\_\_  
**WES SIEMENS**

This Affidavit was sworn using video technology as Wes Siemens was not physically present before the Commissioner for Oaths, but was linked with the Commissioner for Oaths utilizing video technology. The process for remote commissioning of affidavits was thoroughly followed as outlined in the Notice to the Profession and Public - Remote Commissioning 2020-02 by the Court of King's Bench on March 25, 2020.

**THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF WES SIEMENS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 6<sup>th</sup> day of May, 2024**

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal stroke.

---

**A Commissioner for Oaths in and for the Province of Alberta**

**CATRINA WEBSTER  
BARRISTER & SOLICITOR**



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COURT FILE NUMBER 25-3052460  
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PROCEEDING IN THE MATTER OF THE NOTICE OF THE  
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APPLICANT KADEN ENERGY LTD.

DOCUMENT ORDER (NOI EXTENSION, ADMINISTRATION  
CHARGE, DIRECTORS' CHARGE, CLAIMS PROCESS)

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
Barristers and Solicitors  
2100, 222 – 3rd Avenue S.W.  
Calgary, Alberta T2P 0B4  
Telephone: 403.693.5420/4347  
Fax No.: 403.508.4349  
Attention: Ryan Zahara/Catrina Webster  
File No.: 0166816.00001

**DATE ON WHICH ORDER WAS PRONOUNCED: APRIL 2, 2024**  
**LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON, ALBERTA**  
**NAME OF JUSTICE WHO MADE THIS ORDER: JUSTICE J. S. LITTLE**

**UPON** the application (the "**Application**") of Kaden Energy Ltd. ("**Kaden**" or the "**Applicant**") for an order extending the time for Kaden to file a proposal, and the corresponding stay of proceedings, until May 20, 2024, and granting the Administration Charge and a Directors' Charge (both as defined herein); **AND UPON** noting that on March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**"); **AND UPON** reviewing the Affidavit of Wes Siemens, sworn on March 25, 2024 (the "**First Siemens Affidavit**"); **AND UPON** hearing submissions by counsel

for Kaden, and counsel for BDO Canada Limited in its capacity as proposal trustee of Kaden ("**Proposal Trustee**") and any other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

#### **SERVICE OF APPLICATION**

1. Service of notice of this Application and supporting documents is hereby deemed to be good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this Application.

#### **STAY EXTENSION**

2. Pursuant to Section 50.4(9) of the *BIA*, the time for Kaden to file a proposal, and the corresponding stay of proceedings provided for in section 69 of the *BIA*, be and is extended until and including May 20, 2024.

#### **PRE-FILING PAYMENTS**

3. The Applicant is hereby authorized to make payment of the Company Proposed Pre-Filing Payments, inclusive of any amounts already issued or paid by the Company (as defined in and set out in Appendix "D" of the First Report) and as described in Schedule "A" hereto.
4. The Applicant is also authorized, with the Consent of the Proposal Trustee, to make other payments to parties that fall into the same categories as the Company Proposed Pre-Filing Payments, if in the opinion of the Applicant, following consultation with the Proposal Trustee, that the supplier or vendor of such goods or services is necessary for the operation or preservation of the business or property of the Applicant.

#### **ADMINISTRATION CHARGE**

5. Legal Counsel to Kaden, MLT Aikins LLP, the Proposal Trustee and its legal counsel, Fasken Martineau DuMoulin LLP (collectively, the "**Professionals**"), as security for their respective professional fees and disbursements incurred both before and after the commencement of these NOI proceedings and before or after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a charge (the "**Administration Charge**") on the Property, which charge shall not exceed \$250,000.00 as security for the

Professionals' professional fees and disbursements incurred at normal rates and charges. The Administration Charge shall have the priority set out in paragraph 10 herein.

### **DIRECTORS' CHARGE**

6. Kaden shall indemnify its directors and officers against obligations and liabilities they may incur as directors of Kaden after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
7. The directors and officers of Kaden shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an \$100,000.00 as security for the indemnity provided in paragraph 6 of this Order. The Directors' Charge shall have the priority set out in paragraph 9 herein.
8. Notwithstanding any language in any applicable insurance policy to the contrary:
  - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
  - (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 8 of this Order.

### **VALIDITY AND PRIORITY OF THE CHARGES**

9. The priorities of the Administration Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:
  - (a) **First** – Administration Charge (to the maximum amount of \$250,000.00); and
  - (b) **Second** – Directors' Charge (to the maximum amount of \$100,000.00).
10. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.



11. Each of the Charges shall constitute a security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the "**Encumbrances**").
12. Except as otherwise provided herein, or as may be approved by this Honourable Court, Kaden shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the Charges, unless Kaden obtains the prior written consent of the Professionals and the Directors' Charge, as applicable, or further order of this Court. Notwithstanding the aforementioned, the consent of the beneficiaries of the Directors' Charge shall not be required in connection with the Applicant seeking and obtaining any charge in connection with or which otherwise secures any interim financing and which ranks ahead of the Directors' Charge.
13. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Professionals thereunder shall not otherwise be limited or impaired in any way by:
  - (a) the pendency of these proceedings and any declarations of insolvency in these proceedings;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Kaden, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by Kaden of any Agreement to which they, or any one of them, is a party;
- (ii) none of the Professionals and the beneficiaries of the Directors' Charge, as applicable, shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (iii) the payments made by Kaden pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### **APPROVAL OF CLAIMS PROCESS**

- 14. The Claims Process set out herein is hereby approved.
- 15. For purposes of this Order the following terms shall have the following meanings:
  - (a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.
  - (b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday in the Province of Alberta.
  - (c) "**Claim**" means a claim provable in bankruptcy and includes any claim or liability provable in proceedings under the BIA by a Creditor and includes any right or claim of any Person against Kaden, whether secured or not, in connection with any indebtedness, liability or obligation of any kind of Kaden owed to such Person, and any interest accrued thereon or costs payable in respect thereof, including any indebtedness, liability or obligation owed to such Person existing prior to the Filing Date.
  - (d) "**Claims Bar Date**" has the meaning given to it in paragraph 19 of this Order.

- (e) **"Claims Package"** means the materials to be provided by the Proposal Trustee to Persons who may have a Claim, which materials shall include:
- (i) In the case of a Known Claimant, a notice setting out the amount of such Known Claimant's Claim as determined by the Applicant, in consultation with the Proposal Trustee, a Proof of Claim Instruction Letter, a blank Notice of Dispute of Claim, and such other materials as the Applicant, in consultation with the Proposal Trustee, may consider necessary and appropriate; and
  - (ii) In the case of an Unknown Claimant, a blank Proof of Claim, and a Proof of Claim Instruction Letter, and such other materials as the Applicant or the Proposal Trustee may consider appropriate;
- (f) **"Claims Process"** means the procedures outlined in this Order in connection with the assertion of Claims against Kaden, including the enclosed schedules to this Order;
- (g) **"Court"** means the Court of King's Bench of Alberta.
- (h) **"Creditor"** means any Person asserting a Claim against Kaden.
- (i) **"Filing Date"** means the date of filing of the Notice of Intention to Make a Proposal at the Office of the Superintendent of Bankruptcy Canada being March 6, 2024.
- (j) **"Known Creditors"** includes all Creditors known by the Proposal Trustee or Kaden as of the date of pronouncement of this Order as having a Claim against Kaden or with respect to any obligations related to or connected with Kaden.
- (k) **"Newspaper Notice to Unknown Claimants"** means a notice referred to in paragraph 19 hereof, substantially in the form attached as Schedule "C" hereto;
- (l) **"Notice to Known Claimant"** means a notice referred to in paragraph 15 hereof, substantially in the form attached as Schedule "B" hereto, delivered to a Claimant and stating the classification of the Claimant's claim and the amount, if any, owing directly by the Applicant to a Claimant up to the Filing Date;

- (m) **"Notice of Dispute of Claimant"** means the notice referred to in paragraph 16 hereof, substantially in the form attached as Schedule "D" hereto, which may be delivered to the Proposal Trustee by a Claimant disputing a Notice to Claimant, with reasons for its dispute;
- (n) **"Notice of Revision or Disallowance"** means the notice referred to in paragraph 22 hereof, substantially in the form of Schedule "E" advising a Claimant that the Applicant has revised or rejected all or part of such Claimant's Claim set out in its Proof of Claim;
- (o) **"Person"** has the meaning as defined in the BIA.
- (p) **"Proof of Claim"** means the Proof of Claim referred to herein, substantially in the form attached as Schedule "F";
- (q) **"Proof of Claim Instruction Letter"** means the instruction letter to Unknown Claimants, substantially in the form attached as Schedule "G" hereto, regarding the completion of a Proof of Claim by a Claimant and the claims procedure described herein;
- (r) **"Proposal"** means a proposal presented or to be presented by Kaden to some or all of the Creditors for approval by the Court in accordance with the BIA.
- (s) **"Proposal Trustee"** means BDO Canada Limited, the trustee under the Notice of Intention to file a Proposal under the BIA.
- (t) **"Proven Claim"** means a Claim that has been allowed pursuant to the terms of this Order.
- (u) **"Unknown Claimant"** means a Claimant that is not a Known Claimant.

#### **CLAIMS PROCEDURE FOR KNOWN CREDITORS**

16. For each of the Known Creditors, the Applicant, in consultation with the Proposal Trustee, shall determine the value of such Known Creditors' Claim for all purposes, on the basis of the books and records of the Applicant.

17. The Proposal Trustee shall send a Claims Package to each of the Known Creditors (or to the counsel of record for any such Known Creditor) by prepaid ordinary mail, courier, personal delivery, or electronic or facsimile transmission, as soon as reasonably practical following the granting of this Order. A Claims Package sent to a Known Creditor shall include the value of such Known Creditors' Claim, as determined by the Applicant in accordance with this Order.
18. If a Known Creditor, having received a Claims Package, disagrees with the amount contained in the Notice to Creditor or the classification of such amount, the Creditor must deliver a Notice of Dispute to the Applicant, care of the Proposal Trustee, by no later than 14 days from the date of the Claims Package (the "**Claims Bar Date**"). Such Notice of Dispute of Creditor shall outline the basis for the dispute, include the amount believed to be owing to the Creditor and the classification of such amount, and where possible, include supporting documentation. Where a Creditor that receives a Notice to Creditor pursuant to this paragraph does not deliver a Notice of Dispute of Creditor by the Claims Bar Date, the amount owing to the Creditor and the classification of such amount shall be deemed to be as set out in the Notice to Creditor sent to such Creditor and shall be deemed a Proven Claim.

#### **CLAIMS PROCEDURE FOR UNKNOWN CLAIMANTS**

19. The Proposal Trustee shall, as soon as practicable after the date of this Order, cause the Newspaper Notice to Creditors to be published once in the Daily Oil Bulletin and local paper, and will also post to the Website electronic copies of the Newspaper Notice to Claimants, a blank Proof of Claim, and this Order.
20. The Proposal Trustee shall send a Claims Package to any Unknown Claimant (or to counsel of record for such Unknown Claimant) on request. Any such Unknown Claimant must return a completed Proof of Claim to the Proposal Trustee by no later than: (i) April 19, 2024; or (ii) within 10 days of receipt of the Claims Package (whichever date is later) (the "**Unknown Claimants Bar Date**").

**CLAIMS BAR DATE, ADJUDICATION AND RESOLUTION OF CLAIMS****(i) Barring of Claims**

21. Any Unknown Claimant that does not return a Proof of Claim to the Proposal Trustee by the Unknown Claimants Bar Date, unless otherwise ordered by the Court, shall:
- (a) not be entitled to vote at any creditors meetings;
  - (b) not be entitled to receive any distribution in the NOI;
  - (c) not be entitled to any further notice in, and shall not be entitled to participate as a Claimant or creditor in, the NOI Proceedings in respect of such Claim;
  - (d) be forever barred from making or enforcing any such Claim against any of the Applicant, their Directors and their Officers, and all such Claims will be forever extinguished and barred without any further act or notification by the Applicant; and
  - (e) be forever barred from making or enforcing any such Claim as against any other Person who could claim contribution or indemnity from the Applicant, its Directors and their Officers, or any of them and all such Claims will be forever extinguished and barred without any further act or notification by the Applicant.

**(ii) Adjudication of Claims**

22. The Proposal Trustee, with the assistance of the Applicant, shall review all Proofs of Claim and all Notices of Dispute of Claimant, if any, received by the Claims Bar Date and shall accept, revise or reject the amount of each Claim set out therein for voting and distribution purposes. If any dispute about the amount or classification of a Claim cannot be resolved consensually between the Applicant, the Claimant, and the Proposal Trustee, then the Proposal Trustee shall notify each Claimant who has delivered a Proof of Claim or a Notice of Dispute of Claimant as to whether such Claimant's Claim as set out therein has been revised or rejected for voting and distribution purposes, and the reasons therefor, by sending such Claimant a Notice of Revision or Disallowance as soon as practicable after the receipt of the Notice of Dispute of Claimant by the Proposal Trustee.



23. Any Claimant who intends to dispute a Notice of Revision or Disallowance sent pursuant to the immediately preceding paragraph must file an application, including any affidavit evidence in support of same (collectively, the "**Disputed Claim Application**") with the Court, and serve a copy of such Disputed Application on the Proposal Trustee and Kaden within 14 days from the date of the Notice of Revision or Disallowance (the "**Disputed Claim Application Deadline**").

#### **RESOLUTION OF CLAIMS**

24. Where a Claimant that receives a Notice of Revision or Disallowance pursuant to paragraph 22 above does not file a Disputed Claim Application by the Disputed Claim Application Deadline, the amount and classification of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount shall be deemed to be a Proven Claim.
25. Thereafter, the Court shall resolve the dispute and determine the amount and/or classification of the Claimant's Claim for voting and distribution purposes
26. Where the amount and/or classification of a Claimant's Claim has not been finally determined by the Court by the date of any meeting to vote on a proposal, the Proposal Trustee shall either:
- (a) accept the Claimant's determination of the amount and/or classification of the Claim as set out in the applicable Notice of Dispute of Revision or Disallowance only for the purposes of voting and conduct the vote of the creditors on that basis subject to a final determination of such Claimant's Claim, and in such case the Proposal Trustee shall record separately such Claimant's Claim and whether such Claimant voted in favour of or against the Plan;
  - (b) adjourn the Meetings until a final determination of the Claim(s) is made; or
  - (c) deal with the matter as the Court may otherwise direct or as the Applicant, the Proposal Trustee and the relevant Claimant may otherwise agree.

**SERVICE AND NOTICE**

27. The Proposal Trustee and the Applicant may, unless otherwise specified by this Order, serve and deliver any letters, notices or other documents contemplated by this Order and the Claims Procedure to Claimants, Directors or Officers, and any other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel if applicable) at the address as last shown on the records of the Applicant or set out in such Person's Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada (other than within Alberta), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic or digital transmission by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.
28. Any notice or other communication (including Proofs of Claim) to be given under this Order by any Person to the Proposal Trustee shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or electronic or digital transmission addressed to the following address and any such notice or other communication by a Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of a normal business hours, the next Business Day:

**BDO Canada Limited**  
 Proposal Trustee of Kaden Energy Ltd.  
 Suite 110, 5800 2 Street SW  
 Calgary, Alberta T2H 0H2  
 Attention: Breanne Scott  
 Fax: 403.640.0591  
 Phone: 403.213.5432  
 Email: brscott@bdo.ca

29. If during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received

shall not, absent further order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

30. In the event that this Order is later amended by further order of the Court, the Proposal Trustee shall post such further order on the Website and such posting shall constitute adequate notice of such amended claims procedure.

#### **SET-OFF**

31. The Applicant may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made pursuant to the Plan to any Claimant, any claims of any nature whatsoever that the Applicant may have against such Claimant, however, neither the failure to do so nor the allowance of any claim hereunder shall constitute a waiver or release by the Applicant of any such claim that the Applicant may have against such Claimant.

#### **GENERAL PROVISIONS**

32. In the event that the day on which any notice or communication required to be delivered pursuant to this Claims Process is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.
33. References in this Order to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender.

#### **SERVICE OF ORDER**

34. Service of this Order shall be deemed good and sufficient:
- (a) by serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of the Application; and

- (b) by posting a copy of this Order on the Proposal Trustee's website at <https://www.bdo.ca/kaden>.

A handwritten signature in black ink, appearing to be 'J.A.', is written above a horizontal line.

Justice of the Court of King's Bench of Alberta

## SCHEDULE "A"

**Kaden Energy Ltd.**  
**Summary of Company Proposed Pre-Filing Payments**

<u>Creditor</u>	<u>Amount</u>
<u>Critical Suppliers</u>	
Pembina Gas Services Limited Partnership	\$ 110,000 *
West Rock Inc.	71,270
Carrwood Wireline Service Ltd	28,654
Len Elliott Consulting Ltd	20,463
TNT Engineering Ltd.	18,786
Xcel Automation Ltd.	18,349
Caron Measurement & Controls Ltd.	17,849
Full Force Ventures	12,244
Direct Pressure	11,883
Pasco Energy Services Inc.	11,739
Next Compression Corp.	11,375
Petro-Canada Lubricants Inc.	9,454
I3 Energy Canada Ltd.	5,571
Pandell Technology Corporation	5,218
Jafoo Production Ltd	4,778
Expera Information Technology Inc.	4,306
Dynamic Energy Group Inc.	3,955
Nortech Advanced Ndt Ltd.	3,282
Contango Marketing	2,835
Wild Rows Pump & Compression Ltd	2,488
Agat Laboratories	1,818
Baker Hughes Canada Company	918
Razorback Waste	504
We An-Ser Communications Group	437
Shock Trauma Air Rescue Service	54
<b>Sub-total - Critical Suppliers</b>	<b>\$ 378,230</b>
<u>Royalty Payments</u>	
Crown royalties	115,000 *
Kaden Royalty Corp.	47,665
ARC Resources Ltd.	5,792
<b>Sub-total - Royalties</b>	<b>\$ 168,457</b>
<u>GST and Crown Rentals</u>	
CRA for GST	55,000 *
Crown lease rentals	3,541
<b>Sub-total - the Crown &amp; CRA</b>	<b>\$ 58,541</b>
<b>Total Proposed Pre-Filing Payments</b>	<b>\$ 605,228</b>

\* These amounts are estimated at this time. The Company is proposing that it be authorized to pay Pembina processing fees for February production, and all pre-filing Crown royalties and GST to CRA, the quantum of these amounts which are not yet finalized at this date.

**SCHEDULE "B" – NOTICE TO KNOWN CREDITORS**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

**PLEASE TAKE NOTICE** that on March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 and by order of the Court of King's Bench of Alberta (the "**Court**") dated April 2, 2024, a Claims Procedure Order was granted (the "**Claims Procedure Order**"), authorizing Kaden to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order may be found on the Proposal Trustee's website at: [www.bdo.ca/kaden](http://www.bdo.ca/kaden) (the "**Proposal Trustee's Website**").

**Creditor Claim**

Based on the books and records of Kaden, [Creditor Name] has a Known Claim against Kaden which arose before March 6, 2024, i.e., the date of filing of the NOI proceedings. Details regarding [Creditor name]'s claim are as follows:

Creditor Name	
Creditor Claim (\$CAD)	
Classification of Creditor Claim	

If you **AGREE** with the amount and classification as set out in this notice, you need not do anything further; the quantum and classification of your claim, as set out in this notice, will be accepted as your Proven Claim. In the event you take no action, your claim will be accepted as your Proven Claim in the amount as set out above as of the Claims Bar Date.

If you **DISAGREE** with the amount and classification as set out in this notice, or wish to assert a different claim, you **MUST** submit a "Notice of Dispute" to the Proposal Trustee within fourteen (14) days from the date of this notice. The Notice of Dispute of Claimant must outline the basis for the dispute and include supporting documentation.

Additional information about these proceedings may be found on the Proposal Trustee's Website or may be obtained by contacting the Proposal Trustee directly. Contact details for the Proposal Trustee are described below:

**BDO Canada Limited**  
 Proposal Trustee of Kaden Energy Ltd.  
 Suite 110, 5800 2 Street SW  
 Calgary, Alberta T2H 0H2  
 Attention: Breanne Scott  
 Fax: 403.640.0591  
 Phone: 403.213.5432  
 Email: [brscott@bdo.ca](mailto:brscott@bdo.ca)

Dated at the city of Calgary in the Province of Alberta, this [date] of 2024.

**BDO CANADA LIMITED**  
**Licensed Insolvency Trustee**  
 acting solely in its capacity as Proposal Trustee of Kaden Energy Ltd.  
 and not in its personal or corporate capacity



**SCHEDULE "C" – NEWSPAPER NOTICE TO CREDITORS**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

**PLEASE TAKE NOTICE** that on March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 and by order of the Court of King's Bench of Alberta (the "Court") dated April 2, 2024, a Claims Procedure Order was granted (the "Claims Procedure Order"), authorizing Kaden to conduct a claims procedure (the "Claims Procedure"). A copy of the Claims Procedure Order may be found on the Proposal Trustee's website at: [www.bdo.ca/kaden](http://www.bdo.ca/kaden) (the "Proposal Trustee's Website").

**Any Person who believes they have a Claim against Kaden or its Directors or Officers shall submit their Claim in a Proof of Claim form (which can be found on the Proposal Trustee's Website).**

Proof of Claim forms can also be obtained by contacting the Proposal Trustee at the address below and providing particulars as to your name, address, facsimile number and e-mail address.

**All Claimants MUST submit their Proof of Claim by submitting them to the Proposal Trustee by no later than 5:00 p.m. Calgary Time on April 19, 2024 (the "Claims Bar Date") by prepaid registered mail, courier, personal delivery or electronic or digital transmission. All Proofs of Claim must be actually received by the Proposal Trustee before the Claims Bar Date, and may be sent to the following:**

**BDO Canada Limited**  
 Proposal Trustee of Kaden Energy Ltd.  
 Suite 110, 5800 2 Street SW  
 Calgary, Alberta T2H 0H2  
 Attention: Breanne Scott  
 Fax: 403.640.0591  
 Phone: 403.213.5432  
 Email: [brscott@bdo.ca](mailto:brscott@bdo.ca)

**CLAIMS WHICH ARE NOT RECEIVED BY THE PROPOSAL TRUSTEE BY THE CLAIMS BAR DATE WILL BE FOREVER BARRED FROM MAKING OR ENFORCING ANY CLAIM AGAINST ANY OF KADEN, ITS DIRECTORS OR ITS OFFICERS.**

The publication of this Notice to Claimant, the solicitation of Proofs of Claim by the Proposal Trustee or Kaden, and/or the sending of a Proof of Claim by a Claimant to the Proposal Trustee, does not grant any Claimant or any Person standing in the NOI Proceedings or any rights under in the NOI filed in respect of the Kaden, its Directors or Officers.

Dated at the city of Calgary in the Province of Alberta, this [date] of 2024.

**BDO CANADA LIMITED**  
**Licensed Insolvency Trustee**  
 acting solely in its capacity as Proposal Trustee of Kaden Energy Ltd.  
 and not in its personal or corporate capacity

**SCHEDULE "D" – NOTICE OF DISPUTE OF CREDITOR**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

**PLEASE TAKE NOTICE** that on March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 and by order of the Court of King's Bench of Alberta (the "Court") dated April 2, 2024, a Claims Procedure Order was granted (the "Claims Procedure Order"), authorizing Kaden to conduct a claims procedure (the "Claims Procedure"). A copy of the Claims Procedure Order may be found on the Proposal Trustee's website at: [www.bdo.ca/kaden](http://www.bdo.ca/kaden) (the "Proposal Trustee's Website").

Name of Claimant: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Facsimile Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**PLEASE TAKE NOTICE THAT**, pursuant to the Claims Procedure Order, we hereby give you notice of our intention to dispute the Notice to Known Claimant issued by BDO Canada Limited, acting in its capacity as Proposal Trustee of Kaden, in respect of our Claim. We dispute the following portion(s) of our Claim as articulated in the Notice to Known Claimant:

Claim as Listed (\$CAD)	Revised Claim (\$CAD)

Classification of Claim as Listed	Revised Classification

Reason for the dispute (attach copies of supporting documentation):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The address for Service of Notice of Dispute of Revision or Disallowance is as follows:

**BDO Canada Limited**  
Proposal Trustee of Kaden Energy Ltd.  
Suite 110, 5800 2 Street SW  
Calgary, Alberta T2H 0H2  
Attention: Breanne Scott  
Fax: 403.640.0591  
Phone: 403.213.5432  
Email: [brscott@bdo.ca](mailto:brscott@bdo.ca)

**THIS FORM AND ANY REQUIRED SUPPORTING DOCUMENTATION MUST BE RETURNED TO THE PROPOSAL TRUSTEE BY REGISTERED MAIL, PERSONAL SERVICE, EMAIL, FACSIMILE OR COURIER TO THE ADDRESS INDICATED ABOVE AND MUST BE ACTUALLY RECEIVED BY THE PROPOSAL TRUSTEE WITHIN FOURTEEN (14) DAYS FROM THE DATE OF THE NOTICE TO KNOWN CREDITORS (THE CLAIMS BAR DATE)**

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Witness

Per: \_\_\_\_\_

Name of Claimant

\_\_\_\_\_

*If Claimant/Restructuring Period Claimant is other than an individual, print name and title of authorized signatory*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "E" – NOTICE OF REVISION OR DISALLOWANCE**  
**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A**  
**PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

**TO: [name and address of claimant]**

**PLEASE TAKE NOTICE** that this Notice of Revision or Disallowance is being sent pursuant to a Claims Process Order of the Court of King's Bench of Alberta (the "**Court**") dated April 2, 2024 (the "**Claims Procedure Order**"). A copy of the Claims Procedure Order may be found on the Proposal Trustee's website at: [www.bdo.ca/kaden](http://www.bdo.ca/kaden) (the "**Proposal Trustee's Website**").

The Proposal Trustee has reviewed your Notice of Dispute of Claimant or your Proof of Claim dated \_\_\_\_\_, 2024, and has revised or disallowed your Claim for the following reasons:

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Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, your Claim will be allowed for voting and distributions purposes as follows:

	<b>Submitted or Disputed Amount</b>	<b>Allowed</b>
<b>Claimant</b>		
<b>Claim</b>		
<b>Classification</b>		

If you **AGREE** with the amount and classification allowed by the Proposal Trustee as set out above, you need not do anything further; the quantum and classification of your claim, as set out as allowed in this Notice of Revision or Disallowance, will be accepted as your Proven Claim. In the event you take no action, your claim will also be accepted based on the allowed amount as set out above.

If you **DISAGREE** with the amount and classification set out in this, the Proposal Trustee's Notice of Revision or Disallowance, you must file an application with the Court for the resolution or adjudication of your claim for voting and distribution purposes by no later than fourteen (14) days after receipt of the Notice of Revision or Disallowance, failing which the amount and classification of your claim shall be deemed to be as set out as allowed in this Notice of Revision or Disallowance.

Additional information about these proceedings may be found on the Proposal Trustee's Website or may be obtained by contacting the Proposal Trustee directly. Contact details for the Proposal Trustee are described below:

**BDO Canada Limited**  
Proposal Trustee of Kaden Energy Ltd.  
Suite 110, 5800 2 Street SW  
Calgary, Alberta T2H 0H2  
Attention: Breanne Scott  
Fax: 403.640.0591  
Phone: 403.213.5432  
Email: brscott@bdo.ca

Dated at the city of Calgary in the Province of Alberta, this [date] of 2024.

**BDO CANADA LIMITED**  
**Licensed Insolvency Trustee**  
acting solely in its capacity as Proposal Trustee of Kaden Energy Ltd.  
and not in its personal or corporate capacity



**SCHEDULE "F" – PROOF OF CLAIM**

**PROOF OF CLAIM**

*(See attached for instructions)*

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

Regarding the claim of \_\_\_\_\_ (referred to in this form as the "Claimant"). *(Name of Claimant)*

All notices or correspondence regarding this claim to be forwarded to the Claimant at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_  
Facsimile Number: \_\_\_\_\_  
Attention (Contact Person): \_\_\_\_\_  
Email Address: \_\_\_\_\_

*(Note – All future correspondence will be delivered to the designated email address unless the Claimant specifically requests that hardcopies be provided)*

Please provide hardcopies of materials to the address above.

I, \_\_\_\_\_ (name of the Claimant or representative of the Claimant),  
of \_\_\_\_\_ (City, Province or State) do hereby certify that:

I am the Claimant; or,

I am \_\_\_\_\_ *(state position/title)* of the Claimant.

I have knowledge of all the circumstances connected with the claim referred to in this form.

Kaden was, at March 6, 2024, and still is, indebted to the Claimant in the sum of: \$CAD \_\_\_\_\_ *(insert \$CAD value of claim)* as shown by the statement of account attached hereto and marked Schedule "A".

*The statement of account must specify the evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest. Claims should not include the value of goods and/or services supplied or interest accrued after March 6, 2024.*

For voting and distribution purposes in connection with these proceedings, the quantum and classification of this claim is as follows:

A. **UNSECURED CLAIM OF \$\_\_\_\_\_**. In respect of this claim, the Claimant does not hold and has not held any assets as security.

B. **SECURED CLAIM OF \$** \_\_\_\_\_ . In respect of this claim, the Claimant holds assets valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

*If applicable, give the full particulars of the security, including the date on which the security was given and the value at which the Claimant assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".*

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Witness

Per: \_\_\_\_\_

Print name of Claimant:

\_\_\_\_\_  
*If Claimant is other than an individual, print name and title of authorized signatory*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "G" – POC INSTRUCTION LETTER (UNKNOWN CREDITORS)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF KADEN ENERGY LTD. ("Kaden")**

**PLEASE TAKE NOTICE** that on March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 and by order of the Court of King's Bench of Alberta (the "**Court**") dated April 2, 2024, a Claims Procedure Order was granted (the "**Claims Procedure Order**"), authorizing Kaden to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order may be found on the Proposal Trustee's website at: [www.bdo.ca/kaden](http://www.bdo.ca/kaden) (the "**Proposal Trustee's Website**").

**CLAIMS PROCEDURE & CLAIMS BAR DATE**

This Proof of Claim Instruction Letter is intended for Unknown Claimants that wish to assert a claim of any kind or nature whatsoever against Kaden and/or any of its Directors and/or Officers arising before March 6, 2024. Proof of Claims must be returned to the Proposal Trustee by **5:00 p.m. on ●, 2024** (the "**Claims Bar Date**"). Unknown Claimants that do not return a Proof of Claim to the Proposal Trustee by the Claims Bar Date, unless otherwise ordered by the Court, shall:

- a) not be entitled to vote at any Creditor's Meeting;
- b) not be entitled to receive any distribution in the NOI;
- c) not be entitled to any further notice in, and shall not be entitled to participate as a Claimant or creditor in, the NOI Proceedings in respect of such Claim;
- d) be forever barred from making or enforcing any such Claim against any of Kaden, its Directors and Officers, and all such Claims will be forever extinguished and barred without any further act or notification by Kaden; and
- e) be forever barred from making or enforcing any such Claim as against any other Person who could claim contribution or indemnity from Kaden, its Directors and their Officers, or any of them and all such Claims will be forever extinguished and barred without any further act or notification by Kaden.

**SUBMITTING A PROOF OF CLAIM**

You are required to file a Proof of Claim, in the form enclosed herewith, and ensure that it is received by the Proposal Trustee, at the address below, by the Claims Bar Date.

In completing the Proof of Claim, you must:

- ensure that you include your complete name, address, telephone number, and email;
- disclose the amount which Kaden was and still is indebted to you as at December 8, 2021;
- provide a statement of account supporting the amount owing to you;
- identify whether your claim is unsecured or secured and, if applicable, attach supporting security documents; and,
- date and personally sign the Proof of Claim in front of a witness.

You must submit your Proof of Claim by prepaid registered mail, courier, personal delivery or electronic or digital transmission to the Proposal Trustee at the following address:

**BDO Canada Limited**  
Proposal Trustee of Kaden Energy Ltd.  
Suite 110, 5800 2 Street SW  
Calgary, Alberta T2H 0H2  
Attention: Breanne Scott  
Fax: 403.640.0591  
Phone: 403.213.5432  
Email: brscott@bdo.ca


If you are submitting your Proof of Claim electronically, please submit it in PDF format and ensure the name of the file is "**Kaden - [legal name of creditor] POC.pdf**".

If you have any questions regarding the Claims Procedure, how to fill out the Proof of Claim, or about the NOI proceedings generally, please contact the Proposal Trustee at the address above or review the Proposal Trustee's Website. Additional Proof of Claim forms can be found on the Proposal Trustee's Website or obtained by contacting the Proposal Trustee directly.

Dated at the city of Calgary in the Province of Alberta, this **[date]** of 2024.

**BDO CANADA LIMITED**  
**Licensed Insolvency Trustee**  
acting solely in its capacity as Proposal Trustee of Kaden Energy Ltd.  
and not in its personal or corporate capacity

**THIS IS EXHIBIT "B" TO THE  
AFFIDAVIT OF WES SIEMENS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 6<sup>th</sup> day of May, 2024**

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

---

**A Commissioner for Oaths in and for the Province of Alberta**

**CATRINA WEBSTER  
BARRISTER & SOLICITOR**

Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22
6-May-24	13-May-24	20-May-24	27-May-24	3-Jun-24	10-Jun-24	17-Jun-24	24-Jun-24	1-Jul-24	8-Jul-24	15-Jul-24	22-Jul-24	29-Jul-24	5-Aug-24
215,277	215,277	943,274	943,274	550,775	550,775	1,091,688	1,091,688						
215,277	215,277	943,274	943,274	550,775	550,775	1,091,688	1,091,688						

Production (KWh)	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22
1.9	215,277	215,277	943,274	943,274	550,775	550,775	1,091,688	1,091,688						
2	(52,131)	(52,131)	(118,460)	(118,460)	(74,871)	(74,871)	(150,058)	(150,058)						
3.8	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
4	(11,025)	(11,025)	(240,893)	(240,893)	(11,025)	(11,025)	(240,893)	(240,893)	(11,025)	(11,025)	(11,025)	(11,025)	(11,025)	(11,025)
5	(47,539)	(47,539)	(62,123)	(62,123)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)	(36,058)
6	(12,283)	(12,283)	(47,539)	(47,539)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)	(7,769)
7	(11,851)	(11,851)	(9,258)	(9,258)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)	(17,311)
8	(87,184)	(87,184)	(50,963)	(50,963)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)	(11,559)
9	(24,526)	(24,526)	(14,658)	(14,658)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)	(28,287)
10	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)	(44,855)
11	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
12	(4,500)	(4,500)	(12,000)	(12,000)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
13	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)	(32,500)
14	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)	(16,500)
15	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
16	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
17	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)	(1,737)
18	3,876	3,876	(17,092)	(17,092)	3,802	3,802	3,802	3,802	3,802	3,802	3,802	3,802	3,802	3,802
19	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
20	(137,314)	(68,265)	(22,000)	(738,537)	(100,117)	(64,855)	(72,000)	(598,240)	(79,523)	(22,000)	(66,855)	(834,355)	(77,800)	(22,000)
21	78,409	(68,265)	(22,000)	205,171	(100,117)	(64,855)	(22,000)	(47,695)	(79,523)	(22,000)	(66,855)	357,352	(77,800)	(22,000)
22	588,872	665,080	586,725	574,725	779,897	679,780	612,925	599,925	543,320	463,797	441,797	374,942	602,295	554,415
23	78,409	(68,265)	(22,000)	205,171	(100,117)	(64,855)	(22,000)	(47,695)	(79,523)	(22,000)	(66,855)	297,353	(77,800)	(22,000)
24	665,080	595,725	574,725	779,897	679,780	612,925	599,925	543,320	463,797	441,797	374,942	602,295	554,415	512,416

Net cash inflow (outflow)

Cash - beginning

Net change

Cash - closing

Kaelen Energy Ltd.

Pre: Wes Siemens

Date: May 6, 2024

1. Revenue projections are derived from our production estimates (using reserve reports and our forecast (or production based on outage) and using strip pricing provided by Contracting Marketing (Kaelen's marketing party) to estimate revenue. It is assumed that revenue related collections to be received the following month. April and May revenue related to the Kaelen area (to be collected in the subsequent month) will be impacted negatively due to a planned two to four week pipeline and gas facility outage by Pembina. In addition to Spring-Break up at Smoky Katwa is currently anticipated to be shut down completely for approximately three weeks from the first of April and into May (as outlined by the plant operator) (the projected revenues are adjusted for this).

2. April revenue was short by \$215,770 due to a billing issue with Crevecoeur. However, we are expecting to receive these funds the week of May 6.

3. As a result of the NCI filing, there is a 'stay of proceedings' such that no amounts for goods and services provided to the Company prior to the date of the NCI will be paid at this time, except those approved by way of Court order. The forecast, however, includes payment for goods and services provided to and authorized by the Company (following the date of the NCI) which have been invoiced but not yet received.

4. Royalties are estimated based on historical percentages (rates which vary by month depending on the royalty agreement and production/expense by location) and projected revenue over the forecast period, except for additional royalty implications which are addressed in Note 6.

5. Monthly operating costs are calculated based on historical per 'BOE' calculations and projected production figures, adjusted for outage and down periods noted, assumed to be paid in the following month. We are also assuming a weekly \$70,000 amount will be paid to pre-pay for critical services for recent invoices.

6. Assume G&A is settled in the month occurred, except for payroll which is semi-monthly. Approximate historical G&A is \$135,000 per month, plus amounts estimated to be paid in relation to an accounting audit which is currently underway.

7. GST is calculated based on net revenues and expense post NCI, payable (or collectible) in the following month.

8. Assuming additional costs to be incurred related to restructuring, including the professional fees to the Proposal Trustee and the company's legal counsel at a rate of \$50,000 per month.

9. We have on our list of liabilities for the period of the forecast. We have assumed that the amount of the forecast is to be paid by the Trustee and Kaelen Energy (Cash Receipts Capital). For amounts noted related to the most recent month (February 2020), however, payment of such amounts will be subject to approval of the Court. The amount included in "Critical vendors & employees" relates to an additional amount to a critical vendor which is approved to be paid by the Court with the Proposal Trustee's approval, and this amount has been approved by the Proposal Trustee.

10. As noted in note 1, Pembina is completing a plant turnaround starting the end of April and into May. As a result of the turnaround, the costs of the turnaround will be passed on a pro-rata basis to the users of the plant. The plant is used by Arc Resources and Kaelen Energy. Based on the volume processed, Kaelen has used approximately 2% of the plant over the last year and is therefore expecting to be required to pay a gross \$300,000 (net) relating to the turnaround. This is assuming a preliminary \$10,000,000 turnaround cost as estimated by the operator and determined previously by them. We are expecting that this amount will be payable in full by the end of the period.



District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No. 25-3052460

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

The Management of Kaden Energy Ltd., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of March 2024, consisting of a 14 week cash flow forecast.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 6th day of March 2024.

*Wes Siemens*

Kaden Energy Ltd.  
Debtor

\_\_\_\_\_  
Name and title of signing officer

\_\_\_\_\_  
Name and title of signing officer

District of: Alberta  
Division No. 02 - Calgary  
Court No.  
Estate No. 25-3052460

FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

Purpose:

The purpose of the Cash Flow Statement is to demonstrate the Company's projected ability to fund its operations over the forecast period.

Projection Notes:

Please refer to the assumptions below.

Assumptions:

Note 1

Revenue projections are derived from our production estimates (using reserve reports and our forecast for production based on outages) and using strip pricing provided by Contango Marketing (Kaden's marketing party) to estimate revenue. It is then assumed that revenue related collections to be received the following month. April and May revenues related to the Kakwa area (to be collected in the subsequent month) will be impacted negatively due to a planned two to four week pipeline and gas facility outage by Pembina, in addition to Spring-Break up at Smoky. Kakwa is currently anticipated to be shut-down completely for approximately three weeks from the end of April and into May (as outlined by the plant operator) thus the projected revenues are adjusted for this.

April revenue was short by \$215,770, due to a billing issue with Cenovus, however, we are expecting to receive those funds the week of May 6.

Note 2

As a result of the NOI filing, there is a "stay of proceedings" such that no amounts for goods and services provided to the Company prior to the date of the NOI will be paid at this time, except those approved by way of Court order. The forecast, however, includes payment for goods and services provided to and authorized by the Company following the date of the NOI, which have been forecast herein based on the assumptions noted below.

Note 3

Royalties are estimated based on historical percentages (rates which vary by month depending on the royalty agreement and production/revenue by location) and projected revenue over the forecast period, except for additional pre-filing royalties which are addressed in Note 8

Note 4

Monthly operating costs are calculated based on historical per "BOE" calculations and projected production figures, adjusted for outages and down periods noted, assumed to be paid in the following month. We are also assuming a weekly \$20,000 amount will be paid to pre-pay for critical services for recent invoices.

Note 5

Assume G&A is settled in the month occurred, except for payroll which is semi-monthly. Approximate historical G&A is \$135,000 per month, plus amounts estimated to be paid in relation to an accounting audit which is currently underway.

Note 6

GST is calculated based on net revenues and expenses post NOI, payable (or collectible) the following month.

Note 7

Assuming additional costs to be incurred related to restructuring, including the professional fees to the Proposal Trustee and the company's legal counsel, at a rate of \$50,000 per month.

Note 8

We intend on requesting Court approval for the expenditures of overriding royalties to be paid to Arc Resources and Kaden Energy Corp (Azumith Capital), for amounts owed related to the most current invoice (February 2024), however payment of such amounts will be subject to approval of the Court. The amount included in "Critical vendors & employees" relates to an additional amount to a critical supplier which is approved to be paid by the Court with the Proposal Trustee's approval, and this amount has been approved by the Proposal Trustee.

Note 9

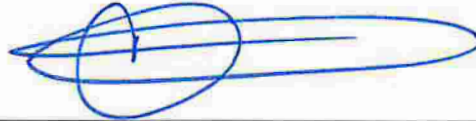
As noted in note 1, Pembina is completing a plant turnaround starting the end of April and into May. As is required by the Operator of the plant (Pembina), the costs of the turnaround will be passed on a pro-rata basis to the users of the plant. The plant is used by Arc Resources and Kaden Energy. Based on the volumes processed, Kaden has used approximately 3% of the plant over the last year and is therefore expecting to be required to pay a gross \$300,000 charge (\$240,000 net) relating to the turnaround. This is assuming a preliminary \$10,000,000 turnaround cost as estimated by the operator and communicated previously by them. We are expecting that this payment will become due subsequent to the forecast period.

Dated at the City of Calgary in the Province of Alberta, this 6th day of March 2024.

---

Kaden Energy Ltd.

**THIS IS EXHIBIT "C" TO THE  
AFFIDAVIT OF WES SIEMENS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 6<sup>th</sup> day of May, 2024**

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke.

---

**A Commissioner for Oaths in and for the Province of Alberta**

**CATRINA WEBSTER  
BARRISTER & SOLICITOR**

**Ryan Zahara**Direct Line: (403) 693-5420  
E-mail: rzahara@mltaikins.comColleen Finnerty  
Legal AssistantDirect Line: (403) 693-5438  
E-mail: cfinnerty@mltaikins.com**VIA COURIER**

May 6, 2024

**Canadian Natural Resources Limited**Suite 2100, 855 2<sup>nd</sup> Street S.W.  
Calgary, Alberta  
T2P 4J8**Attn: Mark Stainthorpe and Brenda G. Balog****Re: In the Matter of the NOI Proposal ("NOI") of Kaden Energy Ltd. ("Kaden") under the Bankruptcy and Insolvency Act, RSC, 195, c B-3 (the "BIA")**

We are counsel for Kaden in the above-mentioned matter. We write regarding the funds that Canadian Natural Resources Limited ("**CNRL**") caused to be withdrawn from the Specific Purpose Credit Facilities (as defined below). Please direct all further correspondence in respect of this matter to the attention of the undersigned.

On March 19, 2018, Kaden and CNRL entered into a letter agreement (the "**Letter Agreement**") documenting the terms and conditions for any specific purpose line of credit entered by the parties (the "**Specific Purpose Credit Facilities**"). Pursuant to the Letter Agreement, Kaden instructed ATB Financial to issue Specific Purpose Credit Facilities in favour of CNRL as follows:

- (i) irrevocable standby letter of credit number 1932336 in an amount not to exceed \$78,186.00 dated March 23, 2018; and
- (ii) irrevocable standby letter of credit number 1984860 in an amount not to exceed \$123,278.00 dated May 10, 2018

(collectively, the "**LOCs**").

Pursuant to Article 8 and Schedule "A" of the Letter Agreement, CNRL was entitled to make a demand for payment upon the occurrence of a triggering event, which included, among others, the following:

- (i) Kaden is in default of an obligation under an abandonment and reclamation obligation ("**ARO**");
- (ii) Kaden is in default of any payment obligation or its Financial Obligation (as defined in the Letter Agreement) owing to CNRL; and
- (iii) if CNRL has a reasonable belief that Kaden will fail to comply with a certain payment or financial obligation.

On March 28, 2024, CNRL sent a demand to ATB Financial under the LOCs and caused the payment of funds to CNRL in the amount of \$201,464.00 (the "**Released Funds**"). Kaden, to the best of its knowledge, is not in default of: (i) its obligations under an ARO; or (ii) any other payment obligation owing to CNRL.

Pursuant to the terms of the Letter Agreement, the Released Funds are designated specifically as security for outstanding ARO obligations or other financial obligations outstanding to CNRL.

Due to the lack of a default under the obligations of the ARO or any outstanding financial obligation, Kaden takes the position that CNRL is required to hold the Released Funds in trust for and on behalf of Kaden. Kaden requests that the Released Funds be held only until completion of Kaden's restructuring pursuant to the NOI proceedings, at which time the funds should be returned to Kaden and new letters of credit can be issued to CNRL as security for any ARO obligations or related financial obligations.

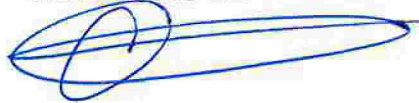
This correspondence constitutes Kaden's formal requirement for the Released Funds to be held in trust and that Kaden is not relinquishing any rights it might have to a return of the Released Funds.

Please confirm your agreement to this request by not later than May 10, 2024.

Please contact me at 403.693.5420 or [rzahara@mltaikins.com](mailto:rzahara@mltaikins.com) to discuss this matter further.

Yours truly,

**MLT AIKINS LLP**



FOR:

Ryan Zahara

c. Catrina Webster, MLT Aikins LLP (via email)





March 28, 2024

To: ATB Financial  
Branch Transit: 450  
600, 585 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

From: Canadian Natural Resources Limited  
Suite 2100, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, AB, T2P 4J8


Re: **Written demand regarding Irrevocable Standby Letter of Credit Number 1984860 issued on May 10, 2018 by ATB Financial**

To whom it may concern,

The undersigned are duly authorized representatives of Canadian Natural Resources Limited (the “**Beneficiary**”) with respect to the above referenced irrevocable standby letter of credit issued on May 10, 2018 (hereinafter referred to as the “**Standby Letter of Credit**”) by ATB Financial, 600 585 8<sup>th</sup> Avenue SW, Calgary, AB, T2P 1G1 (the “**Bank**”) on the instructions of Kaden Energy Ltd. (the “**Applicant**”). We hereby request you to pay to us on receipt of this demand the amount of one hundred and twenty three thousand, two hundred and seventy eight dollars and zero cents, in Canadian currency, (CAD \$123,278.00).

**CANADIAN NATURAL RESOURCES  
LIMITED**

By:   
Name: **Mark Stainthorpe, CFA**  
Title: **Chief Financial Officer**

By:   
Name: **Brenda G. Balog**  
Title: **Vice-President, Legal  
and General Counsel**





March 22, 2024

To Whom It May Concern,

Canadian Natural Resources Limited requests that funds be deposited as per the below instructions:

<b>Canadian Dollars</b>	<b>US Dollars</b>
<b>Pay to Bank:</b> Royal Bank of Canada 339 - 8 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 1C4	<b>Destination:</b> CHASUS33 (IBK) Chase Manhattan Bank New York, NY ABA 021000021
<b>Beneficiary:</b> <i>For Further Credit To:</i> Canadian Natural Resources Limited 2100, 855 - 2 <sup>nd</sup> Street S.W. Calgary, AB T2P 4J8  Account # 0001313 Transit # 00009 Bank # 003	<b>Pay to Bank:</b> ROYCCAT2 (BBK) Royal Bank of Canada 180 Wellington Street W Toronto, Ontario M5J 1J1 UID 055253  <b>Beneficiary:</b> <i>For Further Credit To:</i> (BNF) Canadian Natural Resources Limited 2100, 855 - 2 <sup>nd</sup> Street S.W. Calgary, AB T2P 4J8  Account # 4011037 Transit 00009 Bank # 003

Sincerely,

**Mark A. Stainthorpe**  
Chief Financial Officer


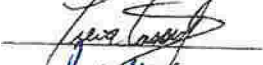





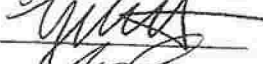


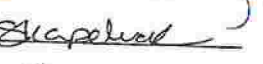

**Ron K. Laing**  
Senior Vice-President, Corporate Development and Land

**Canadian Natural Resources Limited**  
Suite 2100, 855 - 2 Street SW, Calgary, Alberta, T2P 4J8 T 403.517.6700 F 403.514.7677 www.cnrl.com

**CANADIAN NATURAL RESOURCES LIMITED**

Certificate of Incumbency

I, **Stephanie A. Graham**, Corporate Secretary & Associate General Counsel, Canada of Canadian Natural Resources Limited (the "Corporation"), hereby certify for and on behalf of the Corporation that the following persons are duly elected or appointed and qualified officers of the Corporation and hold the office or offices indicated opposite their respective names, that the signatures appearing below are the genuine signatures of such persons, that such persons were elected or appointed to the offices indicated prior to the date hereto, and that such persons are duly authorized to execute and deliver contracts, agreements, instruments, guarantees and other documents for and on behalf of the Corporation, in conjunction with the requirements as set out in the Corporation's By-Laws.

Name	Office	Signature
Tim S. McKay	President	
Trevor J. Cassidy	Chief Operating Officer, Exploration & Production	
Scott G. Stauth	Chief Operating Officer, Oil Sands	
Mark A. Stainthorpe	Chief Financial Officer	
Ronald K. Laing	Senior Vice-President, Corporate Development & Land	
Mark A. Overwater	Vice-President, Marketing	
Victor C. Darel	Senior Vice-President, Finance & Principal Accounting Officer	
Murray G. Harris	Vice-President, Finance, Oil Sands Mining	
Robert S. Finlayson	Vice-President, Finance, Exploration & Production Accounting	
Brenda G. Balog	Vice-President, Legal & General Counsel	
Sheryl L. Kapeluck	Vice-President, Finance, Corporate	
Stephanie A. Graham	Corporate Secretary & Associate General Counsel, Canada	

DATED at Calgary, Alberta, as of the 29 day of September, 2023

**CANADIAN NATURAL RESOURCES LIMITED**

Per:   
**Stephanie A. Graham**  
 Corporate Secretary & Associate General  
 Counsel, Canada

## Irrevocable Standby Letter of Credit

LETTER OF CREDIT NO. 1984860

**ISSUED BY:**

Name: ATB Financial  
Branch Transit: 450  
Branch Address: 600, 585 8<sup>th</sup> Avenue SW  
Calgary, AB, T2P 1G1

**DATE OF ISSUE:** May 10, 2018

**EXPIRY DATE:** May 10, 2019

**BENEFICIARY:**

Name: Canadian Natural Resources Limited  
Address: Suite 2100, 855 - 2<sup>nd</sup> Street S.W.  
Calgary, AB, T2P 4J8

**APPLICANT:**

Name: Kaden Energy Ltd.  
Address: 32 Wentwillow Lane SW  
Calgary, AB, T3H 5W7

**AMOUNT:** Aggregate amount not to exceed \$123,278.00

CAD  USD (Indicate currency by X)

At the request of the Applicant, we, ATB Financial, hereby establish and issue in your favour our Irrevocable Standby Letter of Credit No. referenced above (the "Credit").

Payment under this Credit is available to you on or before the expiry date specified above, or any automatically extended expiry date as may be provided herein, by payment against presentation of the following document(s):

Written demand addressed to us at the above branch and purportedly signed by the Beneficiary, specifically stating: the number of this Credit, the amount to be drawn and the date of issue of this Credit.

It is understood that we are obligated under this Credit for the payment of monies only and we hereby agree that we shall honour your demand for payment, on or before the expiry date or any future expiry date, without enquiring whether you have a right as between yourself and the Applicant to make such demand and without recognizing any claim of the Applicant.


This Credit takes effect on the date of issue specified above and expires at close of business on the expiry date specified above, or any automatically extended expiry date as may be provided herein, at the counters of ATB Financial.

It is a condition of this Credit that it shall be deemed to be automatically extended for successive periods of one year each from the present or any future expiry date unless 30 days prior to such date we notify you in writing by registered mail addressed to you at your address indicated above that we elect not to consider this Credit renewed for any such additional periods.

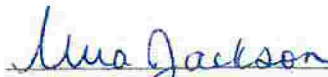
Partial drawings are permitted under this Credit up to the full amount of the Credit provided each request for drawings is in accordance with the requirements of this Credit. The amount of the Credit will automatically reduce by the amount of all draws.

Except where they may conflict with the above terms and conditions, this Credit is subject to the International Standby Practices ISP 98, International Chamber of Commerce Publication No. 590. For matters not covered by this Publication, the laws of the Province of Alberta shall govern.

ATB Financial



Simon Briggs E80011  
Lending Officer with Authorized Limits



Mira Jackson E87565  
Lending Officer with Authorized Limits

**ATB Financial**





March 28, 2024

To: ATB Financial  
600, 585 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

From: Canadian Natural Resources Limited  
Suite 2100, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, AB, T2P 4J8

**Re: Written demand regarding Irrevocable Standby Letter of Credit Number 1932336 issued March 23, 2018 by ATB Financial**

THE UNDERSIGNED, EACH BEING AN AUTHORIZED OFFICER OF CANADIAN NATURAL RESOURCES LIMITED ("BENEFICIARY") REPRESENT AND WARRANT THAT THE AMOUNT OF THE ACCOMPANYING DRAFT REPRESENTS AND FULFILLS A PAYMENT OBLIGATION OWING TO THE BENEFICIARY BECAUSE:

- (i) **KADEN ENERGY LTD** ("THE APPLICANT") HAS FAILED TO COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1;

THE APPLICANT HAS THREATENED TO NOT COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1;

- (ii) THE BENEFICIARY REASONABLY BELIEVES APPLICANT WILL FAIL TO COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1; OR
- (iii) THE ADVISING BANK AND/OR THE BENEFICIARY HAS RECEIVED NOTICE THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND OR WILL EXPIRE PRIOR TO OR ON THE PRESENT OR ANY FUTURE EXPIRY DATE, AND NOT LATER THAN THIRTY (30) DAYS PRIOR TO ANY SUCH EXPIRY OF THIS IRREVOCABLE LETTER OF CREDIT, THE APPLICANT HAS FAILED TO PROVIDE CONFIRMATION, SATISFACTORY TO THE BENEFICIARY, THAT THIS IRREVOCABLE LETTER OF CREDIT WILL BE REPLACED IN A MANNER ACCEPTABLE TO THE BENEFICIARY.

THE UNDERSIGNED FURTHER CERTIFIES THAT IN CONNECTION WITH OUR DRAWING, BENEFICIARY HAS PROVIDED **KADEN ENERGY LTD.** (APPLICANT) WITH A WRITTEN NOTIFICATION OF THE NON-COMPLIANCE, THREATENED NON-COMPLIANCE, OR ANTICIPATED NON-COMPLIANCE, AS THE CASE MAY BE, AND


THE SPECIFIC CONTRACT, TERMS AND CONDITIONS APPLICABLE THERETO OR THE FAILURE CONTEMPLATED IN PARAGRAPH (iv) ABOVE.

TABLE 1

Name of Contract	Date of Contract	Original Parties to Contract	Description of Geographic Area or Name of Facility (if applicable)	Contract# (if applicable)
Farmout Agreement	June 28, 2010		Smoky Area	636786
Joint Operating Agreement	March 18, 2005		Smoky Area	624641

**CANADIAN NATURAL RESOURCES LIMITED**

By:   
Name: **Mark Stainthorpe, CFA**  
Title: **Chief Financial Officer**

By:   
Name: **Brenda G. Balog**  
Title: **Vice-President, Legal and General Counsel**




March 22, 2024


To Whom It May Concern,

Canadian Natural Resources Limited requests that funds be deposited as per the below instructions:

Canadian Dollars	US Dollars
Pay to Bank: Royal Bank of Canada 339 - 8 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 1C4  Beneficiary: <i>For Further Credit To:</i> Canadian Natural Resources Limited 2100, 855 – 2 <sup>nd</sup> Street S.W. Calgary, AB T2P 4J8  Account # 0001313 Transit # 00009 Bank # 003	Destination: CHASUS33 (IBK) Chase Manhattan Bank New York, NY ABA 021000021  Pay to Bank: ROYCCAT2 (BBK) Royal Bank of Canada 180 Wellington Street W Toronto, Ontario M5J 1J1 UID 055253  Beneficiary: <i>For Further Credit To:</i> (BNF) Canadian Natural Resources Limited 2100, 855 – 2 <sup>nd</sup> Street S.W. Calgary, AB T2P 4J8  Account # 4011037 Transit 00009 Bank # 003

Sincerely,


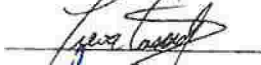





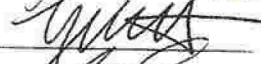




  
 \_\_\_\_\_  
**Mark A. Stainthorpe**  
 Chief Financial Officer

  
 \_\_\_\_\_  
**Ron K. Laing**  
 Senior Vice-President, Corporate Development and Land

**CANADIAN NATURAL RESOURCES LIMITED**

Certificate of Incumbency

I, **Stephanie A. Graham**, Corporate Secretary & Associate General Counsel, Canada of Canadian Natural Resources Limited (the "Corporation"), hereby certify for and on behalf of the Corporation that the following persons are duly elected or appointed and qualified officers of the Corporation and hold the office or offices indicated opposite their respective names, that the signatures appearing below are the genuine signatures of such persons, that such persons were elected or appointed to the offices indicated prior to the date hereto, and that such persons are duly authorized to execute and deliver contracts, agreements, instruments, guarantees and other documents for and on behalf of the Corporation, in conjunction with the requirements as set out in the Corporation's By-Laws.

Name	Office	Signature
Tim S. McKay	President	
Trevor J. Cassidy	Chief Operating Officer, Exploration & Production	
Scott G. Stauth	Chief Operating Officer, Oil Sands	
Mark A. Stainthorpe	Chief Financial Officer	
Ronald K. Laing	Senior Vice-President, Corporate Development & Land	
Mark A. Overwater	Vice-President, Marketing	
Victor C. Darel	Senior Vice-President, Finance & Principal Accounting Officer	
Murray G. Harris	Vice-President, Finance, Oil Sands Mining	
Robert S. Finlayson	Vice-President, Finance, Exploration & Production Accounting	
Brenda G. Balog	Vice-President, Legal & General Counsel	
Sheryl L. Kapeluck	Vice-President, Finance, Corporate	
Stephanie A. Graham	Corporate Secretary & Associate General Counsel, Canada	

DATED at Calgary, Alberta, as of the 29 day of September, 2023

**CANADIAN NATURAL RESOURCES LIMITED**

Per:   
 Stephanie A. Graham  
 Corporate Secretary & Associate General  
 Counsel, Canada



**IRREVOCABLE LETTER OF CREDIT**

**ISSUING BANK:**

ATB FINANCIAL  
600-585 8TH AVENUE SW  
CALGARY, ALBERTA  
T2P 1G1

**ADVISING BANK:**

ROYAL BANK OF CANADA  
INTERNATIONAL TRADE CENTRE ONTARIO  
180 WELLINGTON STREET WEST, 4TH FLOOR  
TORONTO, ONTARIO, M5J 1J1  
CANADA  
SWIFT ADDRESS: ROYCCAT2

**APPLICANT:**

KADEN ENERGY LTD.  
32 WENTWILLOW LANE SW  
CALGARY, ALBERTA  
T3H 5W7

**BENEFICIARY:**

CANADIAN NATURAL RESOURCES LIMITED  
SUITE 2100, 855 - 2<sup>ND</sup> STREET S.W.  
CALGARY, ALBERTA T2P 4J8  
CANADA

BY ORDER OF OUR CLIENT, KADEN ENERGY LTD. (THE "APPLICANT"), WE, ATB FINANCIAL HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 1932336, IN FAVOR OF CANADIAN NATURAL RESOURCES LIMITED, SUITE 2100, 855 - 2<sup>ND</sup> STREET S.W., CALGARY, ALBERTA T2P 4J8 (THE "BENEFICIARY") FOR AN AMOUNT NOT TO EXCEED IN AGGREGATE CAD SEVENTY EIGHT THOUSAND ONE HUNDRED EIGHTY SIX (CANADIAN DOLLARS), EFFECTIVE IMMEDIATELY.

FUNDS HEREUNDER ARE AVAILABLE TO THE BENEFICIARY BY SIGHT DRAFT DRAWN AT THE OFFICES OF ISSUING BANK SET FORTH ABOVE INDICATING THIS LETTER OF CREDIT NO. 1932336 IN THE FORMAT ATTACHED HERETO AS EXHIBIT A AND ACCOMPANIED BY THE BENEFICIARY'S STATEMENT WITH TWO SIGNATURES INSERTED, WORDED AS FOLLOWS:

"THE UNDERSIGNED, EACH BEING AN AUTHORIZED OFFICER OF CANADIAN NATURAL RESOURCES LIMITED ("BENEFICIARY") REPRESENT AND WARRANT THAT THE AMOUNT OF THE ACCOMPANYING DRAFT REPRESENTS AND FULFILLS A PAYMENT OBLIGATION OWING TO THE BENEFICIARY BECAUSE:

- (i) KADEN ENERGY LTD ("THE APPLICANT") HAS FAILED TO COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1;

THE APPLICANT HAS THREATENED TO NOT COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1;

- (ii) THE BENEFICIARY REASONABLY BELIEVES APPLICANT WILL FAIL TO COMPLY WITH CERTAIN PAYMENT OR FINANCIAL OBLIGATIONS, TERMS AND/OR CONDITIONS APPLICABLE TO ONE OR MORE OF THE CONTRACTS LISTED IN TABLE 1; OR
- (iii) THE ADVISING BANK AND/OR THE BENEFICIARY HAS RECEIVED NOTICE THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND OR WILL EXPIRE PRIOR TO OR ON THE PRESENT OR ANY FUTURE EXPIRY DATE, AND NOT LATER THAN THIRTY (30) DAYS PRIOR TO ANY SUCH EXPIRY OF THIS IRREVOCABLE LETTER OF CREDIT, THE APPLICANT HAS FAILED TO PROVIDE CONFIRMATION, SATISFACTORY TO THE BENEFICIARY, THAT THIS IRREVOCABLE LETTER OF CREDIT WILL BE REPLACED IN A MANNER ACCEPTABLE TO THE BENEFICIARY.

THE UNDERSIGNED FURTHER CERTIFIES THAT IN CONNECTION WITH OUR DRAWING, BENEFICIARY HAS PROVIDED **KADEN ENERGY LTD.** (APPLICANT) WITH A WRITTEN NOTIFICATION OF THE NON-COMPLIANCE, THREATENED NON-COMPLIANCE, OR ANTICIPATED NON-COMPLIANCE, AS THE CASE MAY BE, AND THE SPECIFIC CONTRACT, TERMS AND CONDITIONS APPLICABLE THERETO OR THE FAILURE CONTEMPLATED IN PARAGRAPH (iv) ABOVE.

TABLE 1

Name of Contract	Date of Contract	Original Parties to Contract	Description of Geographic Area or Name of Facility (if applicable)	Contract # (if applicable)
Farmout Agreement	June 28, 2010		Smoky Area	636786
Joint Operating Agreement	March 18, 2005		Smoky Area	624641

EACH DRAFT MUST ALSO BE ACCOMPANIED BY THE ORIGINAL OF THIS LETTER OF CREDIT FOR THE ISSUING BANK'S ENDORSEMENT ON THIS LETTER OF CREDIT OF THEIR PAYMENT OF SUCH DRAFT.

IF THIS LETTER OF CREDIT IS ISSUED BY AUTHENTICATED SWIFT, DRAWINGS BY AUTHENTICATED SWIFT MESSAGE ARE PERMITTED IN WHICH CASE THE NEED TO PRESENT AN ORIGINAL LETTER OF CREDIT FOR EACH DRAFT IS NOT REQUIRED.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS LETTER OF CREDIT, THIS LETTER OF CREDIT EXPIRES IN CANADA AT THE OFFICE OF THE ISSUING BANK ON **MARCH 22, 2019** (ONE YEAR FROM ISSUANCE), BUT SHALL BE AUTOMATICALLY EXTENDED, WITHOUT WRITTEN AMENDMENT, FROM YEAR TO YEAR IN EACH SUCCEEDING CALENDAR YEAR UNLESS THE ISSUING BANK HAS SENT A WRITTEN NOTICE TO THE APPLICANT AND BANK OF REFUSAL TO RENEW OR A COMPLETED EXPIRES

COURIER THAT **ATB FINANCIAL** ELECTS NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE DATE SPECIFIED IN SUCH NOTICE, AND SUCH NOTICE BE AT LEAST ONE HUNDRED FIVE (105) CALENDAR DAYS PRIOR TO THE PRESENT OR ANY FUTURE EXPIRY DATE.

WE HEREBY AGREE WITH YOU THAT EACH DRAFT DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED.

MULTIPLE DRAWINGS ARE PERMITTED UNDER THIS LETTER OF CREDIT.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO INTERNATIONAL CHAMBER OF COMMERCE INTERNATIONAL STANDBY PRACTICES ISP98 ICC PUBLICATION 590.

THE ADVISING BANK MAY ADD THEIR CONFIRMATION TO THIS STANDBY LETTER OF CREDIT AT BENEFICIARY'S REQUEST AND EXPENSE.

INSTRUCTIONS TO THE ADVISING BANK:

YOU ARE AUTHORIZED TO ADD YOUR CONFIRMATION TO THIS LETTER OF CREDIT AT THE BENEFICIARY'S REQUEST AND EXPENSE. UNDER NO CIRCUMSTANCES WILL WE OR THE APPLICANT BE LIABLE FOR YOUR CONFIRMATION CHARGES.

ALL YOUR CHARGES IN CONNECTION WITH THIS LETTER OF CREDIT EXCEPT FOR THE CONFIRMATION CHARGES ARE FOR THE APPLICANT'S ACCOUNT.

IN THE EVENT OF A DRAWING, WE WILL REIMBURSE YOU IN ACCORDANCE WITH YOUR INSTRUCTIONS UPON YOUR GIVING US AUTHENTICATED SWIFT NOTICE OF THE DRAWING, SPECIFYING THIS LETTER OF CREDIT NUMBER, THE AMOUNT DRAWN AND YOUR CHARGES (IF ANY) AND THAT THE DOCUMENTS REQUIRED UNDER THE LETTER OF CREDIT HAVE BEEN FORWARDED TO US TO OUR ABOVE ADDRESS VIA COURIER.

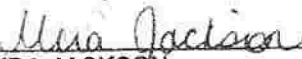
SIGNED THIS 23<sup>rd</sup> Day of March 2018

**ATB FINANCIAL**

  
\_\_\_\_\_  
**SIMON BRIGGS**

\_\_\_\_\_  
**RELATIONSHIP MANAGER**

**ATB FINANCIAL**

  
\_\_\_\_\_  
**MIRA JACKSON**

\_\_\_\_\_  
**ACCOUNT MANAGER**

EXHIBIT A  
Bill of Exchange (Sight Draft)

Date: \_\_\_\_\_

**DRAWN UNDER STANDBY LETTER OF CREDIT**

NO. 1932336 DATED March 22, 2018

(Number of L/C issuing bank)

OF ATB FINANCIAL

ROYAL BANK OF CANADA ADVICE NO. \_\_\_\_\_

AMOUNT	\$78,186.00 (CAD)	SEVENTY EIGHT THOUSAND ONE HUNDRED EIGHTY SIX (CANADIAN DOLLARS)
--------	-------------------	--

AT SIGHT FOR VALUE RECEIVED

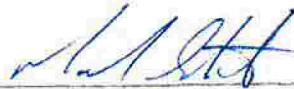
PAY TO THE ORDER OF THE ROYAL BANK OF CANADA THE SUM OF  
**SEVENTY EIGHT THOUSAND ONE HUNDRED EIGHTY SIX (CANADIAN DOLLARS)**

(Currency and amount in words)

DRAWN ON:  
(ISSUING BANK NAME AND ADDRESS) CANADIAN NATURAL RESOURCES LIMITED

\_\_\_\_\_  
(Name of the drawing bank)

\_\_\_\_\_  
(Name of the beneficiary)



**Mark Stainthorpe, CFA  
Chief Financial Officer**

Ph.: (403)-541-4187

Energy Group

March 23, 2018

Canadian Natural Resources Ltd.  
Suite 2100, 85 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

Dear Mr. Harvey,

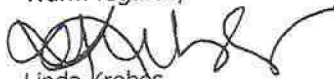
**Re: Letter of Credit No. 1932336**  
**i/a/o: CAD \$78,186.00**  
**i/f/o: Canadian Natural Resources Limited**

With reference to the above noted, please find enclosed the aforementioned Letter of Credit.

Please acknowledge receipt of this Letter of Credit via email to [LKrebes@atb.com](mailto:LKrebes@atb.com).

Should you have any questions, please contact the undersigned.

Warm regards,



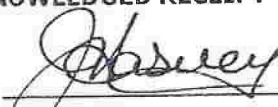
Linda Krebs  
Credit Officer  
[LKrebes@atb.com](mailto:LKrebes@atb.com)

Encl.

**ACKNOWLEDGED RECEIPT**

Per: \_\_\_\_\_

Date: \_\_\_\_\_, 2018



March 26

**ATB** Corporate  
Financial Services™

600, 585 8<sup>th</sup> Avenue SW Calgary, AB T2P 1G1

CAPITAL SOLUTIONS | FINANCIAL MARKETS | CASH MANAGEMENT

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