

COURT FILE NUMBER 2101-00814
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF CALGARY OIL & GAS SYNDICATE GROUP LTD., CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD. (IN ITS OWN CAPACITY AND IN ITS CAPACITY AS GENERAL PARTNER OF T5 SC OIL AND GAS LIMITED PARTNERSHIP), CALGARY OIL AND SYNDICATE PARTNERS LTD., AND PETROWORLD ENERGY LTD.



Justice Dario
COM
Sep 24, 2021

DOCUMENT **APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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DATE ON WHICH ORDER WAS PRONOUNCED: SEPTEMBER 24, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE MADAM JUSTICE C. DARIO

UPON THE APPLICATION by Calgary Oil & Gas Syndicate Group Ltd (the "Vendor")., Calgary Oil and Gas Intercontinental Group Ltd. ("Intercontinental") (in its own capacity and in its capacity as general partner of T5 SC Oil and Gas Limited Partnership (the "Limited Partnership")), Calgary Oil and Syndicate Partners Ltd. ("Syndicate Partners"), and Petroworld Energy Ltd. (collectively, with the Limited Partnership, the "Debtors")(for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement", attached as Appendix A1 to this Order) between the Vendor and Spartan Delta Corp. (the "Purchaser") dated September 3, 2021 and appended to this Application as Appendix A vesting in the Purchaser (or its nominee) the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Initial Order dated **February 11, 2021** (the "Initial Order"), as amended and restated from time to time;

AND UPON reviewing the provisions of the Plan Sanction Order dated July 26, 2021, the Affidavit of Ryan Martin sworn September 13, 2021, the Sixth Report of the Monitor dated September 14, 2021 and the Affidavit of Service;

AND UPON HEARING the submissions of counsel for the Debtors, the Monitor, the Purchaser and for Indian Oil and Gas Canada no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Vendor is hereby authorized and approved. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. All of the Debtor's right, title and interest in and to the Purchased Assets (the "Shares" as defined in section 1.01 of the Sale Agreement) is hereby vested absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Initial Order or subsequent orders granted in these proceedings;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system.

and for greater certainty, this Court orders that all Claims affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Net proceeds from the sale of the Purchased Assets (to be held in a trust account by the Monitor) shall form part of the Equity Injection Funds under the Second Revised Plan of Compromise and Arrangement in this proceeding and shall be distributed in accordance with the Plan.
5. Except as expressly provided for in the Sale Agreement the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Vendor.
6. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
7. The Purchaser (or its nominee) shall be entitled to hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Vendor, or any person claiming by, through or against the Vendor.

MISCELLANEOUS MATTERS

8. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Vendor, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of the Vendor; and
 - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. The Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
10. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
11. This Order is of retroactive effect up to and including the Effective Date as defined in the Sale Agreement.
12. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Monitor's website at: <https://www.bdo.ca/en-ca/extranets/calgaryoilandgas/>

and service on any other person is hereby dispensed with.

13. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line that tapers to the right.

Justice of the Court of Queen's Bench of Alberta

Appendix "A"

Share Purchase Agreement

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made effective September 3, 2021 (the "**Effective Date**")

BETWEEN

SPARTAN DELTA CORP. (the "**Purchaser**")

- and -

CALGARY OIL AND SYNDICATE PARTNERS LTD. (the "**Vendor**")

WHEREAS the Vendor is the beneficial and registered owner of the Shares (as defined herein) of the Corporation (as defined herein);

AND WHEREAS the Corporation is actively engaged in the production of natural gas and natural gas liquids from the Spirit River Formation in the Ferrier area by way of primary recovery through the drilling and tie-in of horizontal wells through its general partnership interests in T5 SC Oil and Gas Limited Partnership ("**T5**");

AND WHEREAS the Vendor desires to sell and the Purchaser desires to purchase the Shares upon and subject to the terms and conditions set out in this Agreement (as defined herein);

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this agreement, including its recitals and schedules, as amended from time to time.

"**Corporation**" means Calgary Oil and Gas Intercontinental Group Ltd.

"**Court**" has the meaning set out in Section 2.04.

"**Purchase Price**" has the meaning set out in Section 2.02.

"**Shares**" means [100] class "A" voting shares in the capital of the Corporation.

"**Tax Act**" means the Income Tax Act (Canada).

"**Transaction**" has the meaning set out in Section 2.01.

ARTICLE 2 - SALE AND PURCHASE

2.01 Shares to be Sold and Purchased

Upon and subject to the terms and conditions hereof, the Vendor will sell the Shares to the Purchaser and the Purchaser will purchase the Shares from the Vendor (the "**Transaction**"), as of the Effective Date.

2.02 **Purchase Price**

The aggregate purchase price payable to the Vendor for the Shares (such amount being hereinafter referred to as the "**Purchase Price**") will be \$100.00.

2.03 **Payment of Purchase Price**

The Purchase Price will be payable by the Purchaser by the delivery to the Vendor of a certified cheque, bank draft or wire in the amount of the Purchase Price concurrent with the execution of this Agreement on the Effective Date.

2.04 **Share Buyback**

The parties hereto shall seek retroactive approval of the Transaction from the Court of Queen's Bench of Alberta (the "**Court**") on or before September 31, 2021 or such other date agreed to in writing between the parties (the "**Outside Date**"). If the parties are not able to receive retroactive approval of this Transaction from the Court on or prior to the Outside Date, then the Vendor shall purchase the Shares back from the Purchaser, and the Purchaser shall sell the Shares back to the Vendor, for aggregate consideration equal to \$100.00.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 **Vendor's Representations**

As an inducement to the Purchaser to enter into and perform all its obligations under this Agreement, the Vendor represents and warrants to the Purchaser that:

- (a) the Vendor has taken all actions necessary to authorize the execution and delivery of this Agreement and to complete the sale and transfer of the Shares in accordance with the provisions hereof, and this Agreement has been validly executed and delivered, and it and all other documents executed and delivered by or on behalf of the Vendor pursuant hereto shall constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions;
- (b) except as disclosed to the Purchaser in writing, neither the execution and delivery of this Agreement nor the completion of the sale and transfer of the Shares in accordance with the provisions of this Agreement constitute a default under, or result in a contravention or breach of:
 - (i) any judgment, decree, order, law, statute, rule or regulation applicable to the Vendor; or
 - (ii) any agreement or instrument to which the Vendor is a party or by which it is bound;
- (c) except as disclosed to the Purchaser in writing, the Vendor has obtained any third party consents, approvals or authorizations of any nature required to be obtained in connection with the sale of the Shares to the Purchaser;
- (d) the Vendor is the registered and beneficial owner of the number of Shares, with good and marketable title thereto, and such Shares are conveyed to the Purchaser free and clear of all liens, encumbrances, security interests and other third party claims and interests of any nature whatsoever;

- (e) the Vendor has full right, power and authority to sell and deliver the Shares owned by it and, except as disclosed to the Purchaser in writing, the Vendor is not a party to or bound by any contract that limits or impairs the Vendor's ability to sell, transfer, assign or convey, or that otherwise affects, the Shares owned by it;
- (f) the Vendor is not a non-resident of Canada for purposes of the Tax Act;
- (g) the Corporation is not a non-resident for purposes of the Tax Act; and
- (h) the Corporation does not own or have any interest in any shares or securities, or any other ownership interest, in any other person or entity, other than its interest in T5.

3.02 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser has taken all actions necessary to authorize the execution and delivery of this Agreement and to complete the purchase of the Shares in accordance with the provisions hereof, and this Agreement has been validly executed and delivered, and it and all other documents executed and delivered by or on behalf of the Purchaser pursuant hereto shall constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms and conditions;
- (b) it understands that the Shares are being sold on a "private placement basis" and as such are not listed on any stock exchange or quoted on any trade reporting system; and
- (c) it understands the Shares are being sold under an exemption from Alberta securities law requirements relating to the filing of a prospectus.

ARTICLE 4 - CLOSING ARRANGEMENTS

4.01 Documents to be Delivered

Concurrent with the execution of this Agreement, the Vendor shall execute and deliver to the Purchaser all agreements, instruments, notices, certificates and other documents which are to be delivered by the Vendor pursuant to the provisions of this Agreement, in form satisfactory to the Purchaser, and the Purchaser shall execute and deliver to the Vendor, in form satisfactory to the Vendor, all cheques or bank drafts or fund flow directions and all agreements, instruments, notices, certificates and other documents which the Purchaser is to deliver pursuant to the provisions of this Agreement, including, without limitation, the following:

- (a) Purchaser shall deliver to the Vendor the Purchase Price in accordance with Section 2.03.
- (b) Vendor shall deliver to the Purchaser duly executed and endorsed certificates representing the Shares registered in the name of the Purchaser, or duly executed instruments of transfer to effectively transfer the Shares to the Purchaser.

ARTICLE 5 - TAX MATTERS

5.01 Tax Returns

The Purchaser shall cause the Corporation to prepare and file any tax returns of the Corporation for any pre-closing tax period or tax period beginning before the Closing Date and ending after the Closing Date, in both cases, which are required to be filed after the Closing Date. Such returns shall be prepared and

filed on a basis consistent with applicable laws and past practices and procedures of the relevant entity provided that no reserve may be claimed if any amount could be included in the income of the Corporation for any period ending after the Closing Date and the Purchaser may, at its election, cause the Corporation to make an election under subsection 256(9) of the Tax Act. The Purchaser and Vendor will cooperate fully and assist each other and make available to each other in a timely fashion all data and other information as may reasonably be required for the preparation and filing of all tax returns of the Corporation and will preserve that data and other information until the expiration of any applicable limitation period for maintaining books and records under any applicable tax law with respect to such tax returns.

ARTICLE 6 - GENERAL

6.01 Further Assurances

Each of the Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.02 Time of the Essence

Time is of the essence of this Agreement.

6.03 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties hereto.

6.04 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

6.05 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

6.06 Assignment

This Agreement may not be assigned by the Vendor without the written consent of the Purchaser but may be assigned by the Purchaser without the consent of the Vendor to an affiliate of the Purchaser, provided that such affiliate enters into a written agreement with the Vendor to be bound by the provisions of this Agreement in all respects and to the same extent as the Purchaser is bound and provided that the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such affiliate fails to do so.

6.07 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

6.08 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta will have jurisdiction to entertain any action arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the courts of the Province of Alberta.

6.09 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

6.10 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[Remainder of page intentionally left blank – signature page to follow.]

IN WITNESS WHEREOF the parties have executed this Agreement.

SPARTAN DELTA CORP.

Per: _____
Authorized Signatory

CALGARY OIL AND SYNDICATE PARTNERS LTD.

Per: Marc Berzins
Authorized Signatory

IN WITNESS WHEREOF the parties have executed this Agreement.

SPARTAN DELTA CORP.

Per:  _____
Authorized Signatory
Fotis Kalantzis
President and Chief Executive Officer

CALGARY OIL AND SYNDICATE PARTNERS LTD.

Per: _____
Authorized Signatory