

C32073

COURT FILE NUMBER: B301-052460
 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 March 26, 2024

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

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.
2. I am swearing this Affidavit in support of an Application by Kaden for the following relief:
 - a. extending the period of time within which Kaden is required to file a 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 May 17, 2024;

- b. granting an administration charge (the "**Administration Charge**") in favour of counsel for Kaden, BDO Canada Limited (the "**Proposal Trustee**") and counsel for the Proposal Trustee in an aggregate amount of \$250,000.00;
- c. approving the payment of certain amounts for critical suppliers and vendors (collectively, the "**Critical Suppliers**") for services and work provided prior to the filing of the NOI;
- d. granting the Kaden Directors a charge (the "**Directors' Charge**") over the assets of Kaden, which shall not exceed \$100,000.00 to indemnify Kaden's Directors for liabilities that may be incurred after the commencement of these proceedings; and
- e. granting an order approving the Applicant's proposed claims process (the "**Claims Procedure**") to determine the quantum and classification of claims of Kaden's creditors.

Summary of Activities since Filing the NOI

- 3. Kaden is a private, junior oil and gas company focused on acquiring and developing light tight oil in the Cardium Formation in northwest Alberta.
- 4. Kaden is an Alberta corporation incorporated pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit "A"** is a Government of Alberta Corporate Search of "Kaden Energy Ltd."
- 5. On March 6, 2024, Kaden filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to the *BIA*.
- 6. Since the March 6, 2024 filing, Kaden has been in discussions with a potential lender to secure financing. Kaden is working with the Proposal Trustee and its counsel to prepare a proposal to its creditors. It is Kaden's intention to obtain financing to contribute to the Proposal to Kaden's creditors.
- 7. Since the filing of the NOI, Kaden has maintained its operations in the normal course and has remained cash-flow positive. Further Kaden has refrained from making payments of any pre-filing indebtedness since the filing of the NOI, except for certain

critical suppliers, royalty payments, and Crown payments as described in more detail below.

8. In May 2024, revenues are anticipated to be impacted negatively due to a planned four week pipeline and gas facility outage by Pembina Pipeline Corporation, as well as the spring break-up.
9. Currently, Kaden has anticipated reported production revenue of \$1,300,000 for March 2024. Other than the May shut down, Kaden anticipates remaining cash-flow positive throughout the proceedings.
10. Kaden anticipates that by June 2024 or July 2024 it will return to normal production.
11. Currently, Kaden has debts in the amount of approximately \$12,000,000. The creditors of Kaden are largely made of up trade creditors and for unpaid royalty amounts owing to Kaden Royalty Corp. and Arc Resources Ltd.
12. Attached hereto and marked as **Exhibit "B"** is a Alberta Personal Property Registry search for Kaden.
13. The Proposal Trustee has reviewed and provided input on Kaden's March 15, 2024 cash-flow forecast (the "**Cash-Flow Forecast**").
14. Attached hereto and marked as **Exhibit "C"** is a copy of the Cash-Flow Forecast and Report on Cash-Flow Statement.

Administrative Charge

15. There are a number of financial and operating issues for which Kaden will require the expertise of the Proposal Trustee during the NOI proceedings (the "**Proceedings**").
16. Kaden's counsel, the Proposal Trustee, and its counsel are essential to the success of the Proceedings.
17. Based on the Cash-Flow Forecast, the anticipated professional fees over the reporting period for the Proposal Trustee, its counsel, and Kaden's counsel will be set out in the Cash-Flow Forecast appended to the first report of the Proposal Trustee. Kaden

therefore seeks a first ranking charge for the Administration Charge against all of its assets, property, and undertaking in the amount of \$250,000.00 to secure the fees and disbursements incurred in connection with services rendered to Kaden both before and after the commencement of the Proceedings.

18. The amount of the proposed Administration Charge was reached in consultation with the Proposal Trustee, and I believe is reasonable in the circumstances.

Extension of NOI and Stay Period

19. Since the filing of the NOI, Kaden has been diligently pursuing activities aimed at the presentation of a proposal. In particular, Kaden has diligently:
 - a. provided 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 for financing of Kaden's operations and the Proposal; and
 - d. responding to inquiries from various creditors regarding the status of the NOI proceedings.
20. 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 April 5, 2024 and that if the NOI is not extended, then Kaden will be deemed on April 6, 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 of 45 days from April 5, 2024 to May 20, 2024.
21. 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

22. Kaden intends to make payments for certain goods and services supplied to Kaden for pre and post filing expenses and obligations which are key to its ongoing business operations. If these payments are not paid, there will be substantial disruption to Kaden's business and operations that could have a significant negative impact on its ability to generate revenue as contemplated by the Cash Flow Forecast.
23. Kaden is seeking authorization to pay all reasonable and necessary expenses incurred by Kaden in carrying on its business in the ordinary course and to pay certain expenses, whether incurred prior to or after the filing of the NOI, including, but not limited to, the following:
- a. outstanding and future wages, salaries, compensation, employee benefits, contractor wages, director fees and expenses,
 - b. critical trade payables and suppliers, including, but not limited to, the following groups of entities:
 - i. contract operators that operate the production assets of Kaden – West Rock, Len Elliott Consulting Ltd., and Jafco Production Services Ltd.; and
 - ii. critical suppliers and service providers who provide ongoing critical services or supplies, where there are limited available other service providers to replace those services and suppliers at the same cost and/or are required to continue to meet regulatory requirements for the continued operation of the assets. These suppliers and service providers, include, by way of example, the following entities: Xcel Automation Ltd., TNT Engineering Ltd., Expera Information Technology Inc., Cantango Commodity Marketing Inc., Direct Pressure, Carnwood Wireline Service Ltd., Caron Measurement & Controls Ltd., Full Force Ventures, Next Compression Corp., Pasco Energy Services Inc., Petro-Canada Lubricants Inc., I3 Energy Canada Ltd., Pandell Technology Corporation, Dynamic Energy Group Inc., Nortech Advanced NDT

Ltd., Wild Rows Pump & Compression Ltd., AGAT Laboratories, Baker Hughes Canada Company, Razorback Waste, We An-ser Communications Group, and Shock Trauma Air Rescue Surface, Pembina Gas Services, and Secure Energy Services.

(collectively, the “**Critical Suppliers**”)

24. The Critical Suppliers payments include amounts for service providers and suppliers who perform or provide the following types of critical services and supplies for Kaden: equipment rentals, gas processing, trucking, processing, and handling of production, operations supervision, maintenance, chemical and lubricant supplies, safety, engineering support, compliance, production engineering, commodity marketing, IT services, software maintenance, and network safety.
25. These anticipated payments relate to contract operators and suppliers and other essential parties necessary to maintain the ongoing operations of Kaden including maintaining its current level of cash flow. Without these service providers providing these services and supplies to Kaden, it would be unable to operate its assets at the same level and for the same operating costs (as estimated in the Cash Flow Forecast) and thus maintain its estimated cash flow during the insolvency proceedings.
26. If these contractors and suppliers are not paid for certain limited pre-filing amounts incurred the significant concern is that they will seek other options, refuse to provide supplies or services where there is no agreement in place for such services, and/or will refuse to operate or service the Kaden assets.
27. Kaden would only pay pre-filing amounts for current Critical Suppliers that fall into the categories set out above and after first obtaining approval for such payments from the Proposal Trustee. We anticipate paying these amounts following the Court’s approval and the approval of the Proposal Trustee. The payment of the foregoing amounts will slightly negatively impact the current cash flow forecast of Kaden but Kaden will continue to have sufficient available cash to continue to funds its operating costs and its restructuring costs during the Proceedings.

28. Kaden requires the commitment and support of its employees, contractors and the continued supply of goods and services from its key vendors, critical trade suppliers, and service providers during the Proceedings. The ability for Kaden to make the foregoing payments is necessary to maintain stability and for the continued and uninterrupted operation of Kaden's business during the Proceedings and in order to allow Kaden to advance its restructuring efforts for the benefit of all of its stakeholders.
29. In addition to the payment of Critical Suppliers, Kaden intends to continue to make payments to the Alberta Department of Energy for ongoing Crown royalties. While all amounts currently owing to the Alberta Department of Energy have been paid, Kaden anticipates providing payment for Crown Royalty Payments for December production at the end of March 2024 due to timing of invoicing for Crown royalties. This will keep Kaden's obligations to the Crown under its royalty agreements in good standing.
30. Similarly, Kaden intends to continue payments to the Alberta Department of Energy for annual Crown lease rental dues including a recent post NOI filing payment of \$3,541.10 related to a January crown mineral lease payment.
31. Respecting the unpaid royalty amounts owing to Kaden Royalty Corp. ("**KRC**") and Arc Resources Ltd. ("**Arc**"), Kaden proposes to continue making those payments as they become due in the ordinary course, including for the amounts incurred for the month just prior to filing the NOI. The royalty agreements contain certain language which may require that those funds be held in trust and Kaden has determined that it would be the most efficient to simply pay these amounts as they become due after the filing date of the NOI (but represent royalty payments incurred in months arising prior to the NOI filing).
32. Currently, Kaden owes KRC \$329,661.48 for royalties incurred in August 2023 to December 2023 and \$47,665.04 for royalties incurred in January 2024. Kaden is proposing to pay KRC for the royalties arising from January 2024 as it would pay these in the normal course from its March revenues received on or about March 25, 2024.
33. In addition, Kaden owes Arc \$27,287.41 for royalties incurred in September 2023 to December 2023 and \$5,792.26 for royalties incurred in January 2024. Kaden is

proposing to also pay Arc the amounts for January 2024 that would normally be payable from its March revenue.

34. 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 agreements between the parties (amounts from unpaid months in 2023 would not be paid by Kaden at this time).
35. Kaden also has agreements in place with Tourmaline Oil Corp. (“**Tourmaline**”) and Secure Energy Services to net out or rights to set-off invoices for various operations between Kaden and those entities. There are not currently any amounts owed to Tourmaline and Secure (as a result of Secure exercising its right of set-off against certain production of Kaden) and Kaden proposes to continue with those agreements in the normal course on a go forward basis.
36. Finally, Kaden anticipates making continued payments to the Canada Revenue Agency for GST in order to avoid the creation of any priority claims.

Directors' Charge

37. To ensure that Kaden's operations and restructuring efforts continue, all in order to maximize value for Kaden's creditors, Kaden requires the continued participation of its directors and officers.
38. Kaden's directors and officers have specialized expertise and relationships with Kaden's suppliers, employees, and other stakeholders that cannot be replicated or replaced.
39. There is a risk to Kaden's directors and officers of incurring personal liability in the contact of the NOI proceedings. Due to the potentially significant personal exposure going forward, I believe that the Directors' Charge is appropriate in the circumstances. Kaden's directors have expressed the need for certainty with respect to potential personal liability if they continue in their current capacities.
40. I am advised by Kaden's counsel and do verily believe:

- a. the Directors' Charge is common in restructuring proceedings and is appropriate in the circumstances;
- b. the benefits of the proposed Directors' Charge will be available only to the extent that Kaden's directors and officers do not have coverage under such insurance policies or where such coverage is insufficient to pay the amounts indemnified; and
- c. the proposed value of the Directors' Charge is directly related to the statutory obligations for which the directors and officers may become liable if Kaden fails to meet those obligations. However, based on the current Cash-Flow Forecast it is expected that all of those amounts will be paid in the ordinary course and it is unlikely that the Directors' Charge will be relied upon.

Claims Process

41. In order to formulate a proposal that is tailored to the actual quantum of creditors claims, conduct voting on Kaden's Proposal, and to be able to make distributions thereunder, it is necessary to determine the quantum and classification of the claims being asserted against Kaden by its creditors.
42. The Applicant has, with the participation of the Proposal Trustee, developed a Claims Procedure for this purpose to ensure that the assessment of claims is done in the most efficient and expeditious manner possible.
43. The key terms of the proposed Claims Procedure include:
 - a. a Claims Package (as defined in the Claims Procedure) will be issued by the Proposal Trustee to each of the Known Claimants;
 - b. the Claims Procedure sets a Claims Bar Date of 10 days after receipt of the Claims Package for Unknown Claimants;
 - c. if a Known Claimant disagrees with the amount contained in the claim materials issued by the Proposal Trustee, a Claimant may deliver a Notice of Dispute to the Applicant, care of the Proposal Trustee, by no later than the Claims Bar Date (which is 14 days after receipt of the Claims Package by the creditor);

- d. if the Proposal Trustee and any Claimant disagree on the Claims, those disputes must be resolved through Application with the Court in accordance with the Disputed Claim Application (as defined in the Claim Procedure Order) process; and
- e. the Proposal Trustee will notify Unknown Claimants through publications in a newspaper notice and the Proposal Trustee's website in accordance with the Claims Procedure.

Relief Sought

- 44. 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.
- 45. I make this Affidavit in support of an application by Kaden for: (i) an extension of the time within which to file a proposal; (ii) granting of an Administration Charge; (iii) approving the payment of certain Critical Suppliers; (iv) granting of the Directors' Charge; and (v) approving the Claims Procedure.

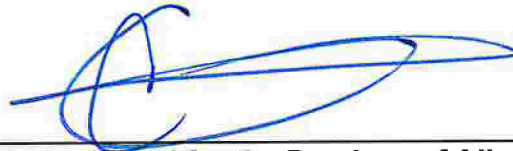
SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 26th day of March 2024.

A Commissioner of Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

WES SIEMENS

**THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF WES SIEMENS
SWORN BEFORE ME AT CALGARY, ALBERTA,
this 26th day of March, 2024**



A Commissioner for Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/02/28
 Time of Search: 08:57 AM
 Search provided by: MLT AIKINS LLP (CALGARY)
 Service Request Number: 41568256
 Customer Reference Number: Regie - New

Corporate Access Number: 2019125497
Business Number: 812178127
Legal Entity Name: KADEN ENERGY LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2015/08/04 YYYY/MM/DD

Registered Office:

Street: SUITE 800, 555 - 4TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P3E7

Records Address:

Street: SUITE 800, 555 - 4TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P3E7

Email Address: WSIEMENS@KADENENERGY.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
SIEMENS	WESLEY	STEPHEN		SUITE 800, 555 - 4TH AVENUE S.W.	CALGARY	ALBERTA	T2P3R7	WSIEMENS@KADENENERGY.COM

Directors:

Last Name: NICHOL
First Name: BRAD
Street/Box Number: 800, 555 - 4TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P3E7

Last Name: SIEMENS
First Name: WESLEY
Middle Name: STEPHEN
Street/Box Number: 159 SCENIC PARK CRESCENT N.W.
City: CALGARY
Province: ALBERTA
Postal Code: T3L1S2

Voting Shareholders:

Last Name: BETA ENERGY CORP.
Street: 801-535 THURLOW ST
City: VANCOUVER
Province: BRITISH COLUMBIA
Postal Code: V6E3L2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: REFER TO THE MOST RECENT "SHARE STRUCTURE" ATTACHMENT.
Share Transfers Restrictions: NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION.
Min Number Of Directors: 1
Max Number Of Directors: 9
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: THE ATTACHED SCHEDULE IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF THE CORPORATION.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/07/13

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/08/04	Incorporate Alberta Corporation

2017/12/18	Name/Structure Change Alberta Corporation
2020/02/22	Update BN
2021/12/08	Change Address
2022/09/16	Change Agent for Service
2023/06/06	Change Director / Shareholder
2023/07/13	Enter Annual Returns for Alberta and Extra-Provincial Corp.

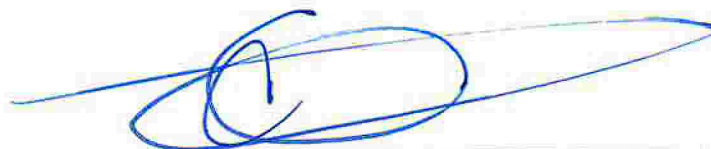
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2015/08/04
Other Rules or Provisions	ELECTRONIC	2015/08/04
Share Structure	ELECTRONIC	2016/01/08
Shares in Series	ELECTRONIC	2016/01/08
Statutory Declaration Notice Error	10000807110617625	2016/01/20
Shares in Series	ELECTRONIC	2017/01/27
Shares in Series	ELECTRONIC	2017/12/18

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF WES SIEMENS
SWORN BEFORE ME AT CALGARY, ALBERTA,
this 26th day of March, 2024**

A handwritten signature in blue ink, consisting of several 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**

Search ID #: Z17121016

Transmitting Party

MLT AIKINS LLP

2100 222 3rd AVE SW
Calgary, AB T2P 0B4

Party Code: 60006660

Phone #: 403 693 4331

Reference #: 0166816.00001/cef

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Business Debtor Search For:

KADEN ENERGY LTD.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 18020529919

Registration Date: 2018-Feb-05

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Feb-05 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1

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

Secured Party / Parties

Block

Status

Current

1

ALBERTA TREASURY BRANCHES-TRANSIT# 04509
SUITE 600, 585-8TH AVE SW
CALGARY, AB T2P 1G1
Phone #: 403 974 6653 Fax #: 403 974 5191

Collateral: General

Block

Description

Status

Current

1

ALL MONIES ON DEPOSIT WITH ALBERTA TREASURY BRANCHES

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 22011728857

Registration Date: 2022-Jan-17

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Jan-17 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

24011014699

Renewal

2024-Jan-10

Debtor(s)

Block

Status

1 KADEN ENERGY LTD.
SUITE 1030, 639 5TH AVENUE SW
CALGARY, AB T2P 0M9

Current

Secured Party / Parties

Block

Status

1 BULL MOOSE CAPITAL LTD.
500, 505- 8TH AVENUE SW
CALGARY, AB T2P 1G2
Phone #: 403 234 7204 Fax #: 403 264 7306
Email: LPSmith@bullmoosecapital.ca

Current

Collateral: General

Block

Description

Status

1 One (1) natural gas compressor (and all related parts and accessories) having Unit #C386 as described in Schedule "A" to the lease agreement dated September 27, 2021 between Bull Moose Capital Ltd., as Lessor, and Kaden Energy Ltd., as Lessee

Current

PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Search ID #: Z17121016

- 2 One (1) natural gas compressor (and all related parts and accessories) having Unit #12049 Current as described in Schedule "A" to the lease agreement dated October 12, 2021 between Bull Moose Capital Ltd., as Lessor, and Kaden Energy Ltd., as Lessee.

PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 22111516627

Registration Date: 2022-Nov-15

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Nov-15 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23092230058

Amendment

2023-Sep-22

Debtor(s)

Block

Status

Current

1 KADEN ENERGY LTD.
SUITE 800 555 4TH AVE SW
CALGARY, AB T2P 3E7

Secured Party / Parties

Block

Status

Deleted by
23092230058

1 MIDSTREAM EQUIPMENT CORP.
BOX 5799
HIGH RIVER, AB T1V 1P3
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Block

Status

Current by
23092230058

2 MIDSTREAM EQUIPMENT CORPORATION LTD.
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Collateral: General

Block

Description

Status

1 Unit 1297 Gunset 95HP Cat 3304NA Engine

Current

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 22111517784

Registration Date: 2022-Nov-15

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Nov-15 23:59:59

Exact Match on: Debtor No: 3

Amendments to Registration

23022130234	Amendment	2023-Feb-21
23051030763	Amendment	2023-May-10
23092211276	Amendment	2023-Sep-22

Debtor(s)

Block

1 RIDGEBACK RESOURCES INC.
2800 525 8TH AVE SW
CALGARY, AB T2P 1G1

Status

Deleted by
23022130234

Block

2 ARCHER EXPLORATION CORP.
SUITE 550, 525 - 8TH AVENUE SW
CALGARY, AB T2P 1G1

Status

Deleted by
23051030763

Block

3 KADEN ENERGY LTD.
SUITE 800, 555 4TH AVE SW
CALGARY, AB T2P 3E7

Status

Current by
23051030763

Secured Party / Parties

Block

1 MIDSTREAM EQUIPMENT CORP.
BOX 5799
HIGH RIVER, AB T1V 1P3
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Status

Deleted by
23092211276

Search ID #: Z17121016

Block

2 MIDSTREAM EQUIPMENT CORPORATION LTD.
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Status

Current by
23092211276

Collateral: General

Block

Description

1 Unit 1130 Gunset 220HP Cat 3306ATAAC Engine GHH Rand

Status

Current

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 23051213307

Registration Date: 2023-May-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-May-12 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23092230928

Amendment

2023-Sep-22

Debtor(s)

Block

1 KADEN ENERGY LTD.
SUITE 800, 555 - 4TH AVE SW
CALGARY, AB T2P 3E7

Status

Current

Secured Party / Parties

Block

1 MIDSTREAM EQUIPMENT CORPORATION
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Email: jenna.oreilly@midstreamequipment.com

Status

Deleted by
23092230928

Block

2 MIDSTREAM EQUIPMENT CORPORATION LTD
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Email: jenna.oreilly@midstreamequipment.com

Status

Current by
23092230928

Collateral: General

Block

Description

1 Unit 1300 - Natural Gas Compressor 95 HP Cat 3304NA Engine GE H302 Compressor

Status

Current

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 23091525346

Registration Date: 2023-Sep-15

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Sep-15 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 KADEN ENERGY LTD.
SUITE 800, 555 - 4TH AVENUE SW
CALGARY, AB T2P 3E7

Current

Secured Party / Parties

Block

Status

1 BIDELL GAS COMPRESSION LTD.
6900 - 112TH AVE SE
CALGARY, AB T2C 4Z1
Email: TPallister@bidell.com

Current

Collateral: General

Block

Description

Status

1 One (1) Bidell Equipment Compressor trailer mounted compressor unit number 17-1081 including (1) GEMINI, MPD2/1 frame and (1) G3304NA engine. Enclosed in self-framing steel building. Includes rig mats and hoses. Together with compressor, all ancillary piping and accessories, system controls, instrumentation, valves, scrubbers, piping, hoses, mats, skids and other parts of any kind and equipment attached to or forming part of such compressor unit at any time, whether or not attached, together with the self framing metal building in which the foregoing is contained and all components or other parts or equipment of any kind which may from time to time be incorporated or attached thereto. All rights to money or other value payable under insurance policies in respect of the foregoing. Proceeds: goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act) and insurance proceeds.

Current

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 24011724595

Registration Date: 2024-Jan-17

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 KADEN ENERGY LTD.
800, 555 - 4 AVENUE SW
CALGARY, AB T2P 3E7

Current

Secured Party / Parties

Block

Status

1 KADEN ROYALTY CORP.
C/O AZIMUTH CAPITAL MANAGEMENT
CALGARY, AB T2P 0R3
Email: DAVE@NAVIGATINGENERGY.COM

Current

Particulars

Block **Additional Information**

Status

1 THE ADDRESS OF THE SECURED PARTY IS:

Current

KADEN ROYALTY CORP.
C/O AZIMUTH CAPITAL MANAGEMENT
SUITE 3110, 520 - 3 AVENUE SW
CALGARY, AB T2P 0R3
ATTN: DAVE PEARCE

Search ID #: Z17121016

Business Debtor Search For:

KADEN ENERGY LTD.

Search ID #: Z17121016

Date of Search: 2024-Mar-06

Time of Search: 11:46:23

Registration Number: 24011928815

Registration Date: 2024-Jan-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2034-Jan-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 KADEN ENERGY LTD.
800, 555 - 4 AVENUE SW
CALGARY, AB T2P 3E7

Current

Secured Party / Parties

Block

Status

1 KADEN ROYALTY CORP.
C/O AZIMUTH CAPITAL MANAGEMENT
CALGARY, AB T2P 0R3
Email: DAVE@NAVIGATINGENERGY.COM

Current

Collateral: General

Block

Description

Status

1 All of the Debtor's present and after-acquired Working Interests in the Royalty Lands, the Petroleum Substances within, upon or under the Royalty Lands, or produced therefrom (including, without limitation, the proceeds of such production), and the wells and other equipment and personal property thereon or in connection therewith. The terms "Petroleum Substances", "Working Interests" and "Royalty Lands" have the meanings ascribed to them in the Farmout Agreement dated August 19, 2021 originally between Kaden Energy Ltd. and 1320169 B.C. Ltd., Overriding Royalty Agreement dated February 3, 2022 originally between Kaden Energy Ltd. and Cardium Energy Corp., Assignment and Assumption Agreement dated March 18, 2022 between Kaden Energy Ltd., Kaden Royalty Corp. and Cardium Energy Corp. and the Amending Agreement dated November 3, 2023 between Kaden Energy Ltd. and Kaden Royalty Corp., and "Royalty Lands" shall include, without limitation, the "Lands" as defined in the Overriding Royalty Agreement dated February 3, 2022 originally between Kaden Energy Ltd. and Cardium Energy Corp. and those lands and interests set out below:

Current

Search ID #: Z17121016

- | | | |
|---|---|---------|
| 2 | <p>60-27W5: 23; Alberta Crown Petroleum and Natural Gas Lease/Licence 5401070043
 60-27W5: 24; Alberta Crown Petroleum and Natural Gas Lease/Licence 5401070043
 60-27W5: N&SE 25; Alberta Crown Petroleum and Natural Gas Lease/Licence 5401070043
 60-27W5: 26; Alberta Crown Petroleum and Natural Gas Lease/Licence 5401070043
 60-27W5: 27; Alberta Crown Petroleum and Natural Gas Lease/Licence 5401070043
 61-27W5: 2; Alberta Crown Petroleum and Natural Gas Lease/Licence 0509090115
 61-27W5: 3; Alberta Crown Petroleum and Natural Gas Lease/Licence 5410120154
 60-26W5: 16, 20; Alberta Crown Petroleum and Natural Gas Lease/Licence 5406120366
 60-26W5: 17; Alberta Crown Petroleum and Natural Gas Lease/Licence 5406120366
 59-26W5: 26, 27, 28; Alberta Crown Petroleum and Natural Gas Lease/Licence 5496080101
 59-26W5: 29, 32, 33; Alberta Crown Petroleum and Natural Gas Lease/Licence 5406120364
 59-26W5: 34; Alberta Crown Petroleum and Natural Gas Lease/Licence 5496080101
 59-26W5: 35; Alberta Crown Petroleum and Natural Gas Lease/Licence 5496080101
 60-26W5: 3; Alberta Crown Petroleum and Natural Gas Lease/Licence 5406120364
 63-4W6: 4-8, W9; Alberta Crown Petroleum and Natural Gas Lease/Licence 0517060074
 63-5W6: E10, 11, 12, W14, N&SE15, N16, S&NE 22, W23; Alberta Crown Petroleum and Natural Gas Lease/Licence 0517060074
 63-4W6: 13, E 14, E 23, 24; Alberta Crown Petroleum and Natural Gas Lease/Licence 116358
 63-4W6: 1; Alberta Crown Petroleum and Natural Gas Lease/Licence 116356
 63-4W6: E 2; Alberta Crown Petroleum and Natural Gas Lease/Licence 116369</p> | Current |
| 3 | <p>PROCEEDS: GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE,
 INSTRUMENTS, MONEY AND INTANGIBLES AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (ALBERTA)</p> | Current |

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>THE FULL ADDRESS FOR THE SECURED PARTY IS:</p> <p>KADEN ENERGY LTD. C/O AZIMUTH CAPITAL MANAGEMENT SUITE 3110, 520 - 3 AVENUE SW CALGARY, AB T2P 0R3 ATTN: DAVE PEARCE</p>	Current

Search ID #: Z17121016

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

CAIDEN ENERGY SERVICES LTD
310 HAWK'S NEST HOLLOW
PRIDDIS GREENS, AB T0L1W3

Reg.#

21090332634

SECURITY AGREEMENT

Debtor Name / Address

KADEN ENERGY
800, 555 - 4TH AVENUE SW
CALGARY, AB T2P 3E7

Reg.#

23011212974

SECURITY AGREEMENT

Debtor Name / Address

KADEN ENERGY
800, 555 - 4TH AVENUE SW
CALGARY, AB T2P 3E7

Reg.#

24012322328

SECURITY AGREEMENT

Result Complete

**THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF WES SIEMENS
SWORN BEFORE ME AT CALGARY, ALBERTA,
this 26th day of March, 2024**

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

A Commissioner for Oaths in and for the Province of Alberta

**CATRINA WEBSTER
BARRISTER & SOLICITOR**

Kaiden Energy Ltd.
Cash Flow Forecast
(Unaudited - prepared by management)

Notes	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total (forecast)
	11-Mar-24	18-Mar-24	25-Mar-24	1-Apr-24	8-Apr-24	15-Apr-24	22-Apr-24	29-Apr-24	6-May-24	13-May-24	20-May-24	27-May-24	3-Jun-24	
Receipts														
Production revenues		1,513,263	1,513,263					1,316,540	1,316,540			943,778		3,773,531
Disbursements														
Royalties														
OPEX														
Cash on delivery payments	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(435,000)
Fixed costs			(11,025)	(11,025)				(240,889)	(240,889)			(240,889)		(508,828)
Oil Trucking							(84,581)	(84,581)				(84,581)		(189,162)
Oil Variable							(72,479)	(72,479)				(72,479)		(144,957)
Water Trucking/Disposal							(22,115)	(22,115)				(22,115)		(44,231)
Variable Gas costs							(21,554)	(21,554)				(21,554)		(43,108)
Natural Gas processing							(144,143)	(144,143)				(144,143)		(288,285)
Sales gas transportation							(35,733)	(35,733)				(35,733)		(71,465)
G&A														
Salaries	(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)	(589,130)
Bonuses	(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)	(26,000)
Rent and parking														(8,000)
Software, phone, internet														(38,000)
Office supplies														(1,500)
Reserve Report														(45,000)
Audit & Tax														(65,000)
Other consultant expenses														(49,500)
Legal														(4,500)
Safety														(4,500)
Travel														(4,800)
Bank Fees & Other														(2,500)
Lease Rentals	(3,541)				(1,500)			(5,237)		(1,500)		(1,737)		(9,211)
GST		(67,183)	(67,183)	(67,183)									(2,192)	(6,541)
Restructuring	(95,396)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(47,000)	(550,000)
Net cash inflow (outflow)	(95,396)	(47,000)	1,364,571	(179,705)	(47,000)	(93,345)	(47,000)	(657,459)	(68,355)	(68,355)	(22,000)	187,145	(74,182)	(2,731,801)
Cash - beginning	185,813	90,417	43,417	1,427,988	1,248,280	1,201,280	1,107,925	1,060,925	1,060,925	1,321,698	1,253,343	1,231,343	1,301,925	185,813
Net change	(95,396)	(47,000)	1,364,571	(179,705)	(47,000)	(93,345)	(47,000)	(359,080)	(68,355)	(68,355)	(22,000)	187,145	(74,182)	1,115,112
Cash - closing	90,417	43,417	1,427,988	1,248,280	1,201,280	1,107,925	1,060,925	1,420,005	1,321,698	1,253,343	1,231,343	1,301,925	1,227,743	1,301,925

Net cash inflow (outflow)

Cash - beginning

Net change

Cash - closing

Kaiden Energy Ltd.
Wes Siemens
Per: Wes Siemens, P. Eng.
Date: President & CEO
3/14/2024

BDO Canada Limited in its sole capacity as Proposal Trustee of Kaiden Energy Ltd., and not in its personal capacity
Wes Siemens
Per: Wes Siemens, P. Eng.
Date: March 15, 2024

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)

Kaden Energy Ltd. has developed the assumptions and prepared the attached statement of projected cash flow, as of the 14th day of March 2024, consisting of a 13 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 company 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 14th day of March 2024.

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.

Assumptions:

1.Revenues collected on March 25 are based on our best estimate derived from truck tickets to estimate production. The monthly average was used to determine price and overall revenue for the month of February (to be collected in March). Later months' projected revenue is 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 assumes revenue collections to be received the following month. April and May revenues will be impacted negatively due to a planned four week pipeline and gas facility outage by Pembina, in addition to Spring-Break up at Smoky.

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. The forecast, however, includes payment for goods and services provided to and authorized following the date of the NOI, which have been forecast based on the assumptions noted below.

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.

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 \$45,000 amount will be paid to pre-pay for critical services for the first two month, then \$20,000 subsequent, as the company is current on recent invoices.

5.Assume G&A is settled in the month occurred, except for payroll which is semi-monthly. Included in the payment of salaries the week of March 11, 2024 is \$22,000 of pre-filing NOI wages which are necessary to be paid to support ongoing operations. Approximate historical G&A is \$135,000 per month. A one-time annual cost for reserve reports is noted during the week of April 29.

6.GST is calculated based on net revenues and expenses post NOI, payable the following month.

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.

Dated at the City of Calgary in the Province of Alberta, this 14th day of March 2024.

Kaden Energy Ltd.