

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



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

AND 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.

DOCUMENT **AMENDED AND RESTATED INITIAL ORDER**

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**DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 19, 2021**  
**LOCATION WHERE ORDER WAS PRONOUNCED: CALGARY, ALBERTA**  
**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE MR. JUSTICE R. A. NEUFELD**

**UPON** the application of the Applicants, 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 (the "**Partnership**")), Calgary Oil and Syndicate Partners Ltd., and Petroworld Energy Ltd. (collectively, the "**Applicants**");

**AND UPON** having read the Application of the Applicants, the Affidavit of Ryan Martin sworn February 5, 2021 (the "**First Martin Affidavit**"), the Supplemental Affidavit of Ryan Martin sworn February 10, 2021, the Second Supplemental Affidavit of Ryan Martin sworn

February 11, 2021, the Affidavit of Ryan Martin sworn February 17, 2021, the Brief of Law and Argument of the Applicants filed on February 8, 2021, the Supplemental Brief of Law and Argument of the Applicants filed on February 10, 2021, and the consent of BDO Canada Limited (“**BDO**”) to act as Monitor;

**AND UPON** having read the Pre-Filing Report of the Proposed Monitor dated February 8, 2021, and the Monitor’s First Report, dated February 18, 2021;

**AND UPON** reviewing the initial order granted in the within proceedings by the Honourable Mr. Justice D. B. Nixon on February 11, 2021 (the “**Initial Order**”);

**AND UPON** being advised that secured creditors and other creditors who are likely to be affected by the charges created herein have been provided with notice of this application;

**AND UPON** hearing from counsel for the Applicants, counsel for Crown Capital Partnership Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc., counsel for the Monitor, and any other interested parties present,

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this amended and restated initial order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.
2. The comeback application (the “**Comeback Application**”) has been set down for March 4, 2020 for a full hearing of the Comeback Application and the receivership application dated February 9, 2021 (the “**Receivership Application**”) that has been filed by Crown Capital and such Comeback Application shall be a hearing *de novo*.

**CAPITALIZED TERMS**

3. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the First Martin Affidavit.

## **APPLICATION**

4. Each of the Applicants is a company to which the *Companies' Creditors Arrangement Act*, R.S.C.1985, c. C-36, as amended (the "**CCAA**") applies. For greater certainty, the Applicants are declared to be "affiliated companies" to which the *CCAA* applies.
5. The terms of the Initial Order granted in these proceedings shall be operative and shall continue to govern the period until the granting of this Order. The terms of the Initial Order are hereby amended and restated by the terms of this Order from and after the granting of this Order.

## **PLAN OF ARRANGEMENT**

6. The Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

7. The Applicants and the Partnership shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property; and
  - (c) be authorized and empowered to continue to retain independent contractors, consultants, agents, experts, accountants, counsel, financial advisors, investment bankers and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

(d) be entitled to continue to utilize the central cash management system currently in place as described in the Martin Affidavit, with the exception of the lockbox account described in same (the “**Blocked Account**”), or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System. For greater certainty, the Applicants are not obligated to continue the use of the Blocked Account and shall be entitled to remit any funds that would have been remitted into the Blocked Account immediately prior to the granting of this Order to any account the Applicants deem appropriate in the ordinary course of business in accordance with the balance of the Cash Management System.

8. To the extent permitted by law, the Applicants shall be entitled but not required to pay the following advances or payment of the following expenses, whether incurred prior to or after this Order:

- (a) all outstanding and future compensation, expenses and other payments payable to the Applicants’ consultants on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with consulting contracts and arrangements;
- (b) the reasonable fees and disbursements of any Assistants retained or employed by

the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order; and

- (c) with consent of the Monitor, amounts owing for goods or services supplied to the Applicants, including for periods prior to the date of this Order if, in the opinion of the Applicants following consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Business or the Property.

9. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order and any other Order of this Court, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

10. The Applicants shall remit, in accordance with legal requirements, or pay:

- (a) all goods and services or other applicable sales taxes (collectively, “**Sales Taxes**”) required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (b) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of

municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.

11. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order (“**Rent**”), but shall not pay any rent in arrears.
12. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:
  - (a) to make no payments of principal, interest thereon or otherwise on account of: (i) amounts owing by the Applicants, or any of them, as of the date of this Order or otherwise becoming due and owing during these CCAA proceedings pursuant to the Loan Agreement and the Forbearance Agreement, and (ii) amounts owing by the Applicants to any of their other creditors as of the date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

13. The Applicants and the Partnership shall subject to such requirements as are imposed by the CCAA, have the right to:
  - (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$50,000.00 in any one transaction or \$100,000.00 in the aggregate, provided that

any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to any of the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

(b) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deems appropriate, in accordance with section 32 of the CCAA; and

(c) pursue all avenues of refinancing or restructuring of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

14. The Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants or any one of them, or by further order of this Court upon application by the Applicants’ on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.

15. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor five (5) business days prior written notice; and
  - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants or any of them in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

16. Until and including March 4, 2021, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court, or, subject to any exceptions under the CCAA, a tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants or the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or any of them, or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court or the written consent of the Applicants and the Monitor.



## **NO EXERCISE OF RIGHTS OR REMEDIES**

17. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the *CCAA*;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.
18. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Applicants and the Monitor at the first available opportunity.

## **NO INTERFERENCE WITH RIGHTS**

19. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour,

alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants or any one of them, except with the written consent of the Applicants and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

20. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll and benefits services, insurance, shipping and transportation services, utility or other services to the Business or the Applicants,

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

21. Nothing in this Order has the effect of prohibiting a Person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or

otherwise extend any credit to the Applicants.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

22. During the Stay Period, and except as permitted by subsection 11.03(2) of the *CCAA* and paragraph 18 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

## **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

23. The Applicants shall indemnify their directors and officers (the “**D&Os**”) against obligations and liabilities that they may incur as directors and/or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.
24. The D&Os of the Applicants 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 aggregate amount of \$25,000.00, as security for the indemnity provided in paragraph 23 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 37 and 39 of this Order.
25. 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 Applicants’ D&Os 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 22 of this Order.

## **APPOINTMENT OF MONITOR**

26. BDO is hereby appointed pursuant to the *CCAA* as the Monitor, an officer of this Court, to monitor the Property, Business and financial affairs of the Applicants with the powers and obligations set out in the *CCAA* or set forth herein and that the Applicants and their shareholders, D&O's and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
27. The Monitor, in addition to its prescribed rights and obligations under the *CCAA*, is hereby directed and empowered to:
- (a) monitor the Applicants' and the Partnership's receipts and disbursements, Business and dealings with the Property;
  - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants;
  - (c) advise the Applicants and the Partnership in their preparation of the Applicants' cash flow statements and reporting required from time to time;
  - (d) assist the Applicants, to the extent required by the Applicants, with respect to any sale or investment solicitation process;
  - (e) advise the Applicants, to the extent required by the Applicants, in their development of the Plan and any amendments to the Plan;
  - (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants and the Partnership to the extent that is necessary to adequately assess the Applicants' and the Partnership's Property, Business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

28. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

29. The Monitor shall provide any creditor of the Applicants and the Partnership with information provided by the Applicants and the Partnership in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
30. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings) by the Applicants, in each case at their standard rates and charges, subject to the terms set forth in their respective engagement letters with the Applicants, as applicable, as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the foregoing parties in accordance with the payment terms agreed between the Applicants and such parties.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. The Monitor, counsel to the Monitor, and counsel to the Applicants, shall be entitled to the benefits of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$117,000.00, as security for their professional fees and disbursements incurred both before and after the granting of this Order at the normal rates and charges of the Monitor and such counsel, subject to the terms set forth in their respective engagement letters, as applicable. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

## **CRITICAL SUPPLIERS' CHARGE**

34. Each of the entities listed in Schedule "A" hereto is a critical supplier to the Applicants as contemplated by section 11.4 of the CCAA (each, a "**Critical Supplier**").
35. Each Critical Supplier shall continue to supply the Applicants or any of them with goods and/or services on terms and conditions that are consistent with existing arrangements and past practices. No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of goods and/or services to the Applicants after the date of this Order.
36. Each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (the "**Critical Suppliers' Charge**") on the Property in an amount equal to the value of the goods and services supplied by such Critical Supplier and received by the Applicants after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services, which charge shall not exceed \$60,000.00. The Critical Supplier Charge shall have the priority set out in paragraphs 37 and 39 hereof.

## **VALIDITY AND PRIORITY OF CHARGES**

37. The priorities of the Administration Charge, the Critical Suppliers' Charge and the Directors' Charge, as among them, shall be as follows:
  - (a) First – Administration Charge (to the maximum amount of \$117,000.00);
  - (b) Second – Critical Suppliers' Charge (to the maximum amount of \$60,000.00); and
  - (c) Third – Directors' Charge (to the maximum amount of \$25,000.00).
38. The filing, registration or perfection of the Administration Charge, the Critical Suppliers' Charge or the Directors' Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and 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.

39. Each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and, subject always to section 34(11) of the *CCAA*, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person that has received notice of this Application.
40. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtains the prior written consent of the Monitor and the beneficiaries of the applicable Charge(s), and the or further order of this Court.
41. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Charges**”) thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (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**”) which binds the Applicants, 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 the Applicants of any Agreement to which they are a party;

- (ii) none of the Chargees 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 the Applicants pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### **FINANCING DURING STAY PERIOD**

- 42. If, during the Stay Period, the Applicants and the Partnership require financing in order to finance the preservation of the Property, any such financing that the Applicants and the Partnership may obtain shall constitute equity financing (the “**Equity Financing**”) and not debt financing. The Equity Financing shall not be secured by any security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property except as otherwise permitted by this Court. For greater certainty, section 11.2 of the *CCAA* shall not apply in respect of the Equity Financing except as otherwise permitted by this Court.
- 43. The Applicants and the Partnership are hereby authorized and empowered to execute and deliver such documents as may be reasonably required by the provider of the Equity Financing to secure the Equity Financing.

#### **ALLOCATION**

- 44. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

## SERVICE AND NOTICE

45. The Monitor shall (i) without delay, publish in *Calgary Herald* and *Daily Oil Bulletin* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants, the Partnership or any one of them of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
46. The Monitor shall establish a website in respect of the within CCAA proceedings at: <https://www.bdo.ca/en-ca/extranets/calgaryoilandgas/> (the “**Proceedings Website**”).
47. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the “**Service List**”) to be maintained by the Applicants. The Monitor shall post and maintain an up-to-date form of the Service List on the Proceedings Website.
48. The Applicants and the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, any notices or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested or other interested parties and their advisors.
49. Any party to these proceedings may serve or distribute any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to the email addresses of counsel as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Proceedings Website.

50. Any interested party (other than the Applicants and the Monitor) that wishes to amend or vary this Order prior to the date that is set by the Applicants, in consultation with the Court, to extend the stay of proceedings beyond the initial 10 day period (the “**Comeback Date**”), shall bring an application before this Court to be scheduled on the Comeback Date, or such other date as the Court may permit, and any such interested party shall give not less than two (2) business days’ notice to the Service List and any other Person(s) likely to be affected by the relief sought by such party in advance of the Comeback Date. The Charges shall be entitled to rely on this Order as issued and entered and on the Charges and the priorities thereof set forth in paragraphs 37 and 39 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

## **GENERAL**

51. The Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order, or for advice and directions in the discharge of their powers and duties hereunder.
52. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, AR 124/2010, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor’s reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
53. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.
54. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such

assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. Each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
56. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.
57. Rule 9.4(2)(c) of the *Alberta Rules of Court*, AR 124/2010 is hereby invoked and approval of the form of this Order by any other party whose signature is not endorsed hereon is hereby dispensed with.

  
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Justice of the Court of Queen's Bench of Alberta

## **SCHEDULE “A”**

### **List of Critical Suppliers**

2076273 Alberta Ltd.

APT Energy Services Ltd.

Klassen’s Mechanical Oilfield Maintenance Ltd.

Ty-Co Industries Ltd.