

Form 49
Rule 13.19

Clerk's stamp

COURT FILE NUMBERS B201-979735 / 25-2979735

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTERS IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, OF GRIFFON PARTNERS OPERATION CORP., GRIFFON PARTNERS HOLDING CORP., GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., SPICELO LIMITED, STELLION LIMITED, 2437799 ALBERTA LTD., 2437801 ALBERTA LTD. and 2437815 ALBERTA LTD.

NB
C12187

COM Feb 6, 2024

APPLICANTS TRAFIGURA CANADA LIMITED and SIGNAL ALPHA C4 LIMITED

RESPONDENT SPICELO LIMITED

DOCUMENT **AFFIDAVIT**

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AND CONTACT
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Lawyers for the Applicants,
Trafigura Canada Limited and Signal Alpha C4 Limited

File No.: 137093.1011

AFFIDAVIT NO. 6 OF DAVE GALLAGHER

Sworn on January 29, 2024

I, Dave Gallagher, of the City of London, in the United Kingdom, SWEAR AND SAY THAT:

1. I am Managing Director, Credit Investments, of Signal Alpha C4 Limited ("**Signal**"), and as such, I have personal knowledge of the facts and matters stated herein, except where stated to be based on information and belief, and, where so informed, I believe such matters to be true.

2. I am duly authorized to swear this Affidavit on behalf of the primary secured lenders, Signal and Trafigura Canada Limited ("**Trafigura**" and with Signal, the "**Lenders**").
3. I previously swore five affidavits in these proceedings (the "**NOI Proceedings**") on September 19, 2023 (the "**First Gallagher Affidavit**"), October 17, 2023 (the "**Second Gallagher Affidavit**"), November 6, 2023 (the "**Third Gallagher Affidavit**"), November 20, 2023 (the "**Fourth Gallagher Affidavit**"), and December 11, 2023 (the "**Fifth Gallagher Affidavit**") (collectively, the "**Gallagher Affidavits**").
4. All references to monetary amounts in this Affidavit are in Canadian dollars unless otherwise noted.
5. Griffon Partners Operation Corp. ("**GPOC**"), Griffon Partners Capital Management Ltd. ("**GPCM**") Griffon Partners Holding Corp. ("**GPHC**"), Stellion Limited ("**Stellion**"), 2437801 Alberta Ltd. ("**2437801**"), 2437799 Alberta Ltd. ("**2437799**"), 2437815 Alberta Ltd. ("**2437815**") and Spicelo Limited ("**Spicelo**") are collectively referred to as the "**Debtors**" in these NOI Proceedings.

The Parties

6. GPOC is a small oil and gas company with a limited number of producing assets in the Viking formation in Saskatchewan (the "**GPOC Assets**"). GPOC operates the GPOC Assets through a small group of approximately 16 contractors.
7. The other 7 parties in the NOI proceedings are either guarantors of GPOC's secured debt to the Lenders or holding companies. 6 of the guarantors are holding companies with no significant assets other than shares in GPOC. Only one of the guarantors holds assets of any value – Spicelo.
8. Attached and marked as **Exhibit "A"** is a copy of the organizational chart and description of the Debtors excerpted from the First Stepanic Affidavit. Spicelo is unrelated to the rest of the GPOC group, except that it is the personal holding company of Jonathan Klesch, one of GPOC's directors.
9. Spicelo does not have employees or carry on any active business operations. Spicelo's most significant asset is 1,125,002 common shares in the capital of Greenfire Resources Inc. (which are pending to be exchanged for 5,499,506 shares in the capital of Greenfire Resources Ltd. ("**Greenfire**") (before and after such exchange being referred to as the "**Pledged Shares**"), a publicly traded company on the New York Stock Exchange ("**NYSE**").

Indebtedness and Default

10. On July 21, 2022, the Lenders advanced a total of USD\$35,869,565.21 (the "**Loan**") to GPOC pursuant to the terms of a loan agreement (the "**Loan Agreement**") to serve as financing towards

an asset purchase and sale transaction to obtain the GPOC Assets between Tamarack Valley Energy Ltd. ("**Tamarack**") and GPOC (the "**Tamarack Acquisition**"). The Tamarack Transaction was fully financed by the Lenders and by the subordinate secured creditor, Tamarack. Attached and marked as **Exhibit "B"** is a copy of the Loan Agreement.

11. As part of the security package for the Loan Agreement, Spicelo gave a Limited Recourse Guarantee and Securities Pledge Agreement dated July 21, 2022 (the "**Share Pledge**") with respect to the Pledged Shares and the Special Dividend (as defined below). Attached and marked as **Exhibit "C"** is a copy of the Share Pledge.
12. The Loan went into default within four months of its advance. After several attempts to work with the Debtors and after proposing a forbearance agreement in May 2023, and again in August 2023, the Lenders issued formal demands for repayment from the Debtor and the Guarantors (the "**Demands**") concurrently with notices to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") on August 16, 2023. In response, and without notice to the Lenders, the Debtors all filed Notices of Intention to Make a Proposal on August 25, 2023 (the "**Filing Date**").
13. As of August 16, 2023, the Lenders were owed USD\$37,938,054.69, plus legal fees, costs, expenses and other charges which are due and payable pursuant to the terms of the Loan Agreement (collectively, the "**Indebtedness**"). The Indebtedness represents 68% (\$51,413,652.14 of \$75,681,542.85 CAD) of the creditor claims of GPOC and substantially all the creditor claims of the other Debtors in these NOI Proceedings. In particular, the Lenders represent 100% of the proven creditors of Spicelo.

NOI Proceedings

14. Since the Filing Date, the Debtors have brought four applications – three applications for stay extensions and one application for approval of a sale and investment solicitation process ("**SISP**"). The Lenders have brought two applications – one for the appointment of a receiver over Spicelo (which was never heard) and another with respect to the Pledged Shares (which proceeded by consent).
15. With the exception of the first stay extension application (the "**First Extension Application**"), the Lenders have consented to all stay extensions for the Debtors. The Lenders recognized that the GPOC Assets and the Pledged Shares needed to be sold or refinanced in order for the Lenders to be repaid. The Lenders also recognize that a Court-ordered process is the best way to proceed in the interest of all stakeholders. The Lenders have never tried to exercise any "self-help" remedy to institute any proceedings other than Court approved sales processes. However, the Lenders

have always been of the belief that an NOI Proceeding tied to the sale of an operating oil and gas company like GPOC was an inappropriate forum for the sale of the Pledged Shares.

16. To that end, at the First Extension Application the Lenders opposed the stay extension with respect to Spicelo only. The Lenders argued that Spicelo, as a separate and distinct entity from the other Debtors, should be removed from the NOI Proceedings and that a receiver could more quickly and efficiently sell the Pledged Shares to resolve the Indebtedness. The Court ultimately decided to extend the stay of proceedings for all the Debtors to enable the Debtors to explore the possibility of a full refinancing using the Pledged Shares as part of the overall collateral package. As a result, the Lenders' receivership application did not proceed. Attached and marked as **Exhibit "D"** is a copy of the transcript of the First Extension Application and attached as **Exhibit "E"** are reasons for decision of Justice Johnston.
17. In addition, at the First Extension Application the engagement of the Transaction Agent was also approved by the Court (which was recommended by the Proposal Trustee). The Transaction Agent's fees are based on their standard hourly rates to be reimbursed by the Debtors on a biweekly basis. In the 20 weeks since the Transaction Agent was originally engaged nearly \$700,000 CAD in fees have accrued. Attached and marked as **Exhibit "F"** is a copy of the redacted terms of engagement of the Transaction Agent and attached as **Exhibit "G"** are copies of cash flow variance reports evidencing the totality of fees accrued by the Transaction Agent to December 29, 2023, and January 12, 2024, respectively.
18. On October 18, 2023, the Debtors obtained an Order approving the SISP. The SISP specifically excluded the Pledged Shares and/or assets of Spicelo as available in an asset purchase. In all cases, the Pledged Shares and/or assets of Spicelo were limited in the SISP to a refinancing transaction only. The Final Bid Deadline was originally scheduled for January 8, 2024, but was unilaterally extended by the Proposal Trustee to January 22, 2024. Attached and marked as **Exhibit "H"** is a copy of the SISP.
19. On December 15, 2023, the Debtors obtained an order (the "**Declaration Order**") which provided a declaration that the Lenders were not prevented from exercising their contractual rights pursuant to the Share Pledge against Spicelo in relation to the Pledged Shares. The Declaration Order was necessitated due to representations made by the Proposal Trustee and the Debtors' counsel in Court that the Lenders were somehow constrained from exercising their enforcement rights under the Share Pledge by virtue of the existence of a Lock Up Agreement that the Lenders were not party to. Such representations resulted in considerable expense to the Lenders (including obtaining a legal opinion from US counsel to opine on Delaware law), which in the end the Proposal Trustee and Debtors resiled from. The Lenders' application for the Declaration Order eventually proceeded by way of consent. A copy of the Declaration Order is attached and marked as **Exhibit "I"**.

20. The Lenders have been dragged along the SISP process for the GPOC Assets, on the faint chance that the Pledged Shares could be included in a refinancing option. On January 26, 2024, the Lenders met with the Proposal Trustee and Transaction Agent to obtain an update on the outcome of the SISP Final Bid Deadline. The Lenders were advised during that meeting that an update report (the “**SISP Report**”) summarizing the details of the SISP Final Bid Deadline would be forthcoming. Further details regarding the SISP and the Lenders’ position will be more fully described in the Confidential Affidavit of Dave Gallagher, to be filed (the “**Confidential Affidavit**”) upon receipt of the SISP Report.
21. Unless the Debtors are granted a fourth stay extension on February 6, 2024, these NOI Proceedings will terminate, and the Debtors will be assigned into bankruptcy. In the alternative, if the Debtors are granted a fourth stay extension, the maximum allowable time under the BIA is until February 23, 2024. The Lenders have been advised that the Debtors intend to convert these proceedings into a CCAA proceeding, as the sale of the GPOC assets will not have been concluded by February 23, 2024.

The Pledged Shares

22. As the Lenders have always contended, liquidation of the Spicelo assets is the only way in which the Lenders will be fully repaid. There is no proposal which Spicelo could make which would be acceptable to the Lenders, nor is there any restructuring to be had of Spicelo. Spicelo is simply a holding company which owns stock in a publicly traded company, which stock was specifically pledged to the Lenders.
23. Pursuant to the terms of the Share Pledge, which is a limited recourse guarantee and securities pledge agreement, Spicelo granted, *inter alia*, all the Pledged Shares to the Lenders as collateral for its commitment. No other creditor in these NOI Proceedings has recourse to the Pledged Shares.
24. The Pledged Shares have significant value. The shares of Greenfire, including those held by Spicelo and pledged to the Lenders, recently participated in a transaction (the “**Greenfire Transaction**”) whereby, among other things, these shares were arranged into new shares of a special purpose vehicle (the “**New Greenfire Shares**”) pursuant to a statutory plan of arrangement and in connection with a business combination, and as of September 20, 2023, such New Greenfire Shares (including the Pledged Shares) were listed and posted for trading on the NYSE. On the day of the public listing on September 21, 2023, the estimated fair market value of the listed shares was USD\$10.10/share, implying a Pledged Share value of USD\$55,545,010.60. The Pledged Shares are also entitled to a special dividend in the amount of USD \$6,600,000 (the “**Special Dividend**”), and to which the Lenders are entitled to by virtue of the Share Pledge.

25. As of September 21, 2023, the estimated combined value of the Pledged Shares and Special Dividend was \$62,145,000 USD, or approximately \$84,828,010 CAD. When the Lenders issued their Demand in August 2023, a sale of the Pledged Shares alone would have been sufficient to see the Indebtedness paid off. However, since the commencement of these NOI Proceedings, the value of the Pledged Shares has fluctuated from a high of \$10.10 USD/share (upon listing September 21, 2023) to \$4.72 USD/share (December 20, 2023). On January 26, 2024, the closing price of the Pledged Shares was \$5.51 USD/share. These fluctuations highlight the volatility of share prices, and that the Lenders' exposure to risk. Attached and marked as **Exhibit "J"** is a copy of the historical trading information for the New Greenfire Shares.

A Receiver should be Appointed over Spicelo

26. In the event of a default on the Loan Agreement by GPOC, the Lenders are entitled to seek repayment from Spicelo as a separate and distinct obligation and, in the event of non-payment by Spicelo, the guarantee and share pledge entitles the Lenders to, *inter alia*, appoint a receiver over the Pledged Shares and Special Dividend.
27. Considering the facts and circumstances described above, the Lenders believe that it is necessary to appoint Grant Thornton Limited ("**GT**") as Receiver over Spicelo. The Lenders have met with GT to discuss the engagement and have been assured that GT will be able to quickly come up to speed and commence a cost-effective sales process under the Court's supervision. Attached hereto as **Exhibit "K"** is a copy of GT's Consent to Act as Receiver.
28. The Lenders have no belief that GT would commence a fire sale of the Pledged Shares – this would be adverse to the Lenders' own interests. Rather, the Lenders believe that GT will act in a manner that preserves value for all stakeholders.
29. Notably, Trafigura is already a holder of 3.9% of the New Greenfire Shares by virtue of earlier and unrelated acquisitions of Greenfire securities, reflecting a material interest in Greenfire apart from these NOI Proceedings. Through Trafigura's previous experience with Greenfire and the Lenders' relationships in the market, the Lenders have considerable familiarity with potential buyers who are likely to express interest in the Pledged Shares. The Lenders believe that they are well suited to provide GT with relevant market information that would assist in a court-ordered sales process of the Pledged Shares.
30. The Lenders believe there is no other process available in the circumstances that would enable it to adequately protect its interests, other than a receivership. The Lenders have faced over five months of delay tactics and have seen approximately \$2,200,000 CAD in professional fees (pre-

filing payments to legal and financial advisors, Proposal Trustee and counsel, Debtors' counsel, and Transaction Agent) charged against their collateral in an 20-week period, over their objections.

31. The Lenders have been dismayed by the Proposal Trustee's lack of communication and responsiveness to the Lenders during this process and have lost faith in the ability of the Proposal Trustee to realize on the assets in an efficient and cost-effective manner.
32. The Lenders have no confidence in the ability of Spicelo to manage its assets in any other way than to obstruct the Lenders and wish to have control of the Pledged Shares taken out of the hands of Spicelo immediately. The Lenders believe that Spicelo and Jonathan Klesch (Spicelo's sole beneficial owner) should no longer be in control of the assets, and that a debtor-in-possession scenario (which has already run five months and proven to be inordinately expensive) is not in the Lenders' best interests.
33. Further evidence of the Lenders' position will be contained in the Confidential Affidavit, which will be submitted to the Court upon receipt of the SISP Report. The Lenders seek, *inter alia*, a restricted court access order for the Confidential Affidavit to maintain the confidentiality of the SISP process.

Remote Commissioning

34. I am not physically present before the Commissioner for Oaths (the "**Commissioner**") taking this Affidavit, but I am linked with the Commissioner by video technology and the remote commissioning process has been utilized.

SWORN utilizing video technology this 29 day
of January, 2024.

DocuSigned by:

Natasha Doelman

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NATASHA DOELMAN
BARRISTER AND SOLICITOR
A Notary Public in and for Alberta

DocuSigned by:

Dave Gallagher

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DAVE GALLAGHER

This is **Exhibit "A"** referred to in the Affidavit of Dave Gallagher sworn before me via video technology this 29 day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

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COURT

COURT OF KING'S BENCH OF ALBERTA

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JUDICIAL CENTRE

CALGARY

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 GRIFFON PARTNERS OPERATION CORPORATION, GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., STELLION LIMITED, 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO LIMITED

APPLICANTS

GRIFFON PARTNERS OPERATION CORPORATION, GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., STELLION LIMITED, 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO LIMITED

DOCUMENT

AFFIDAVIT OF DARYL STEPANIC

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Matter: 1247318

5. For the reasons described below, on August 25, 2023, each of the Applicants filed Notices of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the BIA in Estate numbers 25-2979721, 25-2979725, 25-2979732, 25-2979735, 25-2979736, 25-2979737, 25-2979738, and 25-2979739 (the “**NOIs**”). A&M was appointed Proposal Trustee in each of the Applicants’ proceedings. Attached as **Exhibit “A”** are copies of the NOIs.

B. The Applicants’ Businesses

(a) Corporate Structure

6. All of the Griffon Entities are private corporations existing under the laws of the Province of Alberta, with their registered offices in Calgary, Alberta. GPCM is the ultimate parent company of the Griffon Entities. GPHC and GPOC are wholly-owned, direct subsidiaries of GPCM.

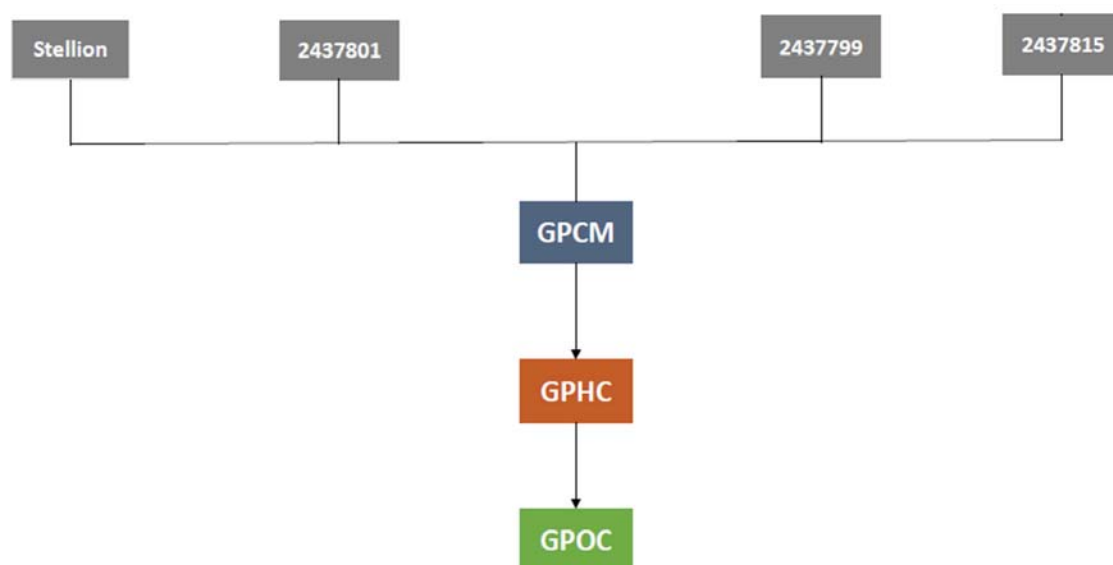
7. Each of the Griffon Entities (other than GPHC) has four directors: Elliott Choquette, Jonathan Klesch, Trevor Murphy and myself, all of whom have been directors of the Griffon Entities since the incorporation of each company in 2022. GPHC has one additional director, Dave Gallagher, who is a nominee of Signal (as defined below).

8. GPCM is wholly-owned by four holding companies which are, in turn, each owned by a director of the Griffon Entities. Specifically: (a) 2437801 Alberta Ltd. holds 1 class A common share and 8,500 class B common shares of GPCM and is owned by Mr. Choquette; (b) Stellion Limited (“**Stellion**”) holds 1 class A common share and 79,500 class B common shares of GPCM and is beneficially owned by Mr. Klesch; (c) 2437799 Alberta Ltd. holds 1 class A common share and 6,000 class B common shares of GPCM and is owned by Mr. Murphy; and (d) 2437815

Alberta Ltd. (“**Stepanic Shareholder Corp.**”) holds 1 class A common share and 6,000 class B common shares of GPCM and is owned by me. Each of the foregoing entities is referred to in this Affidavit as the “**Shareholder Corporations**”.

9. All of the Shareholder Corporations are incorporated pursuant to the laws of the Province of Alberta other than Stellion, which is incorporated pursuant to the laws of the Republic of Cyprus and extra provincially registered in Alberta.

10. A copy of the corporate chart showing the structure of the Griffon Entities and each of the Shareholder Corporations is attached hereto as **Exhibit “B”**. A simplified version of the corporate chart is below:



11. In addition to the Griffon Entities and the Shareholder Corporations, Spicelo Limited is an investment company incorporated pursuant to the laws of the Republic of Cyprus and extra-provincially registered in Alberta (“**Spicelo**” and together with the Griffon Entities and the Shareholder Corporations, the “**Applicants**”). Mr. Klesch is the sole beneficial shareholder of Spicelo. As discussed further below, Spicelo, like each of the Shareholder Corporations, is party

to a Limited Recourse Guarantee and Securities Pledge Agreement granted in favour of Trafigura Canada Limited (“**Trafigura**”) and Signal Alpha C4 Limited (“**Signal**” and together, the “**Lenders**”) to secure all of GPOC’s obligations under a Loan Agreement between GPOC (as borrower), GPCM and GPHC (as guarantors), the Lenders, GLAS USA LLC (the “**Administrative Agent**”), and GLAS Americas LLC (the “**Collateral Agent**”) dated July 21, 2022 (as amended by First Amending Agreement to the Griffon Partners Operation Corp. Loan Agreement, made effective as of August 31, 2022, and as may be further amended, restated, supplemented, or otherwise modified from time to time, the “**Amended Credit Agreement**”). Spicelo’s most significant asset is 1,125,002 common shares held in the capital of Greenfire Resources Inc. (“**Greenfire**” and the shares held by Spicelo, the “**Greenfire Shares**”).

12. Copies of Alberta corporate searches for each of the Applicants are attached hereto as **Exhibit “C”**.

(b) The Griffon Entities’ Business

13. The Griffon Entities’ business is focused on the exploration and development of light oil and natural gas liquids in the Viking formation in western Saskatchewan and eastern Alberta. All of the Griffon Entities’ oil and natural gas interests are held in the name of or otherwise through GPOC, which conducts all business and operations on behalf of the Griffon Entities.

14. GPOC holds rights in more than 120,000 acres in the Viking light oil and natural gas fairway. All of the Griffon Entities’ current oil and gas production and related assets were acquired by GPOC from Tamarack Valley Energy Ltd. (“**Tamarack**”) in July 2022 for a purchase price of \$70 million, funded in part by financing accessed by GPOC pursuant to the Amended Credit

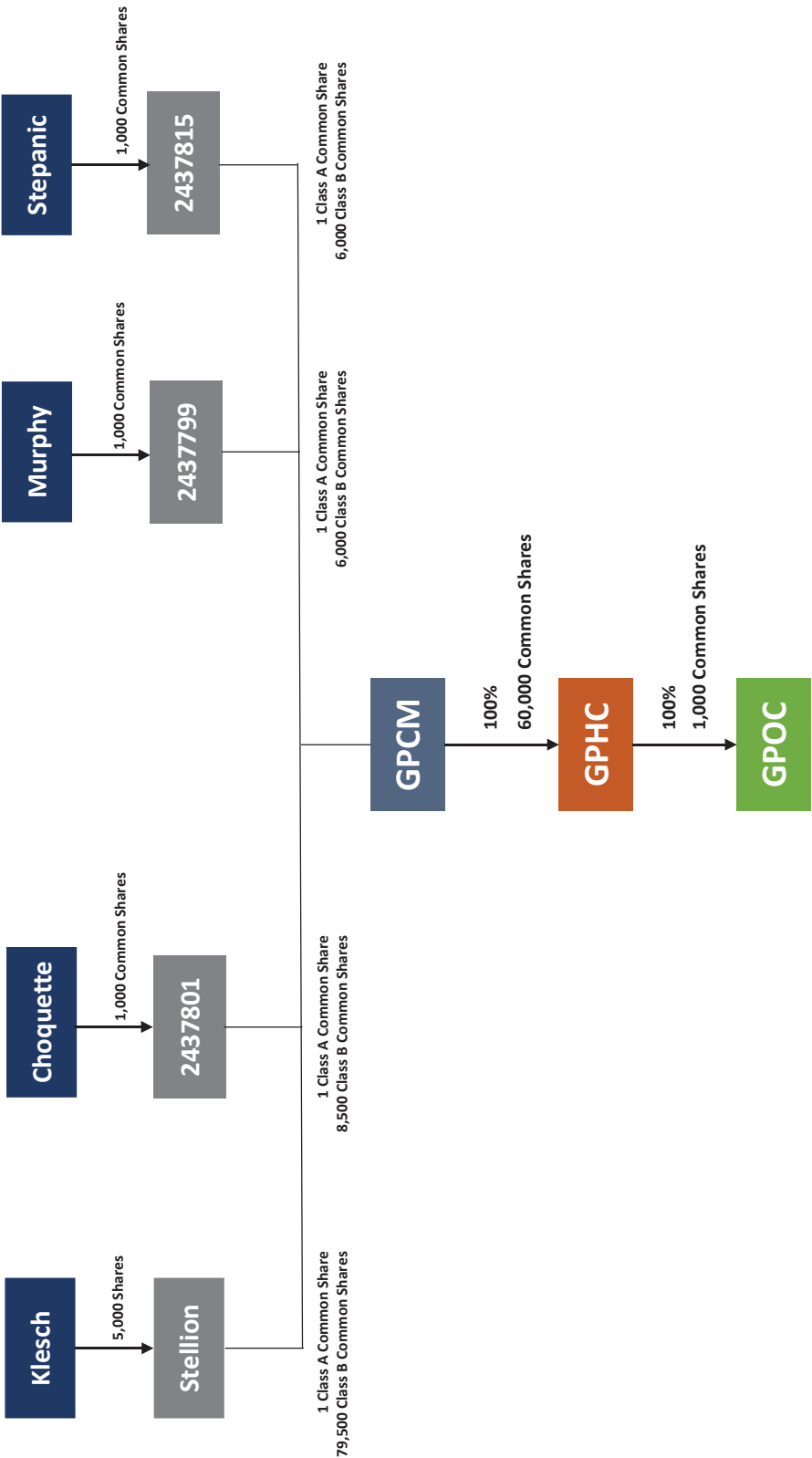
This is **Exhibit "B"** to the Affidavit of Daryl Stepanic
sworn before me this 14th day of September 2023.



Notary Public/Commissioner for Oaths in and for Alberta

JULIE LAURA TRELEAVEN
Commissioner for Oaths
in and for
the Province of Alberta

Griffon Partners Operation Corp. Organizational Structure



This is **Exhibit "B"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

GRIFFON PARTNERS OPERATION CORP.

as Borrower

and

**GRIFFON PARTNERS CAPITAL MANAGEMENT LTD. AND
GRIFFON PARTNERS HOLDING CORP.**

as Guarantors

and

**TRAFIGURA CANADA LIMITED, SIGNAL ALPHA C4 LIMITED AND
THOSE OTHER PERSONS WHICH
HEREAFTER BECOME LENDERS
UNDER THIS AGREEMENT**

as Lenders

and

GLAS USA LLC

as Administrative Agent

and

GLAS AMERICAS LLC

as Collateral Agent

LOAN AGREEMENT

July 21, 2022

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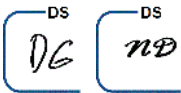
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Schedule A	(Leased Properties)
Schedule B	(Owned Properties)
Schedule C	(Permitted Liens)
Schedule 2.5	(Amortization Schedule)
Schedule 5.1(a)	(Jurisdictions of Incorporation)
Schedule 5.1(p)	(Environmental Laws)
Schedule 5.1(s)	(Material Agreements)
Schedule 5.1(w)	(Corporate Structure)
Exhibit 1	(Form of Compliance Certificate)
Exhibit 2	(Form of Environmental Certificate)
Exhibit 3	(Form of Oil and Gas Ownership Certificate)
Exhibit 4	(Form of Notice of Advance)

LOAN AGREEMENT

Loan agreement dated as of July 21, 2022 among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and Griffon Partners Holding Corp., as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which hereafter become lenders under this Agreement, as Lenders, GLAS USA LLC, as Administrative Agent and GLAS Americas LLC, as Collateral Agent.

PREAMBLE:

- A. The Lenders wish to provide the Credit Facility to the Borrower and on the terms and conditions set forth herein.

AGREEMENT:

In consideration of the covenants and agreements between the parties hereto contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Abandonment/Reclamation Order" means any order, directive or demand, including to post security deposits, issued by any Energy Regulator which relates to any of the producing petroleum and natural gas properties and interests or related facilities of the Borrower or any other Credit Party, including, without limitation, abandonment and reclamation liabilities associated therewith.

"Accounting Change" has the meaning specified in Section 1.7(3).

"Acquisition" means the acquisition by the Borrower of the Tamarack Assets pursuant to the terms of the Acquisition Agreement, such that following the completion of such Acquisition the Borrower will be the legal and beneficial owner of the Tamarack Assets.

"Acquisition Agreement" means the purchase and sale agreement dated June 9, 2022 entered into between GPCM, as purchaser, and Tamarack, as vendor, in respect of the purchase and sale of the Tamarack Assets, as amended by the amending agreement dated June 30, 2022 and as assigned by GPMC to the Borrower by the assignment and amendment agreement dated July 15, 2022.

"Acquisition Closing" means the completion of the Acquisition in accordance with the Acquisition Agreement.

"Acquisition Documents" means, collectively, the Acquisition Agreement and all other ancillary documents contemplated or referred to in the Acquisition Agreement.

"Administrative Agent" means GLAS USA LLC, in its capacity as administrative agent for and on behalf of the Lenders and in accordance with the provisions of this Agreement, and its successors and permitted assigns pursuant to the terms hereof.

"Advance" means the advance made by the Lenders under the Credit Facility pursuant to Article 2.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this loan agreement as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, whether with the same or different Lenders, Administrative Agent or Collateral Agent.

"Amortization Schedule" means the schedule of payments of Outstanding Principal set forth in Schedule 2.5.

"Anti-Corruption Controls" has the meaning specified in Section 5.1(hh)(vi)(A).

"Anti-Corruption Laws" means all laws concerning or relating to bribery or public corruption, including the *Corruption of Foreign Public Officials Act* (Canada), the UK Bribery Act and the FCPA and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any Subsidiary, or the Administrative Agent, Collateral Agent, any Lender or Affiliate of the foregoing.

"Anti-Money Laundering/ Anti-Terrorist Financing Laws" means all laws concerning or relating to money laundering or terrorist financing, including Part II.1 of the *Criminal Code* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), regulations promulgated pursuant to the *Special Economic Measures Act* (Canada) and the *United Nations Act* (Canada), the *Bank Secrecy Act*, 31 U.S.C. sections 5301 et seq., the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. 107-56 (a/k/a the USA Patriot Act), *Laundering of Monetary Instruments*, 18 U.S.C. section 1956, *Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity*, 18 U.S.C. section 1957, the *Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations*, 31 C.F.R. Chapter X (Parts 1000 et. seq.) and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any Subsidiary, or the Administrative Agent, Collateral Agent, any Lender or Affiliate of the foregoing.

"Applicable Law" means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any Authorization or other written approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Assets of such Person, in each case whether or not having the force of law.

"Applicable LMR Jurisdiction" means with respect to the Borrower or any other Credit Party, any jurisdiction in Canada in which the Borrower or such other Credit Party directly owns P&NG Leases, P&NG Rights or other facilities or assets relevant to the determination of the LMR in such jurisdiction.

"Applicable Rate" means a rate of interest per annum equal to the Prime Rate plus 9.5% per annum.

"Asset" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situated, whether now owned or hereafter acquired (and, for greater certainty, includes any Equity Securities or like interest of such Person in any other Person).

"Assignee" has the meaning specified in Section 10.5(2).

"Authorization" or **"Authorizations"** means any authorization, qualification, consent, approval, waiver, order, decree, demand, license, grant, franchise, right, privilege, exemption, certification, permit, registration, filing, qualification or declaration of or with any Person or Governmental Authority or the giving of notice to any Person or Governmental Authority or any other action in respect of a Person or Governmental Authority.

"Blocked Account Agreement" means a blocked account agreement among the Borrower, the Lenders and the relevant depository bank with respect to the Collection Account, in form and substance satisfactory to the Lenders, which shall provide the Collateral Agent with sole control of the Borrower's account containing any proceeds of the Borrower's Collateral following the delivery of an activation notice pursuant to such agreement, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time.

"Borrower" means Griffon Partners Operation Corp., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns pursuant to the terms hereof.

"Business" means the business carried on by the Borrower which comprises the development, production and/or acquisition of P&NG Rights and Petroleum Substances.

"Business Day" means any day, other than a Saturday or Sunday, on which banks are open for domestic and foreign exchange business in Calgary, Alberta and New York, New York.

"Capital Lease" means any lease which has been or should be capitalized on the books of the Borrower in accordance with GAAP.

"Cash Proceeds of Realization" means the aggregate of (a) all Proceeds of Realization in the form of cash, and (b) all cash proceeds of the sale or Disposition of non-cash Proceeds of Realization.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any Applicable Law by any Governmental Authority.

"Change of Control" means (a) the occurrence of any transaction or event as a result of which a Person other than the GPCM Shareholder Guarantors owns (legally or beneficially) any Equity Securities in the capital of GPCM, (b) the occurrence of any transaction or event as a result of which a Person other than GPCM or a Lender owns (legally or beneficially) any Equity Securities in the capital of GPHC, (c) the occurrence of any transaction or event as a result of which a Person other than GPHC owns (legally or beneficially) any Equity Securities in the capital of the Borrower, or (d) the direct or indirect Disposition of all or substantially all of the Assets of a Credit Party to any Person or group of Persons (other than another Credit Party).

"Closing Date" means the date of satisfaction or waiver of all conditions set out in Section 4.1 and the making available of the Credit Facility hereunder, or such other date as agreed by the Borrower and the Lenders.

"COGE Handbook" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) as amended or superseded from time to time.

"Collateral" means any and all Assets of any Credit Party in respect of which the Collateral Agent, for the benefit of the Secured Parties, has or is intended to have a Lien pursuant to a Security Document.

"Collateral Agent" means GLAS Americas LLC, in its capacity as collateral agent for and on behalf of the Lenders and in accordance with the provisions of this Agreement, and its successors and permitted assigns pursuant to the terms hereof.

"Collection Account" means the bank account of the Borrower that is (or will be) subject to the Blocked Account Agreement, which account is maintained at Royal Bank of Canada and has account number 1041540.

"Commercial Agreement" means the marketing agreement entered into between the Borrower and Trafigura or an Affiliate thereof whereby Trafigura or an Affiliate thereof shall purchase and market one hundred percent (100%) of the Borrower's existing and future production of Petroleum Substances in accordance with the provisions thereof.

"Commitment" means the principal amount of U.S. \$35,869,565.21.

"Compliance Certificate" means a certificate of the Borrower substantially in the form of Exhibit 1 signed on its behalf by any senior financial officer of the Borrower, acceptable to the Lenders and provided to the Administrative Agent.

"Contaminant" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, PCBs, or any hazardous or toxic constituent of any such substance or waste, in each case, which is listed or regulated under any Environmental Law.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have corresponding meanings.

"Credit Documents" means this Agreement, the Security Documents, the Intercreditor Agreement (Borrower), the Intercreditor Agreement (Swap Counterparty) and all other documents executed and delivered to the Administrative Agent or the Collateral Agent, in each case for the benefit of the Lenders or the Secured Parties, as applicable, by the Credit Parties from time to time in connection with this Agreement or any other Credit Document (including, without limitation, any Blocked Account Agreement).

"Credit Facility" means the non-revolving, single advance, term loan facility in the maximum principal amount of the Commitment to be made available hereunder to the Borrower by the Lenders in accordance with the provisions hereof.

"Credit Parties" means, collectively, the Borrower, GPCM, GPHC, the GPCM Shareholder Guarantors and Spicelo Limited, and **"Credit Party"** means any one of them.

"Current Assets" means, at any time, all current Assets of the Borrower, determined on a consolidated basis as of such time in accordance with GAAP, excluding any deferred tax Assets and any hedges under Swap Agreements (to the extent reflected as an Asset on the balance sheet of the Borrower).

"Current Liabilities" means, at any time, all current liabilities of the Borrower, determined on a consolidated basis as of such time in accordance with GAAP, excluding the current Obligations of the Credit Facility.

“Current Ratio” means the ratio of Current Assets to Current Liabilities.

“Debt” of any Person means all indebtedness and obligations in respect of amounts borrowed which, in accordance with GAAP, on a consolidated basis, would be recorded in such Person’s consolidated financial statements (including the notes thereto), and in any event including, without duplication:

- (a) all indebtedness of such Person for borrowed money, including bankers’ acceptances or letters of guarantee;
- (b) the stated amount of letters of credit supporting obligations which would otherwise constitute Debt within the meaning of this definition or any other letters of credit if drawn and not reimbursed;
- (c) all indebtedness of such Person for the deferred purchase price of property or services, other than for property and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;
- (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Assets);
- (e) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;
- (f) all obligations under purchase money security interests, Capital Leases (other than in respect of office space or operating leases, in each case entered into in the ordinary course of business) and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;
- (g) sale-leaseback payment obligations;
- (h) any off-balance sheet transactions, arrangements or other obligations;
- (i) all obligations to purchase, redeem, retire or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are redeemable for cash or debt at the sole option of the holder, or (iii) provide for scheduled payments of dividends in cash, in each case, on or prior to the Maturity Date;
- (j) the net amount of all obligations of such Person (determined on a mark-to-market basis) under Swap Agreements which are due and owing by such Person;
- (k) all obligations to deliver commodities, goods or services, including, without limitation, Petroleum Substances, in consideration of one or more advance payments for periods in excess of 120 days prior to the date of delivery, other than in the ordinary course of business; and
- (l) all Debt of another entity of a type described in clauses (a) through (g) which is directly or indirectly guaranteed by such Person, which is secured by a Lien on any Assets of such Person, which such Person has agreed (contingently or otherwise) to purchase or

otherwise acquire, or in respect of which such Person has otherwise assured a creditor or other entity against loss,

but shall exclude each of the following, determined (as required) in accordance with GAAP:

- (m) the unrealized amount of all obligations of such Person (determined on a mark-to-market basis) under Swap Agreements which are not yet due and owing by such Person;
- (n) trade payables and accrued liabilities in the ordinary course of business;
- (o) current taxes payable and deferred taxes; and
- (p) accrued interest payable.

The Debt of any Person shall include the Debt of any other entity (including a partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor.

"Decommissioning Budget" means the budget delivered by the Borrower to the Administrative Agent, for the benefit of the Lenders, pursuant to Section 6.1(b)(x).

"Default" means an event which, with the giving of notice or passage of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Default Rate" means two percent (2%) per annum.

"Disposition" means any sale, assignment, transfer, conveyance, lease, license, granting of an option, demolition, abandonment or other disposition (or agreement to dispose) of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb **"Dispose"** has a correlative meaning.

"Distribution" means, with respect to any Person, any payment (whether by cash, property or both) by such Person (a) of any dividend or other distribution on issued Equity Securities of such Person or any of its Subsidiaries, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement, retraction or other acquisition of any issued Equity Securities of such Person or any of its Subsidiaries, (c) of any amount, whether as consulting fees, management fees, service fees or otherwise to (i) any Affiliate of such Person, (ii) any Person that directly or indirectly owns or controls Equity Securities of such Person, (iii) any Affiliate of a Person described in clause (ii), (iv) any Person that is an officer or director of such Person or of any Affiliate of such Person or of any Person described in clause (ii) or clause (iii), or (v) any immediate family member of any of the foregoing (the Persons referred to in subparagraphs (i) through (v) inclusive of paragraph (b) of this definition are referred to in this definition of Distribution as the **"Restricted Parties"** and each a **"Restricted Party"**), (d) of principal or other amounts in respect of Debt owed to Restricted Parties, or (e) any payments outside of the ordinary course of business. A Distribution also includes any transfer by a Person of such Person's Assets for consideration less than Fair Market Value to any Restricted Party. For the avoidance of doubt, and without limiting the foregoing, GPCM, GPHC, the GPCM Shareholder Guarantors and their respective Subsidiaries are each a Restricted Party.

"EBITDAX" means, for any fiscal period and as determined in accordance with GAAP (on a consolidated basis) in respect of the Borrower:

- (a) all Net Income for such period; plus
- (b) Interest Expense to the extent deducted in determining such Net Income; plus
- (c) all amounts deducted in the calculation of such Net Income in respect of the provision for income taxes; plus
- (d) all amounts deducted in the calculation of such Net Income in respect of non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market any outstanding hedging and financial instrument obligations, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period; plus
- (e) exploration expenses; and
- (f) losses attributable to extraordinary and non-recurring losses, in each case to the extent deducted in the calculation of such Net Income;

less (on a consolidated basis), without duplication:

- (g) earnings attributable to extraordinary and non-recurring earnings and gains, in each case to the extent included in the calculation of such Net Income (including interest income);
- (h) to the extent included in the calculation of such Net Income, gains from asset sales;
- (i) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period; and
- (j) to the extent included in such Net Income, any other non-cash items increasing such Net Income for such period, including non-cash gains resulting from marking-to-market any outstanding hedging and financial instrument obligations for such period.

“Energy Regulator” means (a) with respect to the Province of Alberta, the Alberta Energy Regulator, (b) with respect to the Province of British Columbia, the BC Oil and Gas Commission, (c) with respect to the Province of Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Applicable LMR Jurisdiction, the regulatory body with responsibility for regulating the development of, including the oversight of environmental matters in, the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

“Engineering Report” means a report (in form and substance satisfactory to the Lenders, acting reasonably) prepared by the Independent Engineer respecting the reserves of Petroleum Substances attributable to the assets and undertakings of the Borrower, which report shall, as of the effective date of such report, set forth, *inter alia*, (a) the proved, developed producing reserves of Petroleum Substances, (b) proved, developed nonproducing reserves of Petroleum Substances, (c) proved and undeveloped reserves of Petroleum Substances, and (d) the probable reserves of Petroleum Substances, in each case, attributable to the assets and undertakings of the Borrower and, for each 12 month period starting on the date of such report: anticipated rates of production, depletion and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; production, revenue, value-added, wellhead or severance Taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced

from or attributable to such assets and undertakings; capital expenditures expected to be necessary to achieve anticipated rates of production; and net cash flow with respect to such assets and undertakings, including all revenues, expenses and expenditures described above.

“Environment” means all components of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition.

“Environmental Certificate” means a certificate substantially in the form of Exhibit 2.

“Environmental Laws” means, in respect of a Person, all Applicable Law and agreements between such Person and a Governmental Authority relating to pollution, public health, the protection or enhancement of the Environment, the release of Contaminants, air emissions and discharges to waster or public systems, materials and occupational health and safety.

“Environmental Liabilities” means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of Contaminants on, under or about the Subject Properties.

“Equity Securities” means, with respect to any Person, any and all securities (as defined in the STA), shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“Equivalent Amount” means, on any day with respect to any two currencies, the amount obtained in one such currency (the **“first currency”**) when an amount in the other currency is converted into the first currency using the Royal Bank of Canada’s spot rate for the conversion of the applicable amount of the other currency into the first currency in effect as of 10:00 a.m. (Calgary time) on such day, if such day is a Business Day or, if such day is not a Business Day, then on the immediately preceding Business Day, or, in the absence of such spot rate on such day, using such other rate as the Lenders may reasonably select.

“Event of Default” has the meaning specified in Section 8.1.

“Excess Cash Flow” means, in respect of a Financial Quarter, the difference between:

- (a) the aggregate of all cash revenue of any kind received by the Borrower (on a consolidated basis) during such period, including from:
 - (i) the operation of its business; and
 - (ii) proceeds from any Swap Agreements; and
 - (iii) business interruption insurance, penalties and liquidated damages that, in each case, compensate for lost income; and
 - (iv) the sale of any Assets, any insurance proceeds and any proceeds from the issuance of any Equity Securities or incurrence of any Debt (but, for certainty, not the amount of the Advance hereunder); and
 - (v) any interest earned on any accounts,

provided, however, that the foregoing calculation of revenue received by the Borrower shall exclude any amounts received by the Borrower which are required to be paid to the Lenders (and which are paid to the Lenders) pursuant to Section 2.5(4),

less,

(b) the sum (without duplication) of the following:

- (i) all cash costs and expenses incurred on a consolidated basis by the Borrower during such period in respect of its operations as (without duplication) maintenance and operating costs, capital expenditures, costs of consumables, insurance costs, general and administrative expenses, royalties, and taxes, in each case as determined by the Borrower and approved in writing by the Lenders, acting reasonably (excluding, for certainty, any payments permitted to be made or otherwise made in respect of the Tamarack Obligations); and
- (ii) the amount of the Obligations paid on scheduled due date pursuant to Section 2.5(2) during such Financial Quarter; and
- (iii) the amount, on a dollar-for-dollar basis, of any voluntary prepayments of the Obligations made pursuant to Section 2.8 during such Financial Quarter; and
- (iv) the amount of the upfront fees paid to the Lenders pursuant to Section 2.9(2); and
- (v) the amount of cash required to be retained by the Borrower in order to satisfy the covenant set forth in Section 6.3(d); and
- (vi) any cash shortfall projected to occur in the following Financial Quarter based upon the Borrower's current operating budget (but not, for certainty, having regard to the payment of any portion of the Tamarack Obligations), as approved in writing by all of the Lenders,

in each case as all of the foregoing is determined by the Borrower and approved in writing by the Lenders, acting reasonably.

"Excluded Taxes" means, with respect to any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its net income and capital, and franchise taxes imposed on it (in lieu of net income and capital taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any of the Lenders, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which such Lender is located and (c) in the case of any of the Foreign Lenders, any withholding tax that is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 7.1(5).

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986 as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official

interpretations thereof and, for the avoidance of doubt, any intergovernmental agreements and any "foreign financial institution" agreements entered into to implement the foregoing.

"Federal Reserve Board" means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"Financial Assistance" means with respect of any Person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to incur or pay any Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other Person against loss in respect of Debt of the other Person and includes any Guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Debt of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure the holder thereof against loss;
- (c) Guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other Person from or against any losses, liabilities or damages in respect of Debt;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof to a Person;
- (e) make an advance, loan or other extension of credit to or to make any subscription for Equity Securities, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person;
- (f) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Debt or other obligation;
- (g) to be an account party in respect of any letter of credit or letter of guarantee issued to support such Debt or other obligation; or
- (h) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise).

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

"Financial Calculation" has the meaning specified in Section 1.7(4).

"Financial Quarter" means a period of three consecutive calendar months in each Financial Year ending on March 31, June 30, September 30 and December 31 such year.

"Financial Year" means, in relation to the Borrower, its financial year commencing on January 1 of each calendar year and ending on December 31 of such year.

"Foreign Lender" means, in respect of a particular Credit Party, a Lender that is not organized under the laws of the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction and that is not otherwise considered or deemed in respect of any amount payable to it hereunder or under any Credit Document to be resident for income tax or withholding tax purposes in the jurisdiction in which such Credit Party is resident for tax purposes by application of the laws of that jurisdiction. For the purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Funded Loan Amount" means the amount equal to: (a) the Outstanding Principal of all Advances made by the Lenders under this Agreement since the Closing Date; less (b) the OID.

"GAAP" means, at any time, accounting principles generally accepted in Canada as recommended in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis.

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"GPHC" means Griffon Partners Holding Corp., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns

"GPCM" means Griffon Partners Capital Management Ltd., a corporation incorporated under the laws of Alberta, and its successors and permitted assigns.

"GPCM Shareholder Guarantors" means 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd. and Stellion Limited and their respective successors and permitted assigns, and **"GPCM Shareholder Guarantor"** means any one of them.

"Greenfire Pledge" has the meaning specified in Section 3.1(d).

"Greenfire Shares" has the meaning specified in Section 3.1(d).

"Guarantee" of or by any Person (in this definition, the **"guarantor"**) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (in this definition, the **"primary credit party"**) in any manner, whether directly or indirectly. The term "Guarantee" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee in respect of Debt shall be deemed to be an amount equal to the stated or determinable amount of the related Debt (unless the Guarantee is limited by its terms to a lesser amount, in which case to the extent of such amount) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantor in good faith.

"Hydrocarbon Interests" means all rights, options, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Indemnified Taxes" means (a) Taxes other than Excluded Taxes, and, (b) to the extent not described in (a), Other Taxes.

"Independent Engineer" means such firm or firms of independent engineers as may be selected from time to time by the Borrower and approved by the Administrative Agent, acting reasonably.

"Individual Commitment Amount" means, from time to time, in respect of a Lender, that portion of the Commitment which such Lender has severally agreed to make available to the Borrower in accordance with the terms and conditions of this Agreement, subject to adjustment pursuant to the terms of this Agreement. As of the Closing Date, the Individual Commitment Amount of Signal Alpha C4 Limited is U.S. \$25,000,000.00 and the Individual Commitment Amount of Trafigura Canada Limited is \$10,869,565.21.

"Information" has the meaning specified in Section 10.14(2).

"Intercreditor Agreement (Borrower)" means the intercreditor agreement entered into as of the date hereof among the Borrower, Tamarack, the Administrative Agent, the Collateral Agent and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time.

"Intercreditor Agreement (Swap Counterparty)" means the collateral agency and intercreditor agreement entered into as of the date hereof among the Borrower, GPHC, the Administrative Agent, the Collateral Agent and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time.

"Intercreditor Agreements" means, collectively, the Intercreditor Agreement (Borrower) and the Intercreditor Agreement (Swap Counterparty).

"Interest Expense" means, for any fiscal period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with GAAP, as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

- (a) all interest accrued or payable in respect of such period, including capitalized interest and imputed interest with respect to lease obligations included as Debt;
- (b) all fees (including standby and commitment fees, acceptance fees in respect of bankers' acceptances and fees payable in respect of letters of credit, letters of guarantee and similar instruments) accrued or payable in respect of such period, prorated (as required) over such period;
- (c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations issued at a discount, prorated (as required) over such period;
- (d) the aggregate of all purchase discounts relating to the sale of accounts receivable in connection with any asset securitization program; and
- (e) all net amounts charged or credited to interest expense under any interest rate Swap Agreement in respect of such period.

"Investment" in any Person means (a) any advances, loans or other extensions of credit, Guarantees, indemnities or other contingent liabilities in the nature of a Guarantee or indemnity or capital contributions (other than prepaid expenses in the ordinary course of business) to such Person (by means of transfers of money or other Assets), (b) any purchase of any Equity Securities, bonds, notes, debentures or other securities of such Person, or (c) the acquisition of

all or substantially all the Assets of such Person or of a business carried on by, or a division of, such Person.

"Leased Properties" means, collectively, the real properties forming the subject matter of the Leases and more particularly described in Schedule A.

"Leases" means the leases, subleases, rights to occupy and licences of or relating to real property or Buildings and Fixtures to which the Borrower is a party.

"Lenders" means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which hereafter become lenders under this Agreement, and their successors and permitted assigns from time to time, and **"Lender"** means any one of them.

"Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, Capital Lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

"Liquidity" means the amount of unencumbered (other than in favour of the Collateral Agent) and unrestricted cash (determined in accordance with GAAP) of the Borrower on hand.

"LMR" means, with respect to the Borrower or any other Credit Party and subject to Section 10.15, for any Applicable LMR Jurisdiction, the liability management rating (or equivalent) established by the applicable Energy Regulator with respect to the abandonment and reclamation policies, regulations and directives of such Energy Regulator in such jurisdiction, in each case, as determined in accordance with Applicable Law (including the rules and regulations of such Energy Regulator in respect thereof for the then relevant period) as calculated and published publicly by such Energy Regulator, and as adjusted to remove any security, cash, letters of credit or other security deposits or credit.

"Majority Lenders" means, in all cases, the Lender or Lenders holding, in aggregate at least 66 2/3% of the Commitment.

"Material Adverse Effect" means (a) a material adverse effect on the business, operations, results of operations, prospects, Assets, liabilities or financial condition of the Credit Parties taken as a whole, (b) a material adverse effect on the ability of any of the Credit Parties to perform its obligations under any Credit Document to which it is a party, or (c) a material adverse effect on the rights and remedies of the Administrative Agent, the Collateral Agent or the Lenders under any Credit Document.

"Material Agreements" means the Commercial Agreement, the Acquisition Agreement, the other Acquisition Documents, the Permitted Swap Agreement, the Tamarack Promissory Note and the agreements listed in Schedule 5.1(s) and any agreement, contract or similar instrument to which the Borrower is a party or to which any of its Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Maturity Date" means January 31, 2025.

"MOIC" has the meaning specified in the definition of **"MOIC Amount"**.

"MOIC Amount" means, on the applicable date, an amount sufficient to achieve a 1.4 multiple on each Lender's Rateable Portion of the Funded Loan Amount (**"MOIC"**). MOIC shall be calculated based upon (a) the sum of all interest, fees and Outstanding Principal, in each case, received in

cash by the Lenders in respect of the Funded Loan Amount (excluding any reimbursement of costs and expenses and any indemnification payments made to the Lenders), as the numerator, and (b) the Funded Loan Amount, as the denominator

"Net Income" means, for any fiscal period, the net income of the Borrower determined on a consolidated basis in accordance with GAAP, as set forth in the consolidated financial statements of the Borrower for such period, and for greater certainty shall exclude minority interests, less the sum of the following:

- (a) the income (or loss) of any Person (other than a Subsidiary of the Borrower) in which any other Person (other than the Borrower or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Subsidiaries by such Person during such period; plus
- (b) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries or that Person's assets are acquired by the Borrower or any of its Subsidiaries; plus
- (c) the income (or loss) of any Person accrued after to the date it ceases to be a Subsidiary of the Borrower or that Person's assets are sold by the Borrower or any of its Subsidiaries; plus
- (d) the income of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary; plus
- (e) any after tax gains or losses attributable to Asset Sales; plus
- (f) the net income (or loss) of any Person acquired in a pooling-of-interests transaction for any period prior to the date of such transaction.

"Net Proceeds" means any one or more of the following:

- (a) with respect to any sale or other Disposition of Assets by the Borrower, the net amount equal to the aggregate amount received in cash (including any cash received by way of deferred payment pursuant to a note receivable, other non-cash consideration or otherwise, and the release of any amount from an indemnity reserve, escrow or similar fund, but in each case only as and when such cash is so received) in connection with such Disposition, less the sum of (v) reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-of-pocket expenses incurred or paid for by the Borrower in connection with such Disposition (as evidenced by supporting documentation provided to the Administrative Agent upon request therefor by the Administrative Agent), (w) taxes incurred in connection with such Disposition, whenever payable, and (x) the principal amount of any Debt (other than Debt under the Credit Documents) that is secured by such Asset and that is required to be repaid in connection with such Disposition;
- (b) with respect to any issuance or creation of Debt or Equity Securities of any of the Credit Parties or of any capital contributions by any Person in the Borrower, the net amount equal to the aggregate amount received in cash in connection with such issuance, creation or capital contribution, less the sum of reasonable fees (including, without limitation, reasonable accounting, advisory and legal fees), commissions and other out-

of-pocket expenses incurred or paid for by the Borrower in connection with the issuance, creation or capital contribution (as evidenced by supporting documentation provided to the Administrative Agent upon request therefor by the Administrative Agent); and

- (c) with respect to the receipt of proceeds by any of the Credit Parties under any insurance, the net amount equal to the aggregate amount received in cash in connection with such receipt of insurance proceeds less taxes incurred attributable to such proceeds, whenever payable.

"Notice of Advance" has the meaning specified in Section 2.4.

"NYMEX/AECO Pricing" shall mean, as of any date of determination with respect to any month (a) for crude oil, the closing settlement price for the Light, Sweet Crude Oil futures contract for each month as published by New York Mercantile Exchange (NYMEX) on its website currently located at www.nymex.com or any successor thereto (as such pricing may be corrected or revised from time to time by the NYMEX in accordance with its rules and regulations), and (b) for natural gas, the NGX AB-NIT Same Day Index (5A) in dollars per gigajoule as published in the Canadian Gas Price Reporter in the table "NGX AB-NIT Same Day Index 5A" or the replacement pricing reference which is the then recognized industry index for same day gas at such pricing point should such pricing reference cease to exist.

"Obligations" means all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Credit Parties, or any of them, to the Administrative Agent, the Collateral Agent and/or the Lenders, under, in connection with or pursuant to the Credit Documents (including, without limitation, all interest, fees, premiums, fees, expenses, penalties, reimbursements, indemnification and the MOIC Amount), and Obligations of a particular Credit Party shall mean all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by such Credit Party to the Administrative Agent, the Collateral Agent and/or the Lenders, under, in connection with or pursuant to the Credit Documents to which such Credit Party is a party. For the avoidance of doubt, it is understood and agreed that any MOIC Amount shall be presumed and deemed to be the liquidated damages sustained by each Lender as a result of the early repayment or termination of the Obligations and the Credit Parties agree that such amounts shall constitute Obligations under this Agreement.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"OID" has the meaning specified in Section 2.1(2).

"Oil and Gas Ownership Certificate" means a certificate substantially in the form of Exhibit 3.

"Oil and Gas Properties" means (a) Hydrocarbon Interests; (b) the Assets now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, contracts and other agreements, including production sharing contracts and agreements, which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Petroleum Substances from or attributable to such Hydrocarbon Interests; (e) all Petroleum Substances in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (f) all tenements, hereditaments, appurtenances and Assets in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests; and (g) all Assets, rights, titles, interests and estates described or referred to above, including any and all Assets,

real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Assets (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless the context otherwise requires, the term Oil and Gas Properties refers to Oil and Gas Properties of the Borrower.

"Original Currency" has the meaning specified in Section 10.6(1).

"Other Currency" has the meaning specified in Section 10.6(1).

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Credit Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document, in each case, including any interest, additions to tax or penalties applicable thereto.

"Outstanding Principal" means the aggregate of the principal amount outstanding from time to time under the Credit Facility.

"Owned Properties" means, collectively, (a) the land and premises owned by the Borrower on the date of this Agreement and which are listed on Schedule B, and (b) after the date of this Agreement, the lands and premises notified to the Administrative Agent pursuant to each Compliance Certificate, but shall exclude lands and premises sold or otherwise disposed of as permitted in this Agreement as and from the date of such sale or Disposition.

"P&NG Leases" means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower is entitled to explore for, drill for, recover, take or produce Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower, or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable in respect of Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower, and the rights of the Borrower thereunder.

"P&NG Rights" means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Borrower at such time in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (a) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (b) rights to a share of the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;

- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;
- (d) rights in any of the lands described in paragraphs (a) through (c) of this definition or documents of title related thereto, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (e) rights to acquire any of the above rights described in paragraphs (a) through (d) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

"PCBs" means polychlorinated biphenyls.

"PDP Coverage Ratio" means, as of any date of determination, the ratio of (a) PV10 of Proved Developed Producing Reserves owned by the Borrower to (b) the sum of (i) the Senior Debt, and (ii) without duplication of paragraph (a) above in this definition, all obligations (after giving effect to any netting requirements) under any Swap Agreement that such Person would be required to pay if the Swap Agreement were terminated at such time as of such date. Notwithstanding anything to the contrary contained herein, after giving effect to the netting contemplated by paragraph (ii) above in this definition, in no event shall amounts owing to the Borrower under any Swap Agreement result in a reduction of the obligations referred to in paragraph (b) above in this definition.

"Pension Plan" means any plan, program or arrangement which is considered to be a pension plan for the purposes of any applicable pension benefits standards, or any applicable tax, statute and/or regulation thereof established, maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Obligor, its employees or former employees, in each case whether written or oral, funded or unfunded, insured or self-insured, reported or unreported, and includes any "registered pension plan" as defined under the Tax Act and contributed to by the Borrower for its employees (including, without limitation, any such plan that contains a "defined benefit provision" as such term is defined under the Tax Act) or any "negotiated contribution plan", as such term is defined under the *Pension Benefits Standards Act* (Canada) or any similar plan registered under pension standards legislation in another jurisdiction in Canada.

"Permitted Contest" means action taken by or on behalf of a Credit Party in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Lien, provided that:

- (a) the Person to which the Tax, claim or Lien being contested is relevant (and, in the case of a Credit Party, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property of the Credit Parties.

"Permitted Debt" means:

- (a) the Swap Obligations;

- (b) the Tamarack Obligations; provided, however, that the aggregate principal amount of the Tamarack Obligations does not exceed \$20,000,000.00 plus the amount of any PIK Interest (as defined in the Tamarack Promissory Note);
- (c) Debt of the Borrower to the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents; and
- (d) Debt under Capital Leases (including a sale-leaseback agreement) and under purchase money security interest financings permitted by paragraph (m) of the definition of "Permitted Liens.

"Permitted Liens" means, in respect of any Person, any one or more of the following:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against the Borrower or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent, any Lien which any Credit Party is contesting at the time by a Permitted Contest;
- (b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of P&NG Rights or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for the Borrower's portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent or if due or delinquent, any Lien which the Borrower is contesting at the time by a Permitted Contest;
- (c) to the extent a Lien is created thereby, a sale or Disposition of P&NG Rights resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the Borrower's reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the Borrower's resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the Borrower's interest in such P&NG Rights prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it and further provided that such pooling or unitization results from a Disposition permitted under this Agreement;
- (d) to the extent a Lien is created thereby, farm-out interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of the Borrower's P&NG Rights that are or were entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice and provided that such Liens are subordinated to the Security in accordance with the terms of a subordination agreement in form and substance satisfactory to the Majority Lenders;
- (e) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Borrower (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets or would not reasonably be expected to have a Material Adverse Effect;

- (f) any Lien or trust arising in connection with worker's compensation, employment insurance, pension and employment Applicable Law;
- (g) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Borrower or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (h) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title which, either alone or in the aggregate, do not materially detract from the value of the property and assets concerned or the use of the affected property and assets;
- (i) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities of the Borrower; provided that when exercised, such rights of first refusal would relate to Assets, the Disposition of which would be permitted under this Agreement;
- (j) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;
- (k) bankers' liens, rights of set-off and other similar Liens existing solely with respect to cash on deposit in one or more accounts maintained by the Credit Parties granted in the ordinary course of business in favour of a bank with which such accounts are maintained, securing amounts owing to such bank with respect to operating account arrangements;
- (l) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;
- (m) any other Liens (including Liens in respect of purchase money security interests and Capital Leases (which, for certainty, shall not include any operating leases entered into in connection with any sale-leaseback) which would have been operating leases under GAAP as in effect on December 31, 2018, regardless of whether such lease was entered into prior to or after December 31, 2018) which are not otherwise Permitted Liens; provided that the aggregate principal amount of Debt or other obligations secured thereby does not exceed the amount of \$5,000,000.00;
- (n) the Security;
- (o) the Tamarack Security so long as the Intercreditor Agreement (Borrower) remains in full force and effect;
- (p) any Lien from time to time which is consented to in writing to by all of the Lenders; and
- (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Lien referred to in the preceding paragraphs (a) through (q) inclusive of this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the Debt, liability or obligation secured thereby is not increased.

"Permitted Swap Agreement" means:

- (a) the ISDA Master Agreement dated as of the date hereof and entered into between the Borrower and the Swap Counterparty, as amended, modified, replaced, restated or supplemented from time to time as permitted under the terms of this Agreement, and all confirmations thereunder (including the confirmation entered into on the date hereof); provided, however, that such agreement and confirmations only provide for arrangements that comply with the provisions of Section 6.1(w); provided, however, that any failure of an ISDA Master Agreement entered into between the Borrower and the Swap Counterparty or any confirmation thereunder, individually or collectively, to provide for arrangements that comply with the provisions of Section 6.1(w) shall not in any way adversely affect the Swap Counterparty, and in particular any such failure shall not result in the obligations and liabilities of the Borrower thereunder not representing Swap Obligations or Secured Obligations hereunder or Hedge Facility Obligations or Swap Indebtedness, as applicable, for purposes of the Intercreditor Agreements nor prevent such ISDA Master Agreement and all confirmations thereunder from constituting Hedge Agreements for purposes of the Intercreditor Agreement (Swap Counterparty); and
- (b) any other Swap Agreement that the Lenders have agreed will be a "Permitted Swap Agreement" hereunder;

"Person" means a natural person, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

"Petroleum Substances" means crude oil, bitumen, synthetic crude oil, petroleum, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, natural gas liquids, condensate, distillate, all other liquid and gaseous hydrocarbons and all products refined or separated therefrom or produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, liquid or gaseous, whether hydrocarbons or not, including, but not limited to, sulfur, hydrogen sulphide, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

"PPSA" means the *Personal Property Security Act* (Alberta) (or any successor statute) or similar legislation of any other jurisdiction the laws of which are required by such legislation to be applied in connection with the issue, perfection, enforcement, validity or effect of security interests.

"Prime Rate" means, for any period, a fluctuating rate per annum as shall be in effect from time to time, which rate per annum shall be equal to the greater of (i) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest rate *per annum* interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent) and (ii) 3.50% per annum. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

"Proceeds of Realization" means all cash and non-cash proceeds derived from any sale, Disposition or other realization of the Collateral (a) after any notice by the Administrative Agent to the Borrower pursuant to Section 8.2 declaring all indebtedness of the Borrower hereunder to be immediately due and payable or the automatic acceleration of such indebtedness, (b) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of any of the Credit Parties (or any other arrangement or marshalling of the Collateral that is similar thereto) or (c) upon the enforcement of, or any action taken with respect to, any of the Credit

Documents. For greater certainty, prior to the occurrence of an Event of Default (y) insurance proceeds less than \$100,000 derived as a result of the loss or destruction of any of the Collateral or (z) cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Collateral shall not constitute Proceeds of Realization.

"Property Loss Event" means, with respect to any property, any loss of or damage to such property or any taking of such property or condemnation thereof.

"Proved Developed Producing Reserves" has the meaning assigned such term in the COGE Handbook.

"Proved Reserves" has the meaning assigned such term in the COGE Handbook.

"Purchase Price" has the meaning specified in the Acquisition Agreement.

"PV10" means, in respect of either of the Proved Developed Producing Reserves or the Proved Reserves, respectively, of the Borrower's Oil and Gas Properties, the net present value (on a before income tax basis) of future cash flows (discounted at ten percent (10%) per annum) calculated by the Borrower and acceptable to the Majority Lenders in their sole and reasonable judgment (including using the production and cost profiles in the most recent Engineering Report and using then current Strip Prices and curves, adjusted for hedging and other required discounts, in each case satisfactory to the Lenders) after having reviewed the information from the most recent Engineering Report delivered by the Borrower hereunder and taking into account all other factors which the Majority Lenders reasonably deem material, but provided that each calculation of such expected future cash flow shall be made in accordance with the then existing standards of The Society of Petroleum Evaluation Engineers (Calgary Chapter), provided that in any event (a) appropriate deductions shall be made for severance and ad valorem taxes or goods and services taxes, and for operating, gathering, transportation and marketing costs required for the production and sale of such reserves, (b) the pricing assumptions used in determining PV10 for any particular reserves shall be based upon the Strip Price (as reasonably determined by the Majority Lenders) and (c) the cash-flows derived from the pricing assumptions set forth in paragraph (b) above shall be further adjusted to account for the historical basis differential, in each case, in a manner reasonably acceptable to the Majority Lenders.

"Rateable Portion" means, at any time, the proportion of the Individual Commitment Amount of a Lender at such time relative to the aggregate Individual Commitment Amounts of all Lenders at such time.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors and officers, employees and advisors of such Person and of such Person's Affiliates.

"Sanctioned Person" means:

- (a) a Person that is designated under, listed on, or owned or controlled by a Person designated under or listed on, or acting on behalf of a Person designated under or listed on, any Sanctions List;
- (b) a Person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a Person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;
- (c) a Person that is otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or

- (d) any other Person to which any Lender would not be permitted to make a loan, or provide funding, in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority, including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the Executive Order, the U.S. *Bank Secrecy Act* (31 U.S.C. §§ 5311 et seq.), the U.S. *Money Laundering Control Act of 1986* (18 U.S.C. §§ 1956 et seq.), the *USA Patriot Act of 2001*, the U.S. *International Emergency Economic Powers Act* (50 U.S.C. §§ 1701 et seq.), the U.S. *Trading with the Enemy Act* (50 U.S.C. App. §§ 1 et seq.), the U.S. *United Nations Participation Act*, the U.S. *Syria Accountability and Lebanese Sovereignty Act*, the U.S. *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* or the *Iran Sanctions Act* (United States), or any of the foreign assets control regulations of the U.S. Department of the Treasury (including but not limited to 31 CFR, Subtitle B, Chapter V) or any other law or executive order relating thereto or regulation administered by OFAC.

"Sanctions Authority" means any of: (a) the Canadian government; (b) the United States government; (c) the United Nations; (d) the European Union; (e) the United Kingdom; or (f) the respective governmental institutions, departments and agencies of any of the foregoing, including Foreign Affairs, Trade and Development Canada, Public Safety Canada, OFAC, the United States Department of State, and Her Majesty's Treasury of the United Kingdom; **"Sanctions Authorities"** means all of the foregoing Sanctions Authorities, collectively.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury of the United Kingdom, or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Secured Obligations" means: (a) in respect of the Borrower and GPHC, the Obligations and the Swap Obligations, and (b) in respect of each Credit Party (other than the Borrower and GPHC), the Obligations.

"Secured Parties" means, collectively, the Administrative Agent, the Collateral Agent, each of the Lenders and the Swap Counterparty, in each case from time to time, including any successors or assigns of any such Persons.

"Security" means, at any time, the Liens in favour of the Collateral Agent, for the benefit of the Secured Parties, in the Collateral securing the Obligations described in the applicable Security Documents.

"Security Documents" means, collectively, the Shared Security Documents and the Supplemental Security Documents.

"Senior Debt" means all of the consolidated Debt of the Borrower other than the Debt under the Tamarack Promissory Note.

"Shared Security Documents" means the agreements described as such in Section 3.1(1), and any other security granted to the Collateral Agent, for the benefit of the Secured Parties that secures, or is required to secure, the Secured Obligations of the Borrower and GPHC under this Agreement, the other Credit Documents and the Permitted Swap Agreement, or any of them.

“Solvent” means, with respect to any Person on a particular date, that on such date, (a) such Person is not for any reason unable to meet its obligations as they generally become due, (b) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due, and (c) the aggregate property of such Person is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all its obligations, due and accruing due.

“STA” means the *Securities Transfer Act* (Alberta).

“Strip Price” shall mean, at any time, (a) for the remainder of the current calendar year, the average NYMEX/AECO Pricing for the remaining contracts in the current calendar year, (b) for each of the succeeding four complete calendar years, the average NYMEX/AECO Pricing for the twelve months in each such calendar year, and (c) for the succeeding fifth complete calendar year, and for each calendar year thereafter, the average NYMEX/AECO Pricing for the twelve months in such fifth calendar year.

“Subject Properties” means collectively, the Owned Properties and the Leased Properties.

“Subsidiary” means, with respect to any Person (in this definition, the “parent”), at any date, (a) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (b) any partnership, (i) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (ii) the only general partners of which are the parent and/or one or more subsidiaries of the parent, and (c) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“Supplemental Security Documents” means the agreements described in Section 3.1(2) granted to the Collateral Agent, for the benefit of the Lenders, the Administrative Agent and the Collateral Agent, by any of the Persons that are Credit Parties as at the date hereof (other than the Borrower and GPHC), in each case as security for the Secured Obligations of such Credit Parties under this Agreement and the other Credit Documents, or any of them.

“Swap Agreement” means any transaction (including an agreement with respect thereto) now existing or hereafter entered by any Person which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or other financial measures and whether exchange traded, “over-the-counter” or otherwise.

“Swap Counterparty” means J. Aron & Company LLC.

“Swap Obligations” means the Borrower’s and any Subsidiaries’ obligations and liabilities under the Permitted Swap Agreement.

“Tamarack” means Tamarack Valley Energy Ltd., a corporation amalgamated under the laws of Alberta, and its successors and permitted assigns.

“Tamarack Assets” means the “Assets” as defined in the Acquisition Agreement.

"Tamarack Obligations" means the Borrower's and any Subsidiaries' obligations and liabilities under the Tamarack Promissory Note.

"Tamarack Promissory Note" means the promissory note dated as of July 20, 2022 granted by the Borrower in favour of Tamarack in the amount of \$20,000,000, as amended, modified, extended, renewed, replaced, restated or supplemented from time to time in accordance with the provisions of this Agreement.

"Tamarack Security" means, at any time, the Liens in favour of Tamarack securing the Tamarack Obligations.

"Tax Act" means the Income Tax Act (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Leverage Ratio" means, at any time, the ratio of Senior Debt at such time to EBITDAX for the most recently completed four Financial Quarters.

"Trafigura" means Trafigura Canada Limited and its successors and assigns.

Section 1.2 Gender and Number.

Any reference in the Credit Documents to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Agreement. The expressions **"Article"**, **"Section"**, **"Schedule"** and **"Exhibit"** followed by a number or other reference mean and refer to the specified Article, Section, Schedule or Exhibit of this Agreement.

Section 1.4 Currency.

All references in the Credit Documents to "Dollars" or "\$", unless otherwise specifically indicated, are expressed in the lawful currency of Canada. All references to "U.S. \$" or "U.S. Dollars" are references to the lawful currency of the United States of America.

Section 1.5 Certain Phrases, etc.

In any Credit Document (i) the words "including" and "includes" mean "including (or includes) without limitation", and the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", (ii) In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding", and references to "this Agreement", "hereof" and "herein" and like references refer to such Credit Document and not to any particular Article, Section or other subdivision of such Credit Document.

Section 1.6 Non-Business Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

Section 1.7 Accounting Terms.

- (1) Except as otherwise expressly provided, all accounting terms, principles and calculations applicable to the Credit Facility will be interpreted, applied and calculated, as the case may be, in accordance with GAAP. The basis of accounting and all calculations set out in this Agreement will be applied and made on a consistent basis and will not be changed for the purposes of this Agreement unless required by GAAP or as agreed to by the Lenders in writing, such agreement not to be unreasonably withheld. It will be reasonable for the Lenders to withhold its consent if a proposed change could adversely affect the obligations of the Borrower or rights of the Lenders under the Credit Documents.
- (2) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under GAAP, or would reasonably be expected to materially and adversely affect (a) the rights of, or the protections afforded to, the Lenders hereunder or (b) the position either of the Borrower or of the Lenders hereunder, the Borrower shall so notify the Lenders, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with GAAP and in detail sufficient for the Lenders to make the determination required of it in the following sentence. If either of the Borrower or the Lenders determine at any time that such change in accounting policy results in a material adverse change either (i) in the rights of, or protections afforded to, the Lenders intended to be derived, or provided for, hereunder or (ii) in the position either of the Borrower or of the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Lenders, in the case of a determination by the Borrower, or by the Lenders to the Borrower, in the case of a determination by the Lenders.
- (3) Upon the delivery of a written notice pursuant to Section 1.7(2) the Borrower and the Lenders shall meet to consider the impact of such change in GAAP or such change in accounting policy (in each case, an **"Accounting Change"**), as the case may be, on the rights of, or protections afforded to, the Lenders or on the position of the Borrower or of the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Borrower or the Lenders (as the case may be) on the date hereof or the position of the Borrower or the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from GAAP or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and the Borrower's prior accounting policy. For the purposes of this Section 1.7, the Borrower and the Lenders acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Borrower and the Lenders as is intended by this Agreement as at the Closing Date. If the Borrower and the Lenders do not (for any reason whatsoever) mutually agree (in their respective sole and absolute discretions, without any obligation to so agree) on such amendment or amendments to this Agreement within sixty (60) days following the date of delivery of such written notice, the Borrower shall either continue to provide financial statements in accordance with GAAP prior to such change or provide all such financial information as is reasonably required (or requested by the Lenders acting reasonably) in order for any amount required to be determined hereunder to be determined in accordance with GAAP prior to such change and/or the Borrower's prior accounting policy, including to the extent applicable the calculation of and the reason for the changed amounts as between GAAP prior to such change and GAAP, and, for all purposes hereof, the applicable changes from GAAP prior to such change or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under GAAP prior to such change and/or the Borrower's prior accounting policy. The Borrower will notify the Administrative Agent as to any agreement or other resolution as to the change to GAAP reached pursuant to this section.

- (4) If a Compliance Certificate is delivered in respect of a Financial Quarter or Financial Year in which an Accounting Change is implemented without giving effect to any revised method of calculating a financial calculation hereunder (each a “**Financial Calculation**”), and subsequently, as provided above, the method of calculating the Financial Calculation is revised in response to such Accounting Change, or the amount to be determined pursuant to the Financial Calculation is to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.7 shall be deemed never to have occurred.

Section 1.8 Incorporation of Schedules and Exhibits.

The schedules and exhibits attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

Section 1.9 Severability.

If the whole or any portion of the Credit Documents or the application thereof to any circumstance will be held invalid or unenforceable to an extent that does not affect the operation of the Credit Document in question in a fundamental way, the remainder of the Credit Document in question, or its application to any circumstance other than that to which it has been held invalid or unenforceable, will not be affected thereby and will be valid and enforceable to the fullest extent permitted by Applicable Law.

Section 1.10 Enurement.

This Agreement shall become effective when executed by the Borrower, the Administrative Agent, the Collateral Agent and the Lenders and after that time shall be binding upon and enure to the benefit of the Borrower, the Administrative Agent, the Collateral Agent and the Lenders and their respective successors and permitted assigns.

Section 1.11 Time of the Essence.

Time is of the essence in respect of the Credit Documents.

Section 1.12 Conflict.

To the extent that there is any inconsistency or ambiguity between the provisions of this Agreement and any other Credit Document, the provisions of this Agreement will govern to the extent necessary to eliminate such inconsistency or ambiguity.

Section 1.13 Permitted Liens.

Any reference in this Agreement or any of the other Credit Documents to a Permitted Lien or a Lien permitted by this Agreement is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Credit Documents to any Permitted Lien or any Lien permitted hereunder.

Section 1.14 References to Agreements.

Except as otherwise provided in this Agreement, any reference in this Agreement to any agreement or document means such agreement or document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented in accordance herewith and therewith.

Section 1.15 Statutes.

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

ARTICLE 2 CREDIT FACILITY

Section 2.1 Credit Facility.

- (1) Subject to the terms and conditions hereof and effective on the Closing Date, the Lenders hereby establish the Credit Facility in favour of the Borrower. The Lenders agree, on the terms and conditions of this Agreement, to make one (1) Advance to the Borrower on or after the Closing Date in respect of the Commitment (and each in their Individual Commitment Amount).
- (2) The Advance under the Credit Facility shall be made to the Borrower with an original issue discount of U.S. \$2,869,565.21 (the "**OID**"). The OID shall not be a credit against interest payable pursuant to this Agreement but shall constitute additional interest paid on the amount of the Advance (by way of netting off of the principal amount of the Advance) in advance.

Section 2.2 Non-Revolving Commitment.

- (1) The Outstanding Principal shall not at any time exceed the Commitment.
- (2) The Credit Facility does not revolve, and any amount repaid or prepaid under the Credit Facility cannot be re-borrowed and shall permanently reduce the Individual Commitment Amount of each Lender the Credit Facility in the amount of such Lender's Rateable Portion.

Section 2.3 Use of Proceeds.

The Borrower shall use the proceeds of the Advance (after netting off the amount of the OID) solely for the purposes of (a) completing the Acquisition and paying cash portion of the Purchase Price pursuant to the Acquisition Agreement, (b) repaying existing Debt obligations of GPMC to Trafigura and (c) thereafter for general corporate purposes of the Borrower, GPMC and GPHC.

Section 2.4 Procedure for Advance.

The Advance under the Credit Facility shall be made on two (2) Business Days' prior written notice, given not later than 9:00 a.m. (Calgary time) by the Borrower to the Administrative Agent, in substantially the form of Exhibit 4 (the "**Notice of Advance**"), and shall be irrevocable and binding on the Borrower. Upon fulfilment of the conditions precedent set forth in Article 4, the Lenders will make such funds available to the Borrower.

Section 2.5 Repayments.

- (1) The Borrower shall repay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, the full amount of the Outstanding Principal, together with all accrued unpaid interest and fees and all other Obligations in connection with the Credit Facility (including, without limitation, any applicable MOIC Amount owing to the Lenders), on the Maturity Date.
- (2) On the first (1st) day of each calendar month commencing on October 1, 2022 the Borrower shall pay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion:
 - (a) a monthly installment of Outstanding Principal which is equal to the amount set forth in the Amortization Schedule for the applicable month; and
 - (b) all interest accrued on the Outstanding Principal in accordance with this Agreement which is then unpaid.
- (3) Within 5 days following the delivery of the Compliance Certificate for the second and the fourth Financial Quarters (which Financial Quarters end on June 30 and December 31, respectively) in each Financial Year (commencing with the Financial Quarter ending on December 31, 2022), the

Borrower shall pay (subject to Section 7.2 and Section 8.1) to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an amount equal to 75% of the Excess Cash Flow calculated for such Financial Quarter and the immediately preceding Financial Quarter.

- (4) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, the following amounts:
- (a) 100% of the Net Proceeds arising from any sale or other Disposition relating to all or any part of the Collateral or any interest therein;
 - (b) 100% of the Net Proceeds from any issuance of Debt for borrowed money (other than Permitted Debt), including by way of bonds, promissory notes, debentures or similar evidences of indebtedness by the Credit Parties;
 - (c) 100% of the Net Proceeds of insurance received in excess of \$1,000,000.00 as a result of any damage or destruction of an Asset; provided, however, that if the Borrower has insurance on a replacement cost basis in respect of such Asset and the proceeds or an amount not less than the proceeds of such insurance has been expended by the Borrower for the repair or replacement of such Asset within one hundred eighty (180) days following the date of any damage to such Asset, then the Borrower shall not be required to pay to the Administrative Agent the amount of such proceeds of insurance so expended so long as the Borrower has provided to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent of such expenditure;
 - (d) 100% of any and all damages, payments or other recoveries received by the Borrower under or in respect of any claim or claims made by the Borrower under the Acquisition Documents (including for any breach of a representation or warranty thereunder), net of the costs incurred by the Borrower in pursuing such damages, payments or other recoveries;
 - (e) 100% of any grants, rebates or refunds received by the Borrower from any Governmental Authority except to the extent that any such grants, rebates or refunds are in accordance with the terms thereof required by the applicable Governmental Authority to be used for a particular purpose other than for the repayment of Debt; and
 - (f) 100% of the amounts received from Spicelo Limited which are required to be paid, directly or indirectly, by Spicelo Limited to the Borrower in accordance with Section 37(s) of the Greenfire Pledge.

in each case within five (5) Business Days of the receipt thereof or, in the case of Net Proceeds of insurance, within five (5) Business Days of the expiry of the one hundred eighty (180) day period in which the Borrower may expend such funds for the repair or replacement of the applicable Assets if (and to the extent) the Net Proceeds of such insurance have not been so used to repair or replace the applicable Assets. The Borrower shall give the Administrative Agent ten (10) Business Days prior written notice of any mandatory prepayment to this Section, including the reason for the mandatory prepayment and the amount of such mandatory prepayment (with reasonable evidence supporting such amount). The Administrative Agent will remit to the Lenders within two (2) Business Days of receipt of the payment by the Borrower.

The Borrower shall not be required to pay to the Administrative Agent or the Lenders the Net Proceeds from any issuance of Equity Securities (including, for the purposes of this paragraph, any proceeds received from the exercise of any warrants) by any Credit Party; provided, however, that no Credit Party may use such Net Proceeds from any issuance of Equity Securities

to redeem or repay any Debt other than the Obligations without the prior written consent of all of the Lenders.

- (5) Upon the occurrence and during the continuance of a Default or an Event of Default, the Collateral Agent may, pursuant to the Blocked Account Agreement, deliver notice to the depository bank with respect to the Collection Account (in this Section 2.5(5), a **"Trigger Notice"**), and upon and following delivery of any such Trigger Notice, the relevant depository bank will wire, or otherwise transfer, in immediately available funds, all funds received or deposited into the Collection Account to such bank account as the Collateral Agent may from time to time designate for such purpose. On each Business Day during which a Trigger Notice is in effect, the Collateral Agent shall apply all amounts received by it by no later than the next following Business Day from the Collection Account to the Obligations in accordance with Section 2.10 hereof. The Borrower agrees that all payments made to the Collection Account shall, upon the issuance of a Trigger Notice, be subject to the Collateral Agent's sole control and shall be treated as payments to the Collateral Agent in respect of the Obligations in accordance with Section 2.10 hereof and therefore shall constitute the property of the Collateral Agent and the Lenders to the extent of the amount of the outstanding Obligations. The receipt of any payment item by the Collateral Agent (whether from transfers to the Collateral Agent pursuant to the Blocked Account Agreement or otherwise) shall not be considered a payment on account unless such payment item is a wire transfer of immediately available funds made to the Collateral Agent's bank account or unless and until such payment item is honoured when presented for payment. Should any payment item be paid to the Collateral Agent in a foreign currency, the Collateral Agent shall not be obligated to apply any particular exchange rate to such currency and may rely on the depository bank (identified in the Blocked Account Agreement) to convert such foreign currency into Canadian Dollars. The Collateral Agent shall not be liable or be required to indemnify the Borrower or any other Person or its depository bank for any foreign exchange losses, fluctuations, etc. The Collateral Agent is not required to credit any Obligations for the amount of any item of payment which is returned to the Collateral Agent unpaid. If and when the Default or Event of Default which gave rise to the delivery of a Trigger Notice is no longer continuing, and so long as no other Default or Event of Default shall have occurred and be continuing, the Collateral Agent shall either (i) provide written notice to the depository bank withdrawing or revoking such Trigger Notice following which payments made to the Collection Account shall no longer be required to be paid over to the Collateral Agent or subject to the Collateral Agent's sole control, as contemplated in this Section 2.5(5) until delivery of a new Trigger Notice under the Blocked Account Agreement, or (ii) terminate the then existing Blocked Account Agreement and enter into new Blocked Account Agreement with the depository bank on substantially the same terms as the ones so terminated pursuant to which payments made to the Collection Account shall be subject to the sole control of the applicable Borrower until delivery of a Trigger Notice thereunder.

Section 2.6 Interest.

- (1) All Obligations shall bear interest, as well after as before maturity, default and judgment, with interest on overdue interest, from the date of the Advance until all Obligations are indefeasibly paid in full in cash, at the Applicable Rate.
- (2) Interest under this Agreement shall accrue and be calculated (but not compounded) on a daily basis and on the basis of the actual number of days elapsed in the period for which such interest is payable (including the first day of such period but excluding the date on which such interest is payable) divided by 360. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section 2.6 are equivalent, are the rates so determined multiplied by the actual number of days in the relevant calendar year and divided by 360.
- (3) Interest accrued in accordance with this Agreement on the Outstanding Principal shall be payable monthly for each calendar month, in arrears, commencing on August 1, 2022, in accordance with the provisions of Section 2.5(2).

- (4) Interest accrued on Obligations other than the Outstanding Principal will be payable, in arrears, by the Borrower to the Administrative Agent, for the benefit of the Lenders in accordance with their Rateable Portion, within three (3) Business Days of demand by any Lender.
- (5) If any Default or Event of Default occurs, then from the date such Default or Event of Default occurs until such default is no longer continuing, or until all Obligations are irrevocably and indefeasibly paid in cash and performed in full, the Borrower will be obligated to pay interest on the unpaid Obligations at a per annum rate that is equal to the Applicable Rate plus the Default Rate. Such additional interest at the Default Rate shall be payable in full, in arrears, by the Borrower to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, in accordance with the provisions of Section 2.5(2).

Section 2.7 Payments under this Agreement.

- (1) Unless otherwise expressly provided in this Agreement, the Borrower shall make any payment required to be made by it to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, by depositing the amount of the payment to the Administrative Agent, for the benefit of the Lenders in accordance with their Rateable Portion, in immediately available funds not later than 2:00 p.m. (Calgary time) on the date the payment is due.
- (2) Payments made hereunder shall be made on a Business Day. Payments received by the Administrative Agent before 2:00 p.m. (Calgary time) on a Business Day will be given value on that Business Day. All payments received by the Administrative Agent after 2:00 p.m. (Calgary time) will be given value on the next following Business Day. The Administrative Agent will remit to the Lenders not later than the next following Business Day.
- (3) The Borrower shall make each such payment under the Credit Documents in Dollars.

Section 2.8 Optional Prepayments.

The Borrower may prepay all or any portion of the Outstanding Principal at any time prior to the Maturity Date upon 5 days' prior written notice of such payment, without bonus or penalty but subject to payment of any applicable MOIC Amount, which notice shall be irrevocable and binding on the Borrower and shall specify the date of repayment, which date shall be a Business Day, and the amount of Outstanding Principal to be prepaid. Upon exercise of such option and the giving of such notice: (a) the Outstanding Principal specified in such notice, together with all accrued but unpaid interest thereon and any MOIC Amount with respect thereto shall become due and payable on the expiry of such 5 day period; and (b) the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, upon the expiry of such 5 day period the Outstanding Principal identified in such written notice together with all accrued but unpaid interest thereon and any MOIC Amount with respect thereto. Any Outstanding Principal or interest prepaid and MOIC Amount paid pursuant to this Section 2.8 shall be in addition to, and not in lieu of, all payments otherwise required to be paid under the Credit Documents at the time of such prepayment. The Administrative Agent will remit to the Lenders not later than the next following Business Day.

Section 2.9 Fees.

- (1) On the first Business Day of each Financial Quarter, the Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an administration fee equal to equal to \$25,000.00.
- (2) The Borrower shall pay to the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, an upfront fee equal to \$600,000.00, which upfront fee shall be payable in equal payments of \$200,000.00 on October 1, 2022, November 1, 2022 and December 1, 2022.

- (3) The Borrower shall pay all fees and expenses of the Administrative Agent and the Collateral Agent to them in accordance with the provisions of a fee letter to be entered into by the Borrower, the Administrative Agent and the Collateral Agent.
- (4) The Administrative Agent will remit the fees so received to the Lenders within two (2) Business Days of receipt of the same day value funds.

Section 2.10 Application of Payments and Prepayments and Payment of MOIC Amount.

- (1) Except for amounts paid by the Borrower pursuant to Section 2.5(2) (which shall be applied as contemplated in Section 2.5(2)), all amounts received by the Administrative Agent, for the benefit of and remittance to the Lenders in accordance with their Rateable Portion, from or on behalf of the Borrower shall be applied by the Administrative Agent in accordance with the provisions of Section 8.7, *mutatis mutandis*. The Administrative Agent may, at the direction of all of the Lenders, vary such order of application in its sole and absolute discretion and without the consent of the Borrower. Notwithstanding the foregoing, the Administrative Agent may apply any payments made under Section 2.5(3), Section 2.5(4) and Section 2.8 in inverse order of maturity.
- (2) Concurrent with the prepayment or repayment of the Outstanding Principal and other Obligations (whether at maturity or otherwise) or following acceleration of the maturity of the Obligations pursuant to the terms hereof, and/or in or in connection with a voluntary or involuntary bankruptcy or insolvency or otherwise, the Borrower shall pay to the Administrative Agent, for the benefit of all Lenders, the MOIC Amount on the portion of the Funded Loan Amount so prepaid, repaid or due. For the avoidance of doubt, the Obligations shall not be considered extinguished nor shall the Liens on the Collateral be released until the MOIC Amount is paid in full in cash. Any payment required pursuant to this Section 2.10(2) is in addition to, and not a replacement of any amount paid in respect of the Outstanding Principal, interest or fees under this Agreement or the other Credit Documents. For the avoidance of doubt, this Section 2.10(2) is for the benefit of the Lenders only and is not intended to be the sole remedy for the Borrower's breach of any provision of this Agreement. Notwithstanding the foregoing, the MOIC Amount shall not be payable on any repayment or prepayment under this Loan Agreement in connection with: (a) the financing by each of the Lenders of any new acquisition of Assets or Equity Securities by GPCM, GPHC or the Borrower; or (b) the refinancing of the Tamarack Indebtedness by each of the Lenders.
- (3) Concurrently with any repayment or prepayment of any Obligations pursuant to this Agreement (including, without limitation, Section 2.5, Section 2.8, Section 8.2) the Borrower shall deliver to the Administrative Agent for delivery to the Lenders a certificate of a senior financial officer demonstrating the calculation of: (a) the amount of the applicable proceeds giving rise to the prepayment in the case of a prepayment pursuant to Section 2.5(4), (b) the amount of the applicable prepayment or repayment; and (c) the MOIC Amount in respect thereof, including reasonably detailed calculations thereof, in form and substance satisfactory to the Lenders.

Section 2.11 Computations of Interest and Fees.

- (1) The Administrative Agent will maintain records, in written or electronic form, evidencing the Advance and all other Obligations owing by the Borrower to each Secured Party under this Agreement. The information entered in such records will constitute *prima facie* evidence of the Obligations of the Borrower to each Secured Party.
- (2) Interest at the Applicable Rate on the Obligations will be calculated on the basis of a 360 day year.
- (3) All computations of fees shall be made by the Administrative Agent on the basis of a year of 365 days taking into account the actual number of days (including the first day but excluding the last day) occurring in the period for which the fees are payable.

- (4) For purposes of the *Interest Act* (Canada) and any other Applicable Laws, (a) the annual rates of interest and fees applicable to the Obligations are the rates as determined hereunder multiplied by the actual number of days in a period of one year commencing on the first day of the period for which such interest or fee is payable and divided by 365, (b) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement, and (c) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.
- (5) Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code* (Canada)) payable under this Agreement or any other Credit Document exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement or any Credit Document in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Secured Parties and the amount of such payment or collection will be refunded to the Borrower. For purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Credit Facility on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent will be *prima facie* evidence, for the purposes of such determination.
- (6) To the extent permitted by Applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Credit Documents and are hereby expressly waived by the Borrower.

ARTICLE 3 SECURITY

Section 3.1 Security.

- (1) The present and future Secured Obligations of the Borrower and GPHC to the Secured Creditors under the Credit Documents and the Permitted Swap Agreement, and all other Secured Obligations of the Borrower and GPHC to the Secured Creditors, howsoever arising or incurred hereunder and under the Credit Documents and the Permitted Swap Agreement will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably:
- (a) in respect of the Borrower:
- (i) a fixed and floating charge debenture from the Borrower granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
 - (ii) the Blocked Account Agreement;
- (b) in respect of GPHC:
- (i) a full unconditional guarantee of all Secured Obligations of the Credit Parties (other than GPHC);
 - (ii) a fixed and floating charge debenture from GPHC granting a security interest over all present and after-acquired real and personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and

- (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of the Borrower; and
 - (c) if requested by the Collateral Agent upon the direction of the Majority Lenders or the Swap Counterparty, such documents and instruments providing a fixed Lien in accordance with Section 3.5.
- (2) The present and future Obligations of the Credit Parties (other than the Borrower and GPHC) to the Secured Parties under the Credit Documents, and all other Obligations of such Credit Parties to the Secured Parties, howsoever arising or incurred hereunder and under the Credit Documents will be secured by the following Security Documents, each in a form acceptable to the Collateral Agent and the Lenders, acting reasonably
 - (a) in respect of GPCM:
 - (i) a full unconditional guarantee of all Obligations of the Credit Parties (other than GPCM);
 - (ii) a fixed and floating charge debenture from GPCM granting a security interest over all present and after-acquired personal property (including, without limitation, all bank accounts and all Material Agreements to which it is a party); and
 - (iii) a securities pledge agreement in respect of all of the issued and outstanding Equity Securities in the capital of GPHC;
 - (b) in respect of each GPCM Shareholder Guarantor, a limited recourse guarantee (with recourse limited to such GPCM Shareholder Guarantor's Equity Securities in the capital of GPCM) of all Obligations with a pledge of all of such GPCM Shareholder Guarantor's issued and outstanding Equity Securities in the capital of GPCM;
 - (c) in respect of Spicelo Limited, a limited recourse guarantee (with recourse limited to 1,125,002 common shares in the capital of the Greenfire Resources Inc. owned by Spicelo Limited (the "**Greenfire Shares**")) of all Obligations with a pledge of the issued and outstanding Greenfire Shares (the "**Greenfire Pledge**"); and
 - (d) if requested by the Collateral Agent upon the direction of the Majority Lenders, such documents and instruments providing a fixed Lien in accordance with Section 3.5.

Section 3.2 Exclusivity of Remedies.

Nothing herein contained or in the Security Documents now held or hereafter acquired by the Collateral Agent or the Lenders, nor any act or omission of the Collateral Agent or the Lenders with respect to any such Security Documents, will in any way prejudice or affect the rights, remedies or powers of the Collateral Agent or the Lenders with respect to any other security at any time held by the Collateral Agent or the Lenders.

Section 3.3 Form of Security.

The Security Documents will be in such form or forms as will be required by the Lenders, acting reasonably, and will be registered in such public registry offices in Canada or any province thereof as the Lenders, acting reasonably, may from time to time require to protect the Liens created thereby. Should the Lenders determine at any time and from time to time, acting reasonably, that the form and nature of the then existing Security Documents is deficient in any way or does not fully provide the Collateral Agent or the Lenders with the Liens and priority to which each is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Collateral Agent, for the benefit of the

Secured Parties, at the Borrower's expense, such amendments to the Security Documents or provide such new security as the Collateral Agent may reasonably request.

Section 3.4 After-Acquired Property.

All property acquired by or on behalf of any Credit Party who has provided any Security which forms part of the Assets of such Credit Party (in this Section 3.4, "**After-Acquired Property**"), will be subject to the Security Documents without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the Collateral Agent or the Credit Parties. Without limiting the effect of the preceding sentence, the Borrower will, or will cause the applicable Credit Party to, from time to time execute and deliver and the Collateral Agent, for the benefit of the Secured Parties, will register, all at the Borrower's expense, such instruments supplemental to the Security Documents, in form and substance satisfactory to the Lenders and advised to the Collateral Agent, acting reasonably, as may be necessary or desirable to ensure that the Security Documents as amended and supplemented constitute in favour of the Collateral Agent, for the benefit of the Secured Parties, an effective Lien to the extent created by the Security Documents over such After-Acquired Property as required hereunder, subject only to Permitted Liens which under Applicable Law rank in priority thereto.

Section 3.5 Undertaking to Grant Fixed Charge Security.

If any of the Administrative Agent, the Collateral Agent, the Majority Lenders or the Swap Counterparty determine, acting reasonably, that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Collateral Agent, acting on the instructions of the Majority Lenders, considers it necessary for its adequate protection, the Borrower, at the request of the Collateral Agent, any Lender or the Swap Counterparty, will forthwith grant or cause to be granted to the Collateral Agent, for the benefit of the Secured Parties, a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the applicable Credit Party's Assets as the Collateral Agent, acting on the instructions of the Majority Lenders, in their respective sole and absolute discretion, determines as security for all then present and future Obligations.

Section 3.6 Further Assurances re: Security.

The Borrower will and will cause each Credit Party, in connection with the provision of any amended, new or replacement Security Documents referred to in Section 3.4 or Section 3.5:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Majority Lenders to give effect to any provision of the amended, new or replacement Security Documents;
- (b) provide the Collateral Agent with such information as is reasonably required by the Collateral Agent to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security Documents;
- (d) provide the Collateral Agent with all corporate, partnership or other organizational resolutions and other action required for the Borrower to grant the amended, new or replacement Security Documents;
- (e) provide the Collateral Agent with an opinion of the Borrower's counsel confirming the due authorization, execution and delivery by the applicable Credit Party of all such agreements and instruments comprising the amended, new or replacement Security Documents in form and content satisfactory to the Collateral Agent, acting reasonably; and

- (f) assist the Collateral Agent in the registration or recording of such Security Documents in such public registry offices in Canada and any province thereof as the Majority Lenders, acting reasonably, deems necessary to protect the Liens created by such Security Documents.

Section 3.7 Swap Obligations and Sharing of Certain Security.

- (1) The Borrower and the Lenders agree and acknowledge that the benefit of the Security granted pursuant to the Shared Security Documents is being shared equally among the Lenders and the Swap Counterparty to secure the Secured Obligations of the Borrower on a rateable basis in accordance with the provisions of the Intercreditor Agreement (Swap Counterparty); and that the Collateral Agent will hold the Shared Security Documents granted by the Borrower and GPHC for the benefit of the Lenders hereunder and the Swap Counterparty with respect to all the Swap Obligations pursuant to and in accordance with the Intercreditor Agreement (Swap Counterparty). For purposes of the above sentence, "rateable basis" means:
 - (a) with respect to the Lenders, the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility relative to the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility and the Swap Obligations; and
 - (b) with respect to the Swap Counterparty, the Equivalent Amount in Dollars of the Swap Obligations relative to the Equivalent Amount in Dollars of the Outstanding Principal and other Obligations under the Credit Facility and the Swap Obligations.
- (2) All Swap Obligations of the Borrower shall rank at all times *pari passu* with the Borrower's Obligations under the Credit Facility in accordance with the Intercreditor Agreement (Swap Counterparty).

Section 3.8 Discharge of Security.

The Collateral Agent agrees, at the sole cost and expense of the Borrower: (a) to discharge the Security forthwith after all of the Secured Obligations and any other obligations of the Credit Parties under the Credit Documents and, if applicable, the Permitted Swap Agreement, have been unconditionally, irrevocably and indefeasibly paid in cash or performed in full and the Credit Facility and, if applicable, the Permitted Swap Agreement, has been terminated to the satisfaction of the Collateral Agent and the Lenders (and none of the Lenders has any further commitments hereunder), and (b) at the request of the Borrower, to discharge that portion of the Security that applies to Assets that are disposed of as permitted pursuant to Section 6.2(g) or execute a no interest letter or similar document in connection with such Disposition.

ARTICLE 4 CONDITIONS PRECEDENT

Section 4.1 Conditions Precedent to the Advance.

The effectiveness of this Agreement and the obligation of the Lenders to make the Advance under this Agreement on the Closing Date are subject to the following conditions precedent being met:

- (a) the Administrative Agent and the Lenders have received, in form and substance satisfactory to all of the Lenders and their counsel:
 - (i) certified copies of (A) the charter documents and by-laws of the Credit Parties, (B) all resolutions of the directors or shareholders, as the case may be, of the Credit Parties approving the borrowing or guarantee of the borrowing, as applicable, granting of security and other matters contemplated by this Agreement and the other Credit Documents; and (C) a list of the officers and

directors of the Credit Parties authorized to sign agreements together with their specimen signatures;

- (ii) a certificate of status, compliance, extract or like certificate with respect to the Credit Parties issued by the appropriate Governmental Authority of the jurisdiction of its incorporation or amalgamation and of each jurisdiction in which it owns any material assets or carries on any material business;
- (iii) this Agreement, the Security Documents and the other Credit Documents (other than the Blocked Account Agreement) required by the Administrative Agent duly executed and delivered by each Credit Party party thereto;
- (iv) the Intercreditor Agreement (Borrower) duly executed by each party thereto;
- (v) the Intercreditor Agreement (Swap Counterparty) duly executed by each party thereto;
- (vi) the Commercial Agreement duly executed by each party thereto;
- (vii) the Acquisition Agreement;
- (viii) certified true and complete copies of the duly executed Acquisition Agreement and such material Acquisition Documents as may be requested by any Lender;
- (ix) certified true and complete copies of the duly executed Permitted Swap Agreement and Tamarack Promissory Note;
- (x) a certificate of the Borrower (signed by a senior officer of the Borrower) confirming that all required Authorizations (including corporate approvals, shareholder approvals and Authorizations of Governmental Authorities) required to be obtained to complete the Acquisition have been obtained by the Borrower and remain in full force and effect, and appending copies of all such Authorizations;
- (xi) a certificate of the Borrower (signed by a senior officer of the Borrower) confirming that:
 - (A) each of the conditions precedent for the benefit of the Borrower in respect of the Acquisition as set forth in the Acquisition Agreement shall have been satisfied or waived (provided, however, that any waiver of any such conditions precedent by the Borrower shall be approved in writing by all of the Lenders); and
 - (B) the Acquisition Closing shall, concurrently with or immediately following the funding of the Advance, occur on terms and conditions consistent with the Acquisition Agreement (without any amendments thereto other than those agreed to by all of the Lenders);
- (xii) (A) searches conducted against each Credit Party in all jurisdictions as the Administrative Agent may require, and (B) all assignments, consents, approvals, acknowledgements, undertakings, intercreditor agreements, subordinations, postponements, discharges, waivers, directions and other documents and instruments which, in the opinion of the Administrative Agent, are desirable or required to make effective the Security and to ensure the perfection and the first ranking priority of such Security over the Collateral, subject to Permitted Liens;

- (xiii) certificates of insurance, dated no later than the Closing Date, showing the Administrative Agent as additional insured (in the case of liability insurance) and first loss payee (in the case of property insurance) in respect of the Assets with respect to insurance required to be maintained by the Borrower pursuant to Section 6.1(t);
 - (xiv) an opinion of counsel to the Credit Parties (other than Spicelo Limited and Stellion Limited) in Alberta addressed to the Administrative Agent and the Lenders relating to such matters as the Administrative Agent and the Lenders may require, acting reasonably;
 - (xv) all approvals, acknowledgments and consents of all Governmental Authorities and other Persons which are required to be obtained by any Credit Party in order to complete the transactions contemplated by this Agreement and to perform its obligations under any Credit Document to which it is a party;
 - (xvi) an Oil and Gas Ownership Certificate, duly executed by the Borrower;
 - (xvii) an Environmental Certificate, duly executed by the Borrower;
 - (xviii) an updated cash flow model and a pro forma Compliance Certificate which evidences compliance with the financial covenants set forth in Section 6.3;
 - (xix) financial projections (including the assumptions upon which such projections are based) for the 2022 and 2023 Financial Years of the Borrower;
 - (xx) the documentation and other information that is required by the Administrative Agent and the Lenders pursuant to Anti-Money Laundering/Anti-Terrorist Financing Laws and applicable "know your client" laws and regulations; and
 - (xxi) such other certificates, agreements and documentation as the Administrative Agent and/or the Lenders may reasonably request;
- (b) the Lenders have completed, to their satisfaction in their sole and absolute discretion, a due diligence review of the Credit Parties, the Business, the Assets of the Credit Parties (including title to the Assets and the environmental condition of the Assets), the Material Agreements and any other matters relating thereto or in connection therewith as determined or required by the Lenders in their sole and absolute discretion;
- (c) the Borrower does not have any Debt other than Permitted Debt, and the Administrative Agent shall have received releases and discharges with respect to all Liens affecting the Collateral which are not Permitted Liens and payout letters from creditors with respect to any Debt of the Credit Parties which is not Permitted Debt;
- (d) satisfactory review by the Lenders, in their sole and absolute discretion, of all of the Material Agreements and of all employment and compensation arrangements between the Borrower, GPCM or GPHC and their respective senior management and directors;
- (e) the Security Documents granted by the Credit Parties shall create first ranking priority Liens on the Collateral, subject to Permitted Liens, and all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed in all jurisdictions as the Lenders may require (other than registrations against Spicelo Limited and Stellion Limited made in Cyprus);

- (f) subordination and postponement on terms satisfactory to each of the Lenders of all related party indebtedness of the Borrower;
- (g) the Lenders shall have received a funds flow memorandum or other document in respect of the Acquisition which confirms all of the sources and uses of the Borrower's funds for purpose of completing the Acquisition, and the Lenders shall be satisfied that the Borrower has sufficient sources of funds in order to pay the Purchase Price in full and complete the Acquisition in accordance with the provisions of the Acquisition Agreement;
- (h) the payment of all fees and expenses which are then due by the Borrower to the Administrative Agent and the Lenders under or in connection with the execution and delivery of this Agreement;
- (i) the Notice of Advance will have been delivered in accordance with the provisions of Section 2.4 (which Notice of Advance shall contain a direction by the Borrower as to where to fund the Advance) and the terms and conditions thereof shall have been fully complied with;
- (j) each of the representations and warranties set out in Article 5 will be true and correct with the same effect as if such representations and warranties had been made on the date of the Advance;
- (k) no Default or Event of Default will have occurred and be continuing on the date of the Advance, nor will a Default or Event of Default arise as a result of the making of the Advance;
- (l) the Advance will not violate any Applicable Law, judgment or order; and
- (m) there has not occurred any material adverse change in the Business, operations, property, profits or prospects of any of the Credit Parties that has, or could be reasonably expected to have, a Material Adverse Effect.

Section 4.2 Deemed Representation and Warranty.

The giving of the Notice of Advance by the Borrower and the acceptance by the Borrower of the Advance shall be deemed to constitute a representation and warranty by the Borrower that, on the date of the Notice of Advance or Advance, as the case may be, and after giving effect to it and to the application of any proceeds from it, the statements and conditions set forth in Section 4.1 are true and correct and/or have been complied with or satisfied.

Section 4.3 No Waiver.

The making of the Advance or otherwise giving effect to the Notice of Advance without the fulfilment of one or more conditions set forth in Section 4.1 shall not constitute a waiver of any condition and the Administrative Agent reserves the right to require fulfilment of any such condition.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties.

The Borrower represents and warrants to the Administrative Agent and the Lenders, acknowledging and confirming, in each case, that the Administrative Agent and the Lenders are relying on such representations and warranties without independent inquiry in entering into this Agreement and providing the Advance that:

- (a) **Incorporation and Qualification.** Each Credit Party is a corporation duly incorporated, amalgamated, organized and validly existing under the laws of its jurisdiction of incorporation, amalgamation or organization as set forth in Schedule 5.1(a). Each such Credit Party is qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it carries on business and in which such qualification, licensing or registration is necessary or where failure to be so qualified would have a Material Adverse Effect;
- (b) **Corporate Power.** Each of the Credit Parties has all requisite corporate power and authority to (i) own, lease and operate its properties and Assets and to carry on its business as now being conducted by it, (ii) enter into and perform its obligations under the Credit Documents and each of the Material Agreements to which it is a party and (iii) incur the Obligations, the Swap Obligations and the Tamarack Obligations;
- (c) **Conflict with Other Instruments.** The execution, delivery and performance by each Credit Party of each of the Credit Documents to which it is a party, in each case, do not (i) conflict with, violate or result in a breach of any of the terms or conditions of (u) its articles of incorporation or by-laws, partnership agreement or other constating or organizational documents, as applicable, (v) any Applicable Law, (w) any contractual restriction binding on or affecting such Credit Party or such Credit Party's respective Assets, or (x) any Material Agreement, or (ii) result in, require or permit (x) the imposition of any Lien in, on or with respect to any of such Credit Party's Assets (except in favour of the Lender), (y) the acceleration of the maturity of any Debt binding on or affecting any such Credit Party, or (z) any third party to terminate or acquire rights under any Material Agreement;
- (d) **Corporate Action, Governmental Approvals, etc.** The execution, delivery and performance by each Credit Party of each of the Credit Documents and each of the Material Agreements to which it is a party:
- (i) have been duly authorized by all necessary corporate, partnership, trust and other action, as applicable; and
 - (ii) are within its corporate, partnership or trust power and capacity, as applicable; and
 - (iii) do not require any Authorization of or advance notice to or advance filing with any Governmental Authority except those which have already been made or obtained and which are in full force and effect;
- (e) **Execution and Binding Obligation.** This Agreement and the other Credit Documents have been duly executed and delivered by each Credit Party which is a party thereto and constitute legal, valid and binding obligations of such Credit Party enforceable against such Credit Party in accordance with their respective terms, subject only to any limitation under Applicable Law relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (f) **Authorizations, etc.** All regulatory and other Authorizations necessary for each Credit Party to carry on its business, as currently carried on, and all approvals, consents, permits and licenses necessary for each Credit Party to enter into the Credit Documents to which it is a party and perform its obligations thereunder have, in each case, been obtained and are in good standing except to the extent that the failure to so obtain or maintain in good standing would not reasonably be expected to have a Material Adverse Effect;

- (g) **Insurance.** The Borrower has in full force and effect such policies of insurance in such amounts issued by such insurers of recognized standing covering the Assets of the Borrower as required by this Agreement;
- (h) **Business Operations.** All property and Assets owned or operated by the Borrower has been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all Applicable Laws, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (i) **Ownership and Use of Property.** Following the Acquisition Closing, the Borrower has good and valid fee simple title to the Owned Properties, and with respect to Leased Properties, good and valid title to the leasehold estate with respect thereto, pursuant to valid and enforceable leases, free and clear of all Liens except Permitted Liens. No Assets of the Borrower are held by the Borrower in trust for any other Person or as nominee for and on behalf of any other Person. The Borrower owns, leases or has the lawful right to use all of the Assets necessary for the conduct of its business at full operating capacity. Each of the Subject Properties including the Building and Fixtures thereon, and their use, operation and maintenance for the purpose of carrying on the Business is in compliance with any applicable restrictive covenant and Applicable Law except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect. The Borrower is entitled to charge or pledge its interests in its Assets in favour of the Collateral Agent, for the benefit of the Secured Parties, as provided in this Agreement without the need to obtain any consent of or release from any other Person which has not been obtained and such property is not held in trust by the Borrower for any Person;
- (j) **Leases.** The Borrower enjoys peaceful and undisturbed possession under all Leases material to its business to which it is a party and under which it is operating, and all of such Leases are valid and subsisting and no material default by the Borrower exists under any of them;
- (k) **Condition of Assets.** The technology and communications hardware and other tangible personal property (including all equipment) of the Borrower are in reasonably good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, reasonable wear and tear excepted;
- (l) **Work Orders.** There are no outstanding work orders relating to the Owned Properties from or required by any Governmental Authority of which the Borrower has knowledge, nor does the Borrower have notice of any possible impending or future work order;
- (m) **Expropriation.** Following the Acquisition Closing, no part of any of the Subject Properties of the Borrower or the Buildings and Fixtures located on such real property has been taken or expropriated by any Governmental Authority, no written notice or proceeding in respect of an expropriation has been given or commenced nor is the Borrower aware of any intent or proposal to give any such notice or commence any proceedings;
- (n) **Compliance with Applicable Law.** Each Credit Party is in compliance with all Applicable Laws, except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect;
- (o) **Taxes.** The Borrower is a resident of Canada for the purposes of the Tax Act. The Borrower has filed all tax returns which are required to be filed and have paid all material Taxes (including interest and penalties) which are due and payable, except where the validity or amount thereof is being contested by a Permitted Contest. All of the material remittances required to be made by the Borrower to the applicable federal, provincial or

municipal governments have been made, are currently up to date and there are no outstanding arrears;

(p) **Environmental Laws.** Except as otherwise disclosed in Schedule 5.1(p):

- (i) the use and operation of the Assets have at all times complied in all material respects with all Environmental Laws and neither the Borrower nor any of its Assets is subject to any enforcement order from or liability agreement with any Governmental Authority or other Person respecting (A) compliance with any Environmental Law or (B) any liability, costs or remedial action, or potential liability, cost or remedial action, arising from the release or threatened release of a Contaminant;
- (ii) all Authorizations, if any, required to be obtained or filed by the Borrower in connection with the operation or use of any and all Assets, including but not limited to past or present treatment, transportation, storage, disposal or release of Contaminants into the environment, have been duly obtained or filed and are being complied with, except to the extent the failure to obtain or file such notices, permits, licenses or similar authorizations or such non-compliance could not reasonably be expected to have a Material Adverse Effect, or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (iii) all Contaminants generated at any and all Assets of the Borrower have been treated, transported, stored and disposed of only in accordance with all Environmental Laws applicable to them, except to the extent the failure to have such Contaminants transported, treated or disposed of by such carriers could not reasonably be expected to have a Material Adverse Effect, and only at treatment, storage and disposal facilities maintaining valid permits under applicable Environmental Laws, which carriers and facilities have been and are operating in compliance with such permits, except to the extent the failure to have such Contaminants treated, transported, stored or disposed of at such facilities, or the failure of such carriers or facilities to so operate, could not reasonably be expected to have a Material Adverse Effect or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (iv) the Borrower has taken all reasonable steps necessary to determine and have determined that no Contaminants have been disposed of or otherwise released and there has been no threatened release of any Contaminants on or to any Assets of the Borrower other than in compliance with Environmental Laws, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect or which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect;
- (v) none of the present or past operations of the Borrower is the subject of any investigation by any Governmental Authority evaluating whether any remedial action is needed to respond to a release or threatened release of a Contaminant;
- (vi) the Borrower has not entered into any negotiations or settlement agreements with any Person (including the prior owner of any property which the Borrower owns) which would impose material obligations or liabilities on the Borrower with respect to any remedial action in response to the release by the Borrower of a Contaminant or environmentally related claim;
- (vii) no written notice under any Applicable Law, including any Environmental Law, has been provided to the Borrower in respect of any of its Assets indicating past

- or present treatment, storage or disposal of a Contaminant or reporting an actual or threatened spill or release of a Contaminant into the environment;
- (viii) the Borrower does not generate, transport, treat or dispose of any Contaminants except in compliance in all material respects with Applicable Law;
 - (ix) the Borrower has no material contingent liability in connection with any release or threatened release of any Contaminants into the environment except contingent liabilities which could not reasonably be expected to result in remedial obligations having a Material Adverse Effect; and
 - (x) the Borrower has provided to the Administrative Agent complete and correct copies of all environmental site assessment reports, investigations, studies, analyses, and correspondence on environmental matters (including matters relating to any alleged non-compliance with or liability under Environmental Laws) that are in the Borrower's possession or control and relating to its Assets or operations thereon;
- (q) **Off-Balance Sheet Transactions.** There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of GPCM, GPHC or the Borrower with unconsolidated entities or other Persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of GPCM, GPHC or the Borrower on a consolidated basis or that would reasonably be expected to be material to an investor;
- (r) **Pension Plans.** The Borrower does not have any Pension Plan;
- (s) **Marketing of Production.** Except for the Commercial Agreement, there are no contracts pursuant to which the Borrower is receiving a fixed price for all production sold thereunder which are not cancelable or terminable by the Borrower on not more than sixty (60) days' notice without penalty or detriment for the sale of production of the Borrower's Petroleum Substances (including, without limitation, calls on or other rights to purchase, production, whether or not the same are currently being exercised);
- (t) **Material Agreements, etc.** All Material Agreements are in full force and effect, unamended. The Borrower is in compliance with all Material Agreements to which it is a party, and neither the Borrower or, to the Borrower's knowledge, any other party to any Material Agreement has defaulted under any of such Material Agreements. To the knowledge of the Borrower, no event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any Material Agreement to which the Borrower is a party and there is no material dispute regarding any Material Agreement to which it is a party;
- (u) **Labour Matters.** The Borrower is not a party to any collective bargaining agreement and to the knowledge of the Borrower, after due inquiry, no union organizing activity is taking place with respect to any of the employees of the Borrower;
- (v) **Books and Records.** All books and records of each of the Borrower have been fully, properly and accurately kept and completed in accordance with GAAP, where applicable, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

- (w) **Corporate Structure.** At the date of this Agreement:
- (i) there are no Subsidiaries of the Borrower;
 - (ii) the authorized and issued capital of GPCM, GPHC and the Borrower is as described on Schedule 5.1(w);
 - (iii) the Borrower does not own any Equity Securities, and is not, directly or indirectly, a member of, or a partner or participant in, any partnership, joint venture or syndicate other than as disclosed on Schedule 5.1(w);
 - (iv) GPCM is the direct legal and beneficial owner of all issued and outstanding Equity Securities in the capital of GPHC;
 - (v) GPHC is the direct legal and beneficial owner of all issued and outstanding Equity Securities in the capital of the Borrower, other than any warrants issued to the Lenders;
 - (vi) the GPCM Shareholder Guarantors are the direct legal and beneficial owners of all issued and outstanding Equity Securities in the capital of GPCM; and
 - (vii) Schedule 5.1(w) provides a complete and accurate list of:
 - (A) the jurisdictions of formation of each Credit Party;
 - (B) the chief executive office of each Credit Party;
 - (C) the registered office or head office of each Credit Party (as set forth in their respective letters patent, articles or other constating instrument or bylaws);
 - (D) the location of each Credit Parties' respective business and Assets; and
 - (E) the trade names of each Credit Party, if any;
- (x) **Financial Statements.** The most recent audited consolidated financial statements of the Borrower from time to time delivered to the Administrative Agent and the Lenders were prepared in accordance with GAAP and such financial statements present fairly in all material respects the Borrower's consolidated financial position as at the date thereof. Since the date of such audited financial statements, there has been no occurrence of any event, circumstance, development or other changes in fact which would, in the aggregate reasonably be expected to have a Material Adverse Effect;
- (y) **Debt.** The Borrower has not created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, it is now or may hereafter become liable for any Debt other than Permitted Debt;
- (z) **Solvency.** The Borrower is Solvent;
- (aa) **Security.** Each of the Security Documents to which a Credit Party is a party is effective to create in favour of the Collateral Agent, for the benefit of the Secured Parties, legal, valid and perfected first priority Liens in the Assets of such Credit Party subject to such Liens under such Security Documents (subject only to Permitted Liens which rank by law in priority);

- (bb) **Liens.** There are no Liens on the Borrower's Assets, other than Permitted Liens, nor will the entering into and performance by any Credit Party of the Credit Documents create a Lien, other than a Permitted Lien;
- (cc) **No Litigation.** There are no actions, suits or proceedings before or by any Governmental Authority existing or pending, or to the best of the Borrower's knowledge threatened, to which the Borrower is, or to the Borrower's knowledge is threatened to be made, a party and the result of which would, if successful against it, reasonably be expected to have a Material Adverse Effect;
- (dd) **No Default or Event of Default.** No Default or Event of Default has occurred and is continuing;
- (ee) **Acquisition.** The Acquisition Documents contain all the material terms of the Acquisition. As of the Closing Date the Acquisition Agreement has not been amended without the prior written consent of all of the Lenders;
- (ff) **No Breach of Orders, etc.** The Borrower is not in breach of:
- (i) any Authorization or mandatory requirement or directive of any Governmental Authority;
 - (ii) any governmental licence or permit; or
 - (iii) any Applicable Law,
- the breach of which could reasonably be expected to have a Material Adverse Effect;
- (gg) **No Material Adverse Effect.** No event or circumstance has occurred and is continuing which has had or would reasonably be expected to have a Material Adverse Effect.
- (hh) **Anti-Terrorism, Anti-Corruption Laws.**
- (i) No part of the proceeds of the Advance will be used, directly or, to the knowledge of the Borrower or any Subsidiary after due inquiry, indirectly, to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person in any manner that would result in any violation by any person (including the Lender) of (A) any Sanctions or (B) applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (ii) None of the Borrower nor any of its Subsidiaries (A) is, or will become a Sanctioned Person or (B) knowingly, after due inquiry, engages or will engage in any dealings or transactions, or is or will be otherwise knowingly, after due inquiry, associated, with any Sanctioned Person that would result in any violation of (x) any Sanctions or (y) applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (iii) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance with all, and shall not be prohibited by, Sanctions and all other applicable regulations, rules and executive orders administered by any Sanctions Authority;
 - (iv) To its knowledge, after due inquiry, each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Money Laundering/ Anti-Terrorist Financing Laws;

- (v) The Borrower and its Subsidiaries, to the Borrower's knowledge after due inquiry, are not the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any Anti-Corruption Laws or Anti-Money Laundering/ Anti-Terrorist Financing Laws in which there is a reasonable possibility of an adverse decision and, to the Borrower's knowledge after due inquiry, no such investigation, inquiry or proceeding is pending or has been threatened;
- (vi) Each of the Borrower and its Subsidiaries:
 - (A) has implemented adequate internal procedures designed to ensure it shall not authorize the giving or offering of any financial or other advantage with the intention of inducing or rewarding an individual or entity to improperly perform an activity undertaken in the course of an individual's employment or connected to an entity's business activities (the "**Anti-Corruption Controls**"); and
 - (B) has not authorised and it will not authorize, in connection with the performance of this Agreement and the other Credit Documents, any financial or other advantage to or for the benefit of any public official, civil servant, political party, political party official, candidate for office, or any other public or private individual or entity where such authorization would violate the Anti-Corruption Controls.
- (vii) Each of the Borrower and its Subsidiaries is, and has conducted its business, in compliance in all material respects with all Anti-Corruption Laws. No part of the proceeds of any Advance has been used or will be used, directly or, to the knowledge of the Borrower or any Subsidiary after due inquiry, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in a governmental capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws; and
- (viii) The Borrower and its Subsidiaries have policies and procedures in place to ensure that each of the foregoing representations and warranties in this Section 5.1(hh) are true and correct at all times;
- (ii) **Abandonment/Reclamation Orders.** The Borrower is in compliance in all material respects with Applicable Law relating to any abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders; and
- (jj) **Disclosure.** All (i) forecasts and projections supplied by or on behalf of the Borrower to the Lenders were (if prepared by the Borrower) or were, to the best of the knowledge of the Borrower (if prepared by Persons other than the Borrower) prepared in good faith, based upon reasonable assumptions at the date of preparation, and (ii) other written information supplied to the Lenders by or on behalf of the Borrower is (if prepared by the Borrower) or is, to the best of the knowledge of the Borrower (if prepared by Persons other than the Borrower, including, without limitation, in connection with the Acquisition) true and accurate in all material respects and does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained in such written information not misleading in light of the circumstances under which such statements were made.

Section 5.2 Survival of Representations and Warranties.

- (1) The representations and warranties in this Agreement and in any certificates or documents delivered to the Administrative Agent, for the benefit of the Lenders, shall not merge in or be prejudiced by and shall survive the Advance and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lenders under this Agreement or any other Credit Document, it being understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.
- (2) The representations and warranties in Section 5.1 will be deemed to be repeated by the Borrower on the date of delivery of any Notice of Advance by the Borrower, the acceptance by the Borrower of the Advance, the last day of each Financial Quarter, and the date of delivery of each Compliance Certificate, except to the extent that on or prior to such date the Borrower has advised the Administrative Agent and the Lenders in writing of a variation in any such representation or warranty, and the Administrative Agent and the Lenders have approved such variation in accordance with Section 10.1. Notwithstanding the foregoing, it is understood that to the extent such representations and warranties relate solely to a specified earlier date they only need to be true and correct as of such date.

**ARTICLE 6
COVENANTS**

Section 6.1 Affirmative Covenants.

So long as any amount owing under this Agreement remains unpaid, and unless consent is given by the Lenders in accordance with the provisions of this Agreement, each of the Borrower, GPCM and GPHC shall:

- (a) **Financial Reporting.** Deliver to the Administrative Agent and the Lenders, in each case, in form and substance satisfactory to the Administrative Agent and the Lenders:
 - (i) a copy of: (i) the Borrower's, GPCM's and GPHC's quarterly unaudited consolidated financial statements on or prior to 45 days after the end of each Financial Quarter in the Financial Year 2022 and on or prior to 30 days after the end of each Financial Quarter of each Financial Year thereafter; and (ii) the Borrower's, GPCM's and GPHC's annual audited consolidated financial statements and quarterly unaudited financial statements for the fourth Financial Quarter in each case, on or prior to 90 days after the end of each Financial Year;
 - (ii) copies of any material communications, reports, letters, notices, correspondence or writings received from or sent to its independent auditors, whether in connection with an ongoing audit or otherwise;
 - (iii) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter days of the end of each Financial Quarter a Compliance Certificate certified by a senior financial officer of the Borrower;
 - (iv) within 10 days of the end of each calendar month a certificate of a senior financial officer of the Borrower setting for the Current Ratio as of the last day of such calendar month, and containing detail satisfactory to the Lenders of the calculation of the Current Ratio;
 - (v) within 30 days of the end of each Financial Quarter an Oil and Gas Ownership Certificate and an Environmental Certificate, each certified by a senior officer of the Borrower; and

- (vi) within 60 days prior to the end of each Financial Year, an annual operating and capital expenditure budget for the following Financial Year, which annual operating and capital expenditure budget must be approved by the Lenders;
- (b) **Additional Reporting Requirements.** The Borrower shall also deliver to the Administrative Agent and the Lenders:
- (i) within 30 days following the end of each calendar month, a report of the lease operating and production performance of the Borrower's Assets (lease operating statements) including year to date figures, the gross oil and gas production, net production, total revenues, royalties and other burdens, operating expenses, capital expenditures, general and administrative expenses and net revenues, in a format acceptable to the Administrative Agent and the Lenders, acting reasonably;
 - (ii) as soon as practicable, and in any event within three days after the occurrence of each Default or Event of Default, a statement signed by a senior officer of the Borrower acceptable to the Administrative Agent and the Lenders setting forth the details of the Default or Event of Default and the action which the Borrower or such other Credit Party proposes to take or has taken;
 - (iii) from time to time upon request of the Administrative Agent or the Majority Lenders, and in any event at least annually, evidence of (A) the maintenance of all insurance required to be maintained pursuant to this Agreement, including copies of policies, certificates of insurance, riders, endorsements and proof of premium payments, and (B) the good standing of all Authorizations material to the Borrower;
 - (iv) from time to time upon request of the Administrative Agent or any Lender copies of all notices, reports and other documents sent to shareholders of the Borrower, GPHC or GPCM;
 - (v) promptly upon becoming aware thereof, a notice of (A) the threat of, or commencement of, any strike or lockout; (B) any work stoppage or other labour dispute in respect of the operations of the Borrower; (C) any breach or non-performance of, or any default of the Borrower under any material provision of any other Material Agreement; (D) any dispute, litigation, investigation, proceeding or suspension between the Borrower and any Governmental Authority; (E) the threat of, commencement of, or any material adverse development in, any action, suit, arbitration, investigation or other proceeding affecting the Borrower; (F) any claim, action, suit, litigation, arbitration or investigation which is threatened or pending against the Borrower or any Person in respect of the Acquisition Documents; (G) any matter to the extent that the same has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (H) the discovery of any Contaminant or of any release of a Contaminant from or upon the land or property owned (either individually or jointly), operated or controlled by the Borrower;
 - (vi) on or prior to February 28 of each year, an Engineering Report, effective as of December 31 of the immediately preceding year and on or prior to August 31 of each year, an Engineering Report, effective as of June 30 of such year;
 - (vii) on or prior to April 30 of each year, effective as of March 31 of such year, and on or prior to October 31 of each year, effective as of September 30 of such year, a written update to the engineering and reserves information provided in the Engineering Report previously delivered pursuant to Section 6.1(b)(vi), prepared

by the internal engineering staff of the Borrower; such update to include such updated reserve information and other information and otherwise to be in form and substance as may be required by the Administrative Agent and the Lenders, each acting reasonably;

- (viii) on or prior to 60 days after the end of each Financial Quarter of the Borrower, a production and operating report, a drilling report and a drilling and workover program (including a report on all authorizations for expenditures then committed or contemplated), in each case in form and substance satisfactory to all of the Lenders;
- (ix) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter, an updated cash flow model reflecting the most recently prepared Engineering Report or internally prepared engineering report prepared pursuant to Section 6.1(vii), prices, hedging and other production, cost and pricing matters, in each case in form and substance satisfactory to all of the Lenders;
- (x) within 120 days after the end of each Financial Year of the Borrower, (i) a decommissioning budget for the then current Financial Year period, which budget shall include a breakdown of the Borrower's expected abandonment and reclamation costs for such Financial Year period related to their current and expected active and inactive wells, pipelines and facilities, together with details of the calculation of the abandonment and reclamation obligations set out on the Borrower's balance sheet in its most recent annual audited consolidated financial statements delivered pursuant to this Agreement; and (ii) a decommissioning schedule for each of its active and inactive wells, pipelines and facilities, together with any supporting information that may be reasonably requested by the Administrative Agent or the Majority Lenders related thereto;
- (xi) concurrently with the delivery of each Compliance Certificate required to be delivered pursuant to this Agreement, the Borrower will furnish to the Administrative Agent, for the benefit of and remittance to the Lenders, an "LMR and Decommissioning Expense Worksheet" in form and substance satisfactory to all of the Lenders, acting reasonably, together with the information as to the amount the Borrower have expended on decommissioning expenses and how they have performed against the budgeted amount in the applicable decommissioning budget and schedule delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, pursuant to this Agreement and management commentary in respect of any material deviations therefrom and any other matters related to changes in the Borrower's abandonment and reclamation policies;
- (xii) promptly furnish to the Administrative Agent, for the benefit of and remittance to the Lenders, after receipt thereof, any Abandonment/Reclamation Orders or other material notices related to any directives, rules, regulations or other orders issued by any applicable Energy Regulator in respect of or otherwise affecting the P&NG Leases, P&NG Rights or related facilities or assets of the Borrower, in each case, together with a calculation of the estimate of expenditures required in order to comply with such Abandonment/Reclamation Orders;
- (xiii) within 45 days after the end of each Financial Quarter in the Financial Year 2022 and within 30 days after the end of each Financial Quarter of each Financial Year thereafter, a report as to compliance with the annual operating and capital expenditure budget for such Financial Year, together with a variance report and any requested updates to the annual operating and capital expenditure budget

approved by the Lenders hereunder; provided, however, that the annual operating and capital expenditure budget approved by the Lenders hereunder shall not be modified without the prior written consent of the Lenders;

- (xiv) such other material information respecting the condition or operations, financial or otherwise, of the Business or the Borrower as the Administrative Agent or the Majority Lenders may from time to time reasonably request;
- (xv) promptly upon becoming aware thereof, notice of any information it receives with regard to any type or item of Collateral which could reasonably be expected to have a Material Adverse Effect on the value of the Collateral as a whole or the rights and remedies of the Administrative Agent and the Lenders with respect thereto; and
- (c) **Payments.** The Borrower shall duly and punctually pay or cause to be paid to the Administrative Agent and the Lenders all principal, interest, fees and other amounts payable hereunder and under the Credit Documents on the dates, at the places, and in the amounts and manner set forth in such documents;
- (d) **Corporate Existence.** Except as otherwise permitted in this Agreement, the Borrower will do or will cause to be done all things necessary to preserve and keep in full force and effect each Credit Party's existence in good standing under the Applicable Laws of its jurisdiction of creation;
- (e) **Permitted Uses.** The Borrower shall use the proceeds of the Advance hereunder only for the purposes permitted pursuant to Section 2.3;
- (f) **Compliance with Applicable Law, etc.** The Borrower shall comply in all material respects with the requirements of all Applicable Law (including Environmental Laws). The Borrower shall obtain and maintain all Authorizations necessary to the ownership of its property and to the conduct of its business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (g) **Environmental Investigations.** The Borrower shall, promptly, if the Administrative Agent or the Majority Lenders have a good faith concern that a discharge of a Contaminant has occurred or a condition exists on any Assets that could reasonably be expected to have a Material Adverse Effect, cause to be conducted such environmental investigations (including, without limitation, environmental site assessments and environmental compliance reviews) as are reasonably required by the Administrative Agent or the Majority Lenders, on the basis of a duly qualified environmental consultant approved by the Administrative Agent or the Majority Lenders. The reasonable costs of such investigations will be for the account of the Borrower, provided that the Administrative Agent and the Majority Lenders will carry out such audit in consultation with the Borrower to expedite its completion in a cost-effective manner. Should the result of such audit indicate that the Borrower is in breach, or with the passage of time will be in breach, of any Environmental Laws and such breach or potential breach could reasonably be expected to have, in the opinion of the Administrative Agent or the Majority Lenders, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Administrative Agent or such Lender under the Credit Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Administrative Agent fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. Following the occurrence of an Event of Default which is

continuing, the Administrative Agent or such Lender will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the Borrower's compliance with this Section 6.1(g);

- (h) **Maintenance of Subject Properties.** The Borrower shall (i) maintain, preserve and protect the Assets in good working order and condition, taking into consideration the character, age and use thereof, ordinary wear and tear excepted; (ii) make all necessary repairs, renewals, replacements, additions and improvements to its Assets, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; (iii) use the standard of care typical in the industry of the Borrower in the operation and maintenance of its Assets (including its P&NG Rights); (iv) maintain good and valid title to its Assets; and (v) do all things necessary to defend, protect and maintain its Assets and the Security Documents (and the priority thereof) from all material adverse claims where the failure to do so in the opinion of the Administrative Agent and the Lenders, acting reasonably, threatens the intended priority or validity of the Security Documents as herein provided, or would reasonably be expected to have a Material Adverse Effect. The Borrower shall maintain all tangible personal property in good repair and working order and in a manner consistent with industry practice;
- (i) **Operation of Properties.** The Borrower will operate its respective property, or, if it is not the operator, use reasonable efforts to ensure that such property is operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law;
- (j) **Material Agreements.** The Borrower will perform its obligations under the Credit Documents, all other Material Agreements and any other agreements relating to its properties, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing, except to the extent that the failure to comply with such other agreements could not reasonably be expected to have a Material Adverse Effect;
- (k) **Compliance with P&NG Leases.** The Borrower shall comply in all respects with the P&NG Leases relating to P&NG Rights, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect;
- (l) **Payment of Taxes and Claims.** The Borrower shall pay or cause to be paid when due, (i) all Taxes imposed upon the Borrower or upon its income, sales, capital or profit or any other Assets belonging to it before the same becomes delinquent or in default, and (ii) all claims which, if unpaid, might by Applicable Law become a Lien upon the Assets of the Borrower, except any such Tax which is being contested in good faith and by proper proceedings and in respect of which the Borrower has established adequate reserves in accordance with GAAP;
- (m) **Payment of Royalties and other Preferred Claims.** The Borrower shall pay or cause to be paid all royalties, overriding royalties, rents, rates, Taxes, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon the Borrower or any Assets of the Borrower, as and when the same become due and payable. The Borrower shall also from time to time pay when due or cause to be paid when due all amounts related to wages, workers' compensation obligations, pension fund obligations and any other amount which would or would reasonably be expected to result in a Lien against the assets of the Borrower arising under statute or regulation;
- (n) **Protection of Security.** The Borrower will do all things reasonably requested by the Administrative Agent, the Collateral Agent or any Lender to protect and maintain the Security Documents and the priority thereof in relation to other Persons;

- (o) **Property Loss Event.** If the Borrower suffers a Property Loss Event with respect to any of its Assets, which results in the receipt of property insurance proceeds in excess of \$1,000,000 (in this Section 6.1(o), the “**Loss Amounts**”), the Borrower shall deal with the Net Proceeds of the applicable insurance proceeds in accordance with Section 2.5(4)(c). Such Property Loss Event will be deemed to be disposition of such Assets under this Agreement if the Loss Amounts are not reinvested as contemplated by Section 2.5(4)(c);
- (p) **LMR.** The Borrower shall, and shall cause each of the Credit Party to, maintain an LMR of not less than 2.00 in each Applicable LMR Jurisdiction, as applicable;
- (q) **Compliance with Abandonment and Reclamation Obligations.** The Borrower shall comply in all material respects with Applicable Law relating to abandonment and reclamation obligations, liabilities or activities including, without limitation, any outstanding Abandonment/Reclamation Orders;
- (r) **Decommissioning Budget.** The Borrower shall comply with the most recent Decommissioning Budget delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, pursuant to this Agreement, subject to a maximum permitted aggregate negative variance of 10% of the aggregate annual forecasted total budget amount;
- (s) **Inspections and Records.** The Borrower will maintain books and records of account in accordance with GAAP and Applicable Law; and permit representatives of any Lender, at the Borrower's expenses, to visit and inspect any property of any of the Borrower and to examine and make abstracts from any books and records of the Borrower at any reasonable time during normal business hours and upon reasonable request and notice, and subject to compliance with the Borrower's health and safety requirements, and to discuss the business, property, condition (financial or otherwise) and prospects of the Borrower with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants;
- (t) **Maintenance of Insurance.** The Borrower shall maintain with financially sound and reputable insurance companies not Affiliates of any Credit Party, in respect of the Borrower, and at all times, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, including but not limited to, commercial property insurance, all risks property damage, commercial general liability, worker's compensation, business interruption and other insurance, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and any other insurance required in accordance with the Commercial Agreement. The policies or certificates of insurance evidencing such insurance coverage must show the Administrative Agent as additional insured (in the case of liability insurance) and first loss payee under a mortgage clause in a form acceptable to the Majority Lenders in respect of the Assets. The policies for such insurance shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Administrative Agent of written notice thereof;
- (u) **Anti-Money Laundering/Anti-Terrorist Financing Laws.** The Borrower shall conduct its business operations such that, and have policies and procedures in place to ensure that, the representations and warranties in Section 5.1(hh) are true and correct at all times that this Agreement is in effect (and not just at, and as of, the times such representations and warranties are made or deemed to be made). The Borrower shall promptly provide all information in respect of the Borrower, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Borrower, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent or any Lender, in order to comply with

any applicable Anti-Money Laundering/Anti-Terrorist Financing Laws or such other applicable “know your client” laws and requirements, whether now or hereafter existence;

- (v) **Acquisition Documents.** The Borrower shall promptly pay or cause to be paid all amounts payable by the Borrower under the Acquisition Documents as and when they become due. The Borrower shall take all reasonable and practical steps to preserve and enforce its rights and pursue any claims, damages, payments, recoveries and remedies arising under any Acquisition Documents, including taking all steps necessary to pursue any claims or actions in respect of a breach of any Acquisition Document (including any breach of a representation or warranty therein);
- (w) **Swap Agreement.** As of the Closing Date the Borrower shall have entered into the Permitted Swap Agreement with respect to the production from the Tamarack Assets and such Permitted Swap Agreement shall hedge, in the aggregate, notional volumes of at least 85% of its 12 month projected oil and gas production, 75% of its 13 to 24 month projected oil and gas production and 50% of its 25 to 36 month projected oil and gas production based upon the Proved Developed Producing Reserves in the most recent Engineering Report delivered to the Lenders. In addition, the Borrower shall on or prior to the last day of each Financial Quarter enter into and maintain at all times Swap Agreements in form and substance satisfactory to the Lenders for the consecutive 18 calendar month period commencing from such Financial Quarter, which hedge, in the aggregate, notional volumes of at least 85% of its 12 month projected oil and gas production, 75% of its 13 to 24 month projected oil and gas production and 50% of its 25 to 36 month projected oil and gas production based upon the Proved Developed Producing Reserves in the most recent Engineering Report delivered to the Lenders;
- (x) **Post-Closing.**
 - (i) Within 15 Business Days after the Closing Date, the Borrower shall:
 - (A) deliver an opinion of counsel to Spicelo Limited and Stellion Limited in Cyprus addressed to the Administrative Agent, the Collateral Agent and the Lenders relating to such matters as the Lenders may require; and
 - (B) ensure that all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed against Spicelo Limited and Stellion Limited in Cyprus as the Lenders may require;
 - (ii) Within 60 days following the Closing Date (or such longer date as is agreed to by the Majority Lenders), the Borrower shall obtain the Blocked Account Agreement duly executed by each party thereto (including the depository bank in respect of the Collection Account); and
 - (iii) On or before August 31, 2022, the Borrower and GPCM shall deliver:
 - (A) a unanimous shareholder agreement among the GPCM Shareholder Guarantors and GPCM in form and substance satisfactory to the Administrative Agent and the Lenders, acting reasonably (the “**GPCM USA**”), duly executed by all parties thereto; and
 - (B) an agreement among the GPCM Shareholder Guarantors and the Lenders pursuant to which the GPCM Shareholder Guarantors shall have covenanted and agreed, that for so long as the Lenders (or any of them) is a shareholder and/or a warrant holder of GPHC, not to amend

the GPCM USA in a manner adverse to the Lenders (or any of them) in the sole discretion of the Lenders (or any of them) in their capacity as shareholders and/or warrant holders of GPHC, duly executed by the GPCM Shareholder Guarantors.

- (y) **Use of Available Cash to Comply with Liquidity Covenant.** At all times the Borrower shall use any and all available Excess Cash Flow (in this instance, calculated without reduction contemplated in paragraph (b)(v) of the definition of Excess Cash Flow) in order to retain the amount of cash required to satisfy the covenant set forth in Section 6.3(d).
- (z) **Right of First Opportunity.** GPCM, GPHC and the Borrower shall provide the Lenders with the right of first opportunity to provide financing to GPCM, GPHC or the Borrower, or any of their respective Affiliates, for the purpose of either refinancing any Permitted Debt or for the purpose of financing any further acquisitions of assets or property by either GPCM, GPHC, the Borrower or any of their respective Affiliates. If, within 10 Business Days after a request in writing from GPCM, GPHC or the Borrower to provide an offer for such financing, the Lenders either:
- (i) decline to deliver a written expression of interest; or
 - (ii) fail to respond to such request; or
 - (iii) deliver a written expression of interest (which, for greater certainty, can be delivered by electronic mail), but the parties, after negotiating in good faith, are (i) unable to finalize a discussion paper or term sheet (which, for greater certainty, may be non-binding) setting out the principal business terms with respect to such financing within a period of fifteen (15) Business Days following the delivery of the aforesaid expression of interest, or (ii) the parties execute a term sheet within such time but the Lenders fail to issue a commitment letter or credit agreement reflecting the terms agreed to therein within 30 days,

then GPCM, GPHC or the Borrower shall be entitled to obtain alternative financing from any other Person.

The Lenders agrees that they shall work together in good faith in determining whether to deliver a written expression of interest and, if an expression of interest is made, in negotiating and finalizing such written expression of interest and any resulting discussion paper, term sheet or other definitive loan documentation. The Lenders further agree that unless agreed otherwise by each of the Lenders, their respective commitments in any such financing shall be based upon their Rateable Portion hereunder. For certainty, if any Lender does not wish to proceed with delivering a written expression of interest, or after delivering a written expression of interest, does not wish to proceed with negotiating and finalizing a discussion paper, term sheet or other definitive loan documentation, then the other Lender shall be entitled to do so on whatever terms and conditions it wishes to do so; and

- (aa) **Further Assurances.** At the cost and expense of the Borrower, upon request of the Administrative Agent or any Lender, each Credit Party shall execute and deliver or cause to be executed and delivered to the Administrative Agent or such Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Administrative Agent or such Lender to carry out more effectually the provisions and purposes of the Credit Documents. In addition, each Credit Party shall file and perfect any Security Document that requires filing in order to perfect; and promptly cure or cause to be cured any defects in the execution and delivery of any of the Credit Documents by a Credit Party or any defects in the validity or

enforceability of any of the Security Documents relating to a Credit Party and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents (including the filing of any financing statements or financing change statements) as the Administrative Agent or any Lender may consider necessary or desirable to protect or otherwise perfect the Security created by the Security Documents including without limitation any specific registrations with respect to Collateral of the Credit Parties.

The Administrative Agent will remit to the Lenders the documents, certificates and evidence required to be delivered by the Borrower for delivery to the Lenders within two (2) Business Days of receipt of same.

Section 6.2 Negative Covenants.

So long as any amount owing under this Agreement remains unpaid and, unless consent is given by the Lenders in accordance with the provisions of this Agreement, none of the Borrower, GPCM nor GPHC shall:

- (a) **Debt.** Create, incur, assume or suffer to exist any Debt except Permitted Debt;
- (b) **Liens.** Create, incur, assume or suffer to exist, any Lien on any Assets of such Credit Party, except Permitted Liens;
- (c) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction;
- (d) **Dissolution, Etc.** Liquidate, dissolve or wind up or take any steps or proceedings in connection therewith;
- (e) **Hedging.** Enter into Swap Agreement, except for the Permitted Swap Agreement. The Borrower shall not terminate, restructure or unwind any commodity hedges, including pursuant to the Permitted Swap Agreement (other than the termination on the scheduled maturity date thereof). For certainty, no Swap Agreement (including the Permitted Swap Agreement) shall contain any requirement or obligation to post collateral, security or margin (other than pursuant to the Shared Security Documents granted by the Borrower and GPHC) without first obtaining the prior written consent of all of the Lenders and no Swap Agreement (including the Permitted Swap Agreement) shall be entered into for speculative purposes;
- (f) **Financial Assistance.** Provide any Financial Assistance to any Person other than pursuant to the Credit Documents;
- (g) **Disposal of Assets.** Sell, assign, farm-out, convey, grant a royalty, exchange, lease, release or abandon or otherwise effect a Disposition of, any Assets or properties (including sale-leaseback transactions) to any Person other than (i) the sale of Petroleum Substances in the ordinary course of business; (ii) property or assets (other than securities) which have no material economic value in the Business or business or are obsolete or worn out; and (iii) Dispositions of Assets with an aggregate fair market value of less than \$1,000,000.00 in each Financial Year; provided, however, that there is no Default or Event of Default then continuing and no Default or Event of Default could arise from such Disposition and further provided that the pro forma LMR of the Borrower or any Credit Party in each Applicable LMR Jurisdiction, as applicable, after giving effect to such Disposition, is not less than 2:00;
- (h) **Acquisition of Assets.** The Borrower will not, directly or indirectly, make any acquisition of P&NG Leases, P&NG Rights or other facilities or Assets, or any Equity Securities in

any Person, in each case, without the prior written consent of all of the Lenders, in their sole and absolute discretion; provided, however, that, for certainty (and without limiting the foregoing), in no event shall any acquisition be permitted if the *pro forma* LMR of the Borrower or any Credit Party in each Applicable LMR Jurisdiction, as applicable, after giving effect to such acquisition, is less than 2.00;

- (i) **Capital Expenditures.** Make any capital expenditures except for: (i) capital expenditures set forth in the budget approved by the Lenders under Section 6.1(b)(xiii) capital expenditures required in an emergency situation where such capital expenditure must be made on an immediate basis (without time to seek the approval of the Lenders) and which capital expenditure must be made in order to protect or preserve, in all material respects, the physical condition or value of any material Asset of the Borrower;
- (j) **Transactions with Related Parties.** Directly or indirectly, enter into any agreement with, make any financial accommodation for, or otherwise enter into any transaction with, a Related Party except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms not less favourable to the Borrower than could be obtained in a comparable arm's length transaction with another Person, including entering into or assuming any employment, consulting or analogous agreement or arrangement with any of its or their directors or senior or executive officers or senior management;
- (k) **Change in Management, Financial Reporting, Etc.** Make any change in (i) senior management of the Borrower, GPCM or GPHC, (ii) the compensation arrangements of any senior officer or director of the Borrower, GPCM or GPHC, or (iii) the capital structure of the Borrower, GPCM or GPHC. In addition, none of the Borrower, GPCM or GPHC shall make any payments to any senior officers or directors of the Borrower, GPCM or GPHC except in accordance with employment or compensation agreements approved by all of the Lenders;
- (l) **Nature of Business.** Engage in any business other than the Business and such other lines of business as may be reasonably related or complementary thereto;
- (m) **Share Capital.** Issue any Equity Securities or permit or facilitate the transfer of any Equity Securities issued by the Borrower, GPCM or GPHC, except pursuant to any exercise of warrants granted to the Lenders;
- (n) **Change of Control;** Not permit any Change of Control to occur;
- (o) **New Subsidiaries.** Form or acquire any new Subsidiaries, or acquire Equity Securities in any Person;
- (p) **Distributions.** Declare, make or pay any Distributions;
- (q) **General and Administrative Expenses.** Incur, pay or make any general and administrative expenses which are in excess of the amounts set forth in the annual operating and capital expenditure budget approved by the Lenders under Section 6.1(a)(vi) and Section 6.1(b)(xiii);
- (r) **Investments.** Make any Investment in any Person or otherwise acquire (in one or a series of related transactions) any part of the property (whether tangible or intangible) of any Person (or agree to do any of the foregoing at any future time) other than:
 - (i) accounts receivable arising in the ordinary course of business;

- (ii) purchases and other acquisitions of goods and intangible property in the ordinary course of business; and
- (iii) the acquisition of P&NG Leases, P&NG Rights or any Petroleum Substances through farm-ins, poolings, purchases, quit claims, unitizations, working or royalty interests, independent operations or other operations under any operating agreement or otherwise as permitted in accordance with Section 6.2(h),

provided that, in each case, any property acquired thereby shall be subject to perfected or registered first priority Liens in favour of the Collateral Agent, for the benefit of the Secured Parties, free and clear of all Liens other than Permitted Liens;

- (s) **Payments of Tamarack Obligations.** Not pay all or any portion of the principal amount of the Tamarack Obligations until July 20, 2025 and not pay any interest due in respect of the Tamarack Obligations except at the times required pursuant to the Tamarack Promissory Note (as in effect on the date of this Agreement). Any payment of interest due in respect of the Tamarack Obligations may only be made in cash if: (i) the Borrower is able to make such payment from the remaining portion of the Excess Cash Flow available to it after: (A) having made (or having set aside the amount of Excess Cash Flow in order to make, when due) the payment required to be made pursuant to Section 2.5(3) for the Financial Quarter ending upon the same date such interest payment is due under the Tamarack Promissory Note, and (B) retaining such amount of cash as is expected to be required in order for the Borrower to continue to satisfy and perform all of its obligations under this Agreement (having regard to the most recent financial projections provided by the Borrower to the Lenders); (ii) the Borrower is, after such payment in cash is made, in compliance with the minimum Liquidity covenant in Section 6.3(d); and (iii) at the time of such payment there is no Default or Event of Default then continuing or which could reasonably be expected to occur as a result of making such payment. For certainty, to the extent that the Borrower is not entitled to make any interest payments under the Tamarack Promissory Note in cash, it shall pay such interest in kind as contemplated by the Tamarack Promissory Note (as in effect on the date of this Agreement);
- (t) **Pension Plans and Collective Bargaining Agreements.** Enter into any Pension Plans or collective bargaining agreements;
- (u) **Financial Year.** Change its Financial Year;
- (v) **Amendments.**
 - (i) Make or permit to be made any amendments or other modifications to any Material Agreement (including, without limitation, the Acquisition Agreement) or terminate, cancel or surrender any Material Agreement or any provision thereunder to which it is a party, except that the Borrower may make amendments to the Commercial Agreement if such amendments could not reasonably be expected to have a Material Adverse Effect or be adverse to the interests of the Administrative Agent, the Collateral Agent or any Lender under the Credit Documents;
 - (ii) (A) Amend or change any of its articles, by-laws or other constating documents or (B) enter into any agreement with respect to its Equity Securities restricting transfer of the same or that would be otherwise adverse to the interests of any Lender under the Credit Documents; and

- (iii) Change: (A) its name or trade name, (B) its registered office, head office or chief executive office, (C) its jurisdiction of formation or organization, or (D) locations of business or the jurisdictions in which its real or personal property is located, in each case without giving the Administrative Agent no less than 15 days prior notice thereof;
- (w) **Agreements.** Enter into any agreement or other arrangement that could reasonably be expected to have a Material Adverse Effect on or to be adverse to the interests of the Administrative Agent, the Collateral Agreement or any Lender under the Credit Documents;
- (x) **Compromise of Accounts.** Compromise or adjust any of its accounts (as defined in the PPSA) or any other claims or receivables owing to it (or extend the time for payment thereof) or grant any discounts, allowances or credits, other than in the ordinary course of business when the Borrower considers it commercially reasonable in the circumstances;
- (y) **Sale or Discount of Receivables.** Except for accounts obtained by the Borrower out of the ordinary course of business or the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower shall not discount or sell (with or without recourse) any of its notes receivable or accounts; or
- (z) **Marketing Activities.** The Borrower shall not engage in marketing activities for any Petroleum Substances or enter into any contracts related thereto other than the Commercial Agreement.

Section 6.3 Financial Covenants.

So long as any amount owing under this Agreement remains unpaid and unless consent is given in accordance with Section 10.1:

- (a) **PDP Coverage Ratio.** The Borrower shall, as of the last day of each Financial Quarter, maintain a PDP Coverage Ratio, calculated as of the last day of each Financial Quarter commencing with the Financial Quarter ending on December 31, 2022, of at least:
 - (i) for the period ending on December 31, 2022, 1.43:1; and
 - (ii) for the period ending on June 30, 2023 and for each period thereafter, 1.82:1.
- (b) **Current Ratio.** The Borrower shall, as of the last day of each calendar month, maintain a Current Ratio, calculated as of the last day of each calendar month commencing on September 30, 2022, of at least 1:1;
- (c) **Total Leverage Ratio.** The Borrower shall, as of the last day of each Financial Quarter, maintain a Total Leverage Ratio, calculated as of the last day of each Financial Quarter for the four Financial Quarters then ended, that does not exceed 2.5:1.
- (d) **Minimum Liquidity.** Maintain, as soon as reasonably possible following the Closing Date (but, in any event, within 6 months following the Closing Date) and at all times thereafter, Liquidity of not less than \$4,000,000.

ARTICLE 7 OTHER COVENANTS

Section 7.1 Taxes.

- (1) If any Credit Party, any Lender or any other recipient is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, then (a) the sum payable shall be increased by the applicable Credit Party when payable as necessary so that after making or allowing for all required deductions and payments for Indemnified Taxes (including deductions and payments applicable to additional sums payable under this Section 7.1), the Lenders or other recipient, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments for Indemnified Taxes been required, (b) the applicable Credit Party shall make any such deductions required to be made by it under Applicable Law and (c) the applicable Credit Party shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (2) Without limiting the provisions of Section 7.1(1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- (3) Each Credit Party, on a joint and several basis, shall indemnify any Lender and any other recipient of a payment by or on account of any obligation of the Credit Parties hereunder or under any other Credit Document, within 30 days after demand therefor, which the applicable Lender shall make as soon as practical after it has determined that it is entitled to indemnification, for the full amount of any such Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid or payable by the applicable Lender or recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the applicable Lender shall be *prima facie* evidence of such amount or amounts.
- (4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Credit Party to a Governmental Authority, such Credit Party shall deliver to the Administrative Agent, for the benefit of the Lenders, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lenders.
- (5) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Credit Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Credit Document shall, at the request of such Credit Party, deliver to such Credit Party (with a copy to the Foreign Lender), at the time or times prescribed by Applicable Law or reasonably requested by such Credit Party or Foreign Lender, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Foreign Lender, if requested by a Credit Party, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by such Credit Party as will enable such Credit Parties to determine whether or not the Foreign Lender is subject to withholding or information reporting requirements.
- (6) If any Lender determines, in its sole and absolute discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Credit Party or with respect to which a Credit Party has paid additional amounts pursuant to this Section 7.1, it shall pay over to such Credit Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Credit Party under

this Section 7.1 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Credit Party, upon the request of such Lender, shall repay the amount paid over to such Credit Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Lender in the event such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 7.1(6), in no event will any Lender be required to pay any amount to a Credit Party pursuant to this Section 7.1(6) the payment of which would place such Lender in a less favorable net after-Tax position than such Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to any Credit Party or any other Person.

- (7) If a payment made to the Lenders under any Credit Document would be subject to United States federal withholding Tax imposed by FATCA if the Lenders were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code of 1986, as in effect from time to time, as applicable), the Lenders shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code of 1986, as in effect from time to time) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA and to determine that the Lenders have complied with the Lenders' obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for the purposes of this Section 7.1(7), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.
- (8) The provisions of this Section 7.1 shall survive the termination of this Agreement and the repayment of the Credit Facility.

Section 7.2 Sanctions.

- (1) Notwithstanding any other provision of this Agreement, none of the Administrative Agent, the Collateral Agent, the Lenders and the Borrower shall be required to do anything under this Agreement or any Credit Document which constitutes a violation of, or would be in contravention of, or would expose it to the risk of designation pursuant to any Sanction applicable to it.
- (2) If, at any time during this Agreement any Sanctions are changed, or new Sanctions are imposed or become effective, or there is a change in the interpretation of Sanctions, which would:
 - (a) expose the Administrative Agent, the Collateral Agent, any Lender or the Borrower to the risk of designation or to other punitive measures by a Sanctions Authority; or
 - (b) materially affect the Administrative Agent's, the Collateral Agent's, any Lender's or the Borrower's performance of this Agreement or any other Credit Document including, but not limited to, any Lender's ability to continue to make the Obligations available; or
 - (c) cause any Lender to incur additional costs in order to maintain the Obligations outstanding or to reduce the amounts it is to receive hereunder,

then notwithstanding any clause or provision to the contrary in this Agreement, any Lender or the Borrower, as applicable, may, by written notice to the other, terminate this Agreement, in each

event, without any further notice all Obligations owing hereunder shall become immediately due and payable.

ARTICLE 8 EVENTS OF DEFAULT

Section 8.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (an “**Event of Default**”):

- (a) the Borrower fails to pay any amount of the Outstanding Principal (including the OID) when such amount becomes due and payable;
- (b) the Borrower fails to pay any interest, fees or other Obligations payable hereunder when they become due and payable and such default continues for a period of three (3) Business Days after written notice of such failure is given to the Borrower;
- (c) any representation or warranty or certification made or deemed to be made by a Credit Party or any of their respective directors or officers in any Credit Document shall prove to have been incorrect when made or deemed to be made and, if the facts or circumstances which make such representation or warranty incorrect are capable of being remedied, they are not remedied within a period of thirty (30) days after notice thereof is given to the Borrower by the Administrative Agent or the Borrower otherwise becomes aware that such representation or warranty or certification is incorrect;
- (d) the Borrower fails to perform, observe or comply with any term, covenant or condition contained in Section 6.1(u), Section 6.1(w), Section 6.1(x), Section 6.2 or Section 6.3;
- (e) except in respect of the matters dealt with elsewhere in this Section 8.1, a Credit Party fails to perform, observe or comply with any other term, covenant or agreement contained in this Agreement or any other Credit Document to which it is a party, and such default continues for a period of thirty (30) days after notice thereof is given to the Borrower by the Administrative Agent and the Majority Lenders or the Borrower otherwise becomes aware thereof, whichever is earlier (but only if and for so long as the remedying thereof was and continues to be diligently and in good faith pursued and no Material Adverse Effect has occurred or is imminent as a result of such facts);
- (f) any of the Credit Parties fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Agreement) which is outstanding in an aggregate principal amount exceeding \$1,000,000 (or the Equivalent Amount in another currency) when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such, if its effect is to accelerate, or permit the acceleration of the Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity;
- (g) the occurrence of an event of default or other termination event under: (i) the Permitted Swap Agreement, or (ii) any Swap Agreement with respect to obligations in excess of \$1,000,000, in the aggregate, or the Borrower fails to make any payment as required under a Swap Agreement (including the Permitted Swap Agreement) following a demand, an event of default or other termination event, in each case which continues for three (3)

Business Days after the expiry of any applicable grace period thereunder and notice of such occurrence is given to the Borrower and to the Administrative Agent;

- (h) the Borrower fails to perform or observe any term, covenant or agreement contained in any Material Agreement on its part to be performed or observed, or any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default);
- (i) any Credit Party repudiates its obligations under any Credit Document or claims any of the Credit Documents to be invalid or withdrawn in whole or in part;
- (j) if any Lien constituted pursuant to the Security Documents ceases to have the priority contemplated in the Credit Documents and in each case (other than any contest by any Credit Party) the same is not as soon as practicable effectively rectified or replaced by the Borrower;
- (k) any of the Security Documents at any time does not constitute a valid and perfected first priority Lien on any of the Assets, subject only to Permitted Liens which rank by law in priority;
- (l) the occurrence of any action, suit or proceeding against or affecting the Borrower before any court or before any Governmental Authority which, if successful, would reasonably be expected to have a Material Adverse Effect;
- (m) any judgment or order for the payment of money in excess of \$1,000,000, in the aggregate, which remains unsatisfied and undischarged for a period of thirty (30) days during which such judgment shall not be on appeal or execution thereof shall not be effectively stayed;
- (n) Assets of the Borrower having a fair market value in excess of \$1,000,000, in the aggregate, shall be seized (including by way of execution, attachment, garnishment or distraint) or any Lien thereon shall be enforced, or such property shall become subject to any charging order or equitable execution of a court, or any writ of enforcement, writ of execution or distress warrant with respect to obligations in excess of \$1,000,000, in the aggregate, shall exist in respect of any one or more of any of them, or such property, or any sheriff, civil enforcement agent or other Person shall become lawfully entitled to seize or distraint upon such property under the *Civil Enforcement Act* (Alberta), the *Workers' Compensation Act* (Alberta), the *Personal Property Security Act* (Alberta) or any other Applicable Laws whereunder similar remedies are provided, and in any case such seizure, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, shall continue in effect and not be released or discharged for more than thirty (30) days;
- (o) the Borrower ceases or proposes to cease carrying on business, or a substantial part thereof, or makes or threatens to make a bulk sale of its Assets;
- (p) the Borrower incurs any Environmental Liabilities which are not insured pursuant to an insurance policy maintained by the Borrower and for which it has received insurance proceeds in the amount of such Environmental Liabilities and which will require expenditures in an aggregate amount in any Financial Year in excess of \$1,000,000 (or the Equivalent Amount in another currency);
- (q) there is a Change of Control;
- (r) any Credit Party is not Solvent;

- (s) a judgment, decree or order of a court of competent jurisdiction is entered against a Credit Party: (i) adjudging any of them bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Applicable Law in any jurisdiction; or (ii) appointing a receiver, trustee, liquidator, or other Person with like powers, over all, or substantially all, of the property of any of them; or (iii) ordering the involuntary winding up or liquidation of the affairs of any of them; or (iv) appointing any receiver or other Person with like powers over all, or substantially all, of the Assets of any of them, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Administrative Agent, the Collateral Agent and/or the Lenders within thirty (30) days of its entry;
- (t) (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of a Credit Party, pursuant to Applicable Law, including the *Business Corporations Act* (Alberta) (except as permitted by Section 6.2(c)); or (ii) any of them institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous Applicable Law in any jurisdiction; or (iii) any of them consents to the filing of any petition under any such Applicable Law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of any of their property; or (iv) any of them makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due; or (v) any of them takes or consents to any action in furtherance of any of the aforesaid purposes;
- (u) there has occurred an event, circumstance or development that has a Material Adverse Effect or could reasonably be expected to have a Material Adverse Effect; or
- (v) the audited consolidated financial statements of the Borrower delivered to the Administrative Agent, for the benefit of and remittance to the Lenders, under this Agreement contain a qualification that is not acceptable to the Administrative Agent or any Lender, acting reasonably, and, if unacceptable, such qualification is not rectified or otherwise dealt with to the satisfaction of the Administrative Agent or such Lender within a period of thirty (30) days after delivery of such financial statements.

Section 8.2 Acceleration.

Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and on instruction by the Majority Lenders will, by written notice to the Borrower declare the Obligations (including the OID) payable under this Agreement or any other Credit Document to be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided that, upon the occurrence of an Event of Default under Section 8.1(r), Section 8.1(s) or Section 8.1(t), the Obligations payable under this Agreement shall become immediately due and payable, with any presentment, demand, protest or notice of any kind from the Administrative Agent. Upon the Obligations becoming immediately due and payable in accordance with this Section 8.2, the Borrower will be obligated without any further grace period to forthwith pay such amounts and the Administrative Agent and/or the Collateral Agent may exercise any and all rights, remedies, powers and privileges afforded by Applicable Law or under any and all other instruments, documents and agreements made to assure payment and performance of the obligations of the Credit Parties under the Credit Documents.

If the maturity of the Obligations shall be accelerated (under this Section 8.2 or otherwise) an amount equal to the MOIC Amount (determined as if the Obligations were repaid at the time of such acceleration at the option of the Borrower pursuant to Section 2.8) shall become immediately due and payable, and Borrower will pay such amount, as compensation and liquidated damages to the Lenders for

the loss of their investment opportunity and not as a penalty, whether or not a bankruptcy or insolvency has commenced, and (if a bankruptcy or insolvency has commenced) without regard to whether such bankruptcy or insolvency is voluntary or involuntary, or whether payment occurs pursuant to a motion, plan of arrangement or reorganization, or otherwise, and without regard to whether the Obligations are satisfied or released by foreclosure (whether or not by power of judicial proceeding), deed in lieu of foreclosure or by any other means. Without limiting the foregoing, any redemption, prepayment, repayment, or payment of the Obligations in or in connection with a bankruptcy or insolvency shall constitute an optional prepayment thereof under the terms of Section 2.8 and require the immediate payment of the MOIC Amount in addition to all other amounts owing hereunder.

Section 8.3 Waivers.

An Event of Default may only be waived by the Lenders in writing.

Section 8.4 Remedies upon Default.

- (1) Upon the Obligations becoming immediately due and payable pursuant to Section 8.2, the Administrative Agent and/or the Collateral Agent may commence such legal action or proceedings as are instructed by the Majority Lenders, including the commencement of enforcement proceedings under the Credit Documents and the right to give entitlement orders, instructions or a notice of exclusive control to a securities intermediary subject to the Account Control Agreement, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrower. The Lenders acknowledge that any such legal actions and proceedings are subject to the provisions of the Intercreditor Agreements, as applicable.
- (2) The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. Nothing contained in the Credit Documents with respect to the indebtedness or liability of the Credit Parties to the Administrative Agent, the Collateral Agent and the Lenders, nor any act or omission of the Administrative Agent, the Collateral Agent or the Lenders with respect to the Credit Documents or the Security, provided that such act or omission is not in breach of any term or provision of the Credit Documents, shall in any way prejudice or affect the rights, remedies and powers of the Administrative Agent, the Collateral Agent and the Lenders under the Credit Documents and the Security.
- (3) Notwithstanding anything to the contrary herein, the Lender agrees that any sale or transfer of the Greenfire Shares shall be subject to the provisions of Section 32 of the Greenfire Pledge.

Section 8.5 Power of Attorney.

The Borrower hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Administrative Agent's sole and absolute discretion, for the purpose of carrying out the terms of the Credit Documents, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Credit Documents and which the Borrower being required to take or execute has failed to take or execute; provided that this power of attorney will not be effective until the occurrence and during the continuance of any Event of Default. The Borrower hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until all of the Obligations under the Credit Documents have been unconditionally and irrevocably paid and performed in full. The Borrower also authorizes the Administrative Agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer pursuant to the Security Documents. If requested by the Administrative Agent, the Borrower will cause each other Credit Party to constitute and appoint the Administrative Agent and any officer or agent

thereof, with full power of substitution, as its true and lawful attorney-in-fact in accordance with the foregoing provisions of this Section.

Section 8.6 Right of Set-off.

- (1) The Borrower agrees that, upon the occurrence of a Default or an Event of Default, in addition to and without limitation of any right of set-off, bankers' lien, counterclaim or other right or remedy that the Administrative Agent or the Lenders may otherwise have, any Lender will be entitled, at its option, to offset any and all balances and deposits held by it for the account of the Borrower at any of its offices or branches (including, if applicable, the Collection Account), in any currency, against any and all amounts owed by the Borrower to such Lender hereunder (regardless of whether any such balances are then due or payable to the Borrower), including all claims of any nature or description arising out of or connected with this Agreement, in which case such Lender will promptly notify the Borrower thereof after the occurrence thereof; provided that such Lender's failure to give any such notice will not affect the validity thereof.
- (2) Without limitation to the provisions of Section 8.6(1), the Borrower further agrees that, at any time and from time to time, in addition to and without limitation of any right of set-off, bankers' lien, counterclaim or other right or remedy that the Administrative Agent, the Collateral Agent or the Lenders may otherwise have (including under this Section), any Lender will be entitled, at its option, to offset any and all amounts owing by such Lender to the Borrower under the Commercial Agreement or any other agreement entered into between such Lender and the Borrower against any and all amounts owed by the Borrower to such Lender hereunder (regardless of whether any such balances are then due or payable to the Borrower), including all claims of any nature or description arising out of or connected with this Agreement, in which case such Lender will promptly notify the Borrower thereof after the occurrence thereof; provided that such Lender's failure to give any such notice will not affect the validity thereof.
- (3) Nothing contained in the Credit Documents will require any Lender to exercise any right, or will affect the right of any Lender to exercise and retain the benefits of exercising any right, with respect to any Debt or other obligation of the Borrower existing otherwise than pursuant to the Credit Documents, including pursuant to the Commercial Agreement.

Section 8.7 Application of Cash Proceeds of Realization.

- (1) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Administrative Agent and disposed of, or realized upon, by the Administrative Agent, upon instruction by the Majority Lenders, so as to produce Cash Proceeds of Realization.
- (2) All (i) payments made by or on behalf of a Credit Party under the Credit Documents after acceleration pursuant to Section 8.2, and (ii) Cash Proceeds of Realization, will be applied and distributed by the Administrative Agent or any nominee thereof in the following manner:
 - (a) first, to the payment of all costs and expenses (including fees of counsel) of the Administrative Agent, the Collateral Agent and the Lenders in connection with enforcing each of their respective rights under this Agreement and the applicable Credit Documents, including all expenses of sale or other realization of or in respect of the Collateral, including compensation to the agents and counsel for the Administrative Agent, the Collateral Agent and the Lenders, and all expenses, liabilities and advances incurred or made by the Administrative Agent, the Collateral Agent and the Lenders in connection therewith, and any other obligations owing to the Administrative Agent, the Collateral Agent and the Lenders in respect of sums advanced by the Administrative Agent, the Collateral Agent and the Lenders to preserve the Collateral or to preserve the Security in the Collateral;
 - (b) second, to the payment of all of accrued interest and fees and actual incurred indemnities due under the Credit Documents;

- (c) third, to pay the MOIC Amount, if any;
 - (d) fourth, to the payment of the Outstanding Principal under this Agreement in inverse order of maturity;
 - (e) fifth, except as set forth in clauses (a) through (d) above, inclusive, to the payment of the outstanding Obligations owing to the Administrative Agent, the Collateral Agent and the Lenders in connection with the Credit Documents; and
 - (f) sixth, to the payment of the surplus, if any, to whomever may be lawfully entitled to receive such surplus.
- (3) The Lenders acknowledge that the dealing with and handling of any Proceeds of Realization and Cash Proceeds of Realization will be subject, as applicable, to the Intercreditor Agreements.

Section 8.8 Adjustments Among Lenders.

- (1) Notwithstanding anything herein or in any other Credit Document to the contrary, if all Obligations owing under the Credit Facility together with unpaid accrued interest thereon and any other amounts owing under this Agreement or any other Credit Documents, contingent or otherwise, become due and payable pursuant to Section 8.4 (an "**Acceleration**"):
- (a) each Lender agrees that it shall, at any time or from time to time thereafter at the request of the Administrative Agent as required by any Lender, (A) purchase at par on a non-recourse basis a participation in the outstanding Advance owing to each other Lender under the Credit Facility and (B) effect such other transactions and make such other adjustments as are necessary or appropriate, in order that the aggregate principal amount owing to each of the Lenders under the Credit Facility, as adjusted pursuant to this Section 8.8, shall be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment immediately prior to the Acceleration; and
 - (b) any payment made by or on behalf of any of the Borrower or any other Credit Party under or pursuant to this Agreement or any other Credit Documents, any proceeds from the exercise of any rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders under this Agreement or any other Credit Documents and any distribution or payment received by the Administrative Agent, the Collateral Agent or the Lenders with respect to the Borrower and the other Credit Parties in the event of any bankruptcy, insolvency, winding-up, liquidation, arrangement, compromise or composition, shall be applied against the aggregate principal amount in a manner so that, to the extent possible, the aggregate principal amount owing to each of the Lenders under the Credit Facility will be in the same proportion as each Lender's Individual Commitment Amount was to the Commitment immediately prior to the Acceleration.
- (2) For certainty, on the Maturity Date under the Credit Facility:
- (a) the unutilized portion of each Lender's Individual Commitment Amount shall be cancelled; and
 - (b) the amount of each Lender's Individual Commitment Amount for all purposes hereof, including this Section 8.8, shall be the aggregate principal amount owing to such Lender under such Individual Commitment Amount and the Credit Facility as at any date of determination.
- (3) Each Lender shall, at any time and from time to time at the request of the Administrative Agent as required by any Lender, execute and deliver such agreements, instruments and other documents

and take such other steps and actions as may be required to confirm, evidence or give effect to the foregoing.

- (4) For certainty, the provisions of this Section 8.8 are unconditional and irrevocable and (i) the Lenders shall be obligated to purchase participations and to effect the transactions and adjustments contemplated by this Section 8.8 and (ii) the other provisions hereof shall operate and apply, in each case, irrespective of whether a Default or Event of Default is then continuing or whether any condition in Article 4 is met.

ARTICLE 9 ADMINISTRATION OF THE CREDIT FACILITY

Section 9.1 Authorization and Action.

- (1) Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to be its administrative agent in its name and on its behalf and to exercise such rights or powers granted to the Administrative Agent or the Lenders under this Agreement or any other Credit Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or any other Credit Documents, the Administrative Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Applicable Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders; provided, however, that the Administrative Agent will not be required to take any action which, in the opinion of the Administrative Agent, might expose the Administrative Agent to liability in such capacity, which could result in the Administrative Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.
- (2) Each Lender hereby irrevocably appoints and authorizes the Collateral Agent to be its collateral agent in its name and on its behalf and to exercise such rights or powers granted to the Collateral Agent or the Lenders under this Agreement or any other Credit Documents to the extent specifically provided therein and on the terms thereof, together with such powers and authority as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or any other Credit Documents, the Collateral Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected by the Lenders to the greatest extent permitted by Applicable Law in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions will be binding upon all Lenders; provided, however, that the Collateral Agent will not be required to take any action which, in the opinion of the Collateral Agent, might expose the Collateral Agent to liability in such capacity, which could result in the Collateral Agent incurring any costs and expenses, or which is contrary to the spirit and intent of this Agreement.
- (3) Where the provisions of this Agreement provide that any waiver of or any amendment to any provision of this Agreement or any other Credit Documents may be made or any action, consent or other determination in connection with this Agreement or any other Credit Documents may be taken or given, with the consent or agreement of the Lenders or the Majority Lenders (in accordance with Section 9.16), then any such waiver, amendment, action, consent or determination so made, so taken or so given with the consent or agreement of the Lenders or the Majority Lenders will be binding on all of the Lenders and all of the Lenders will cooperate in all ways necessary or desirable to implement and effect such waiver, amendment, action, consent or determination.
- (4) If the Administrative Agent or the Collateral Agent delivers a notice to a Lender requesting advice from such Lender as to whether it consents or objects to any matter in connection with this Agreement or any other Credit Documents, then, except as otherwise expressly provided herein,

if such Lender does not deliver to the Administrative Agent or the Collateral Agent, as applicable, its written consent or objection to such matter within the time period referenced in such notice, or if no such period is referenced, within seven (7) Business Days of the delivery of such notice by the Administrative Agent or the Collateral Agent to such Lender, such Lender will be deemed not to have consented thereto upon the expiry of such period.

- (5) Each Lender hereby irrevocably authorizes the Collateral Agent to execute and deliver such releases and no-interest letters as may be required in connection with any disposition of assets by one or more Credit Parties in respect of which the Administrative Agent and the Collateral Agent has received a certificate of the Borrower certifying that such disposition is permitted hereunder, together with any other information from the Borrower reasonably required by the Administrative Agent or the Collateral Agent, if any, to satisfy itself that any such disposition is permitted hereunder.
- (6) The Administrative Agent and Collateral Agent shall have only those duties and responsibilities that are expressly specified herein and in the other Credit Documents. The Administrative Agent and Collateral Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. The Administrative Agent and Collateral Agent shall not have or be deemed to have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent and Collateral Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.
- (7) The Administrative Agent and Collateral Agent shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by the Administrative Agent and Collateral Agent to Lenders or by or on behalf of any Credit Party to the Administrative Agent and Collateral Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall the Administrative Agent and Collateral Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Advances or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. The Administrative Agent and Collateral Agent shall not be responsible for the satisfaction of any condition set forth in Article 4 or elsewhere in any Credit Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and Collateral Agent. The Administrative Agent and Collateral Agent will not be required to take any action that is contrary to Applicable Law or any provision of this Agreement or any Credit Document. Anything contained herein to the contrary notwithstanding, the Administrative Agent and Collateral Agent shall not have any liability arising from confirmations of the amount of outstanding Advances or the component amounts thereof.
- (8) Neither the Administrative Agent and Collateral Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by the Administrative Agent and Collateral Agent under or in connection with any of the Credit Documents except to the extent caused by the Administrative Agent or Collateral Agent gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non appealable order. The Administrative Agent and Collateral Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the Administrative Agent and Collateral Agent shall have received written instructions in respect thereof from Majority Lenders (or such

other Lenders as may be required to give such instructions under this Agreement) or in accordance with the applicable Credit Document, and, upon receipt of such instructions from Majority Lenders (or such other Lenders, as the case may be), or in accordance with the other applicable Credit Document, as the case may be, the Administrative Agent and Collateral Agent shall be entitled to act or (where so instructed), refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, except powers and authority expressly contemplated hereby or under the other Credit Documents. Without prejudice to the generality of the foregoing, the Administrative Agent and Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected and free from liability in relying on opinions and judgments of attorneys (who may be attorneys for the Credit Parties), accountants, experts and other professional advisors selected by it; and no Lender shall have any right of action whatsoever against the Administrative Agent or Collateral Agent as a result of the Administrative Agent or Collateral Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Majority Lenders (or such other Lenders as may be required to give such instructions hereunder) or in accordance with the applicable Credit Document. The Administrative Agent and Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless the Administrative Agent and Collateral Agent shall first receive such advice or concurrence of the Lenders (as required by this Agreement) and until such instructions are received, the Administrative Agent and Collateral Agent shall act, or refrain from acting, as it deems advisable. If the Administrative Agent or Collateral Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Credit Document in accordance with a request or consent of the Majority Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders. No provision of this Agreement or any other Credit Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby shall require the Administrative Agent or Collateral Agent to expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or power or otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers. The Collateral Agent shall not be responsible for perfecting, maintaining, monitoring, preserving or protecting the security interest or lien granted under this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the filing, re filing, recording, re recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Collateral. The actions described above shall be the responsibility of the Lenders and the Credit Parties. The Administrative Agent and Collateral Agent shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as agent. The Administrative Agent and Collateral Agent has each accepted and is bound by the Credit Documents executed by them as of the date of this Agreement and, as directed in writing by the Majority Lenders, the Administrative Agent and Collateral Agent shall execute additional Credit Documents delivered to it after the date of this Agreement; provided, however, that such additional Credit Documents do not adversely affect the rights, privileges, benefits and immunities of the Administrative Agent and Collateral Agent. The Administrative Agent and Collateral Agent will not otherwise be bound by, or be held obligated by, the provisions of any loan agreement, indenture or other agreement governing the Obligations (other than this Agreement and the other Credit Documents to which the Administrative Agent or Collateral Agent is a party). No written direction given to the Administrative Agent or Collateral Agent by the Majority Lenders or any Credit Party that in the sole judgment of the Administrative Agent or Collateral Agent imposes, purports to impose or might reasonably be expected to impose upon the Administrative Agent and Collateral Agent any obligation or liability not set forth in or arising under this Agreement and

the other Credit Documents will be binding upon the Agent unless the Agent elects, at its sole option, to accept such direction. Beyond the exercise of reasonable care in the custody of the Collateral in the possession or control of the Collateral Agent or its bailee, the Collateral Agent will not have any duty as to any other Collateral or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Collateral Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith. The Collateral Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Collateral Agent, as determined by a court of competent jurisdiction in a final, non appealable order, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any grantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Administrative Agent and Collateral Agent hereby disclaims any representation or warranty to the present and future Lenders of the Obligations concerning the perfection of the Liens granted hereunder or in the value of any of the Collateral. In the event that the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under any environmental laws or otherwise cause the Collateral Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, the Collateral Agent reserves the right, instead of taking such action, either to resign as Collateral Agent or to arrange for the transfer of the title or control of the asset to a court-appointed receiver. The Administrative Agent and Collateral Agent will not be liable to any person for any environmental liability or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Administrative Agent or Collateral Agent actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment. Each Lender authorizes and directs the Administrative Agent and Collateral Agent to enter into this Agreement and the other Credit Documents to which it is a party. Each Lender agrees that any action taken by the Administrative Agent or Collateral Agent or Majority Lenders in accordance with the terms of this Agreement or the other Credit Documents and the exercise by the Administrative Agent or Collateral Agent or Majority Lenders of their respective powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

- (9) The Administrative Agent and Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except knowledge of any failure to pay principal, interest and fees required to be paid hereunder to the Administrative Agent for the benefit of the Lenders) unless the Administrative Agent and Collateral Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Administrative Agent and Collateral Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent and Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.
- (10) Each Credit Party hereby agrees, unless directed otherwise by the Administrative Agent and Collateral Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent and Collateral Agent to such Person, that it will provide to the Administrative Agent and Collateral Agent all information, documents and other materials that it is

obligated to furnish to the Administrative Agent and Collateral Agent or to the Lenders pursuant to the Credit Documents, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (ii) provides notice of any Default or Event of Default under this Agreement or any other Credit Document, or (iii) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Advance hereunder (all such non excluded communications being referred to in this paragraph collectively as “**Communications**”), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Borrower and the Administrative Agent and Collateral Agent to an electronic mail address as directed by the Administrative Agent and Collateral Agent. In addition, each Credit Party agrees to continue to provide the Communications to the Administrative Agent and Collateral Agent or the Lenders, as the case may be, in the manner specified in the Credit Documents but only to the extent requested by the Administrative Agent or Collateral Agent.

- (11) Nothing herein shall prejudice the right of the Administrative Agent and Collateral Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document

Section 9.2 Procedure for Advance.

- (1) The Advance under the Credit Facility will be made in accordance with each Lender's Rateable Portion of the Advance under the Credit Facility. The Advance will be made by each Lender directly to the Borrower in accordance with the Notice of Advance.
- (2) The failure of any Lender to make its Rateable Portion of the Advance will not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of the Advance on the date that such Advance is to take place, but no Lender nor the Agent will be responsible for the failure of any other Lender to provide its Rateable Portion of the Advance under the Credit Facility.

Section 9.3 Remittance of Payments.

Within two (2) Business Days of receipt of any payment by the Borrower hereunder, the Administrative Agent, if and to the extent a Lender is entitled thereto, will remit to such Lender its Rateable Portion of such payment.

Section 9.4 Redistribution of Payment.

Each Lender agrees that:

- (1) If it exercises any right of counter-claim, set-off (including a set-off pursuant to Section 8.6), bankers' lien or similar right with respect to any property of any Credit Party or if under Applicable Law it receives a secured claim, the security for which is a debt owed by it to such Credit Party, it will apportion the amount thereof proportionately between:
- (a) amounts outstanding at the time owed by such Credit Party to such Lender under this Agreement, which amounts will be applied in accordance with this Section 9.4; and
 - (b) amounts otherwise owed to it by such Credit Party.
- (2) If it receives, through the exercise of a right or the receipt of a secured claim described in Section 9.4(1) or otherwise, payment of a proportion of the aggregate amount of principal, interest and fees due to it hereunder which is greater than the proportion received by any other Lender (or, if an Event of Default has occurred and is continuing, any other Secured Party) in respect of the aggregate amount of principal, interest and fees due in respect of the Credit Facility (having regard to the respective proportionate amounts advanced as the Advance by each of the Lenders

under the Credit Facility and, after an Event of Default, any Swap Obligations), the Lender receiving such proportionately greater payment will purchase a participation (which will be deemed to have been done simultaneously with receipt of such payment) in that portion of the Credit Facility of the other Lenders so that their respective receipts will be pro rata to their respective Rateable Portions, provided however that, if (i) all or part of such proportionately greater payment received by such purchasing Lender is otherwise recovered by it, such purchase will be rescinded and the purchase price for such participation will be returned to the extent of such recovery, but without interest, (ii) or if any Event of Default has occurred and is continuing, such Lender shall pay such amounts to the Collateral Agent, for the benefit of the Secured Parties to be held and dealt with by the Collateral Agent pursuant to the Intercreditor Agreement (Swap Counterparty) as Proceeds thereunder. Such Lender will exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders and, if applicable, the Swap Counterparty, entitled under this Section 9.4 and the Intercreditor Agreement (Swap Counterparty) to share in the benefits of any recovery on such secured claims.

- (3) If it does any act or thing permitted by Section 9.4(1) or Section 9.4(2), it will promptly provide full particulars thereof to the Administrative Agent.
- (4) Except as permitted under Section 9.4(1) or Section 9.4(2) (which, for certainty, includes Trafigura's ability to exercise a set-off against any Credit Party amounts owing by such Credit Party under this Agreement for amounts owing to such Credit Party under the Commercial Agreement), no Lender will be entitled to exercise any right of counter-claim, set-off, bankers' lien or similar right in respect of the Secured Obligations owing by a Credit Party without the prior written consent of the other Lenders. For certainty, nothing herein shall restrict any Lender from exercising any right of counter-claim, set-off, bankers Lien or similar right in respect of amounts owing by a Credit Party to such Lender which are not Secured Obligations or which are not otherwise owing under this Agreement or the other Credit Documents against amounts owing by such Lender to such Credit Party.

Section 9.5 Duties and Obligations.

Neither the Administrative Agent or the Collateral Agent, or any of their respective directors, officers, agents or employees (and, for purposes hereof, the Administrative Agent or the Collateral Agent, as applicable, will be deemed to be contracting as agent for and on behalf of such Persons) will not be liable to any Lender for any action taken or omitted to be taken by it under or in connection with this Agreement or any other Credit Documents, except for its own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Administrative Agent and the Collateral Agent:

- (1) may assume that there has been no assignment or transfer by the Lenders of their rights under this Agreement or any other Credit Documents, unless and until the Administrative Agent and the Collateral Agent receives a duly executed assignment from such Lender;
- (2) may consult with counsel (including Borrower's counsel), independent public accountants and other experts selected by it and will not be liable for any action taken or omitted to be taken in good faith by it in accordance with or reliance upon the advice of such counsel, accountants or experts;
- (3) will incur no liability under or in respect of this Agreement or any other Credit Documents by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the apparently proper Person or by acting upon any representation or warranty of any Credit Party made or deemed to be made hereunder;
- (4) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary; and

- (5) may rely, as to any matter of fact which might reasonably be expected to be within the knowledge of any Person, upon a certificate signed by or on behalf of such Person.

Further, neither the Administrative Agent nor the Collateral Agent: (i) makes any warranty or representation to any Lender nor will it be responsible to any Lender for the accuracy or completeness of the data made available to any of the Lenders in connection with the Credit Facility, or for any statements, warranties or representations (whether written or oral) made in connection with the Credit Facility; (ii) will have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Credit Documents on the part of any Credit Party or to inspect the property (including books and records) of any Credit Party; and (iii) will be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Documents or any other instrument or document furnished pursuant hereto or thereto.

Section 9.6 Prompt Notice to the Lenders.

Notwithstanding any other provision herein, each of the Administrative Agent and the Collateral Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Administrative Agent or the Collateral Agent by the Borrower hereunder, promptly and in any event within two (2) Business Days of receipt of same, excepting therefrom information and notices relating solely to the role of the Administrative Agent or the Collateral Agent hereunder.

Section 9.7 Agent and Agent Authority.

Each of the Administrative Agent and the Collateral Agent may accept deposits from, lend money to, and generally engage in any kind of business with any Credit Party, any of their Subsidiaries, their respective shareholders or unitholders or any Person owned or controlled by any of them and any Person which may do business with any of them, all as if the Administrative Agent or the Collateral Agent was not serving as the Administrative Agent or the Collateral Agent, as applicable, and without any duty or obligation to account therefor to the Lenders.

Section 9.8 Lenders' Credit Decisions.

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Credit Parties. Accordingly, each Lender confirms with the Administrative Agent and the Collateral Agent that it has not relied, and will not hereafter rely, on either the Administrative Agent or the Collateral Agent (a) to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Credit Parties or any other Person under or in connection with the Credit Facility (whether or not such information has been or is hereafter distributed to such Lender by the Administrative Agent or the Collateral Agent) or (b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of any Credit Party. Each Lender acknowledges that copies of this Agreement or any other Credit Documents have been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement or any other Credit Documents. A Lender will not make any independent arrangement with any Credit Party for the satisfaction of any Obligations owing to it under this Agreement or any other Credit Documents without the written consent of the other Lenders.

Each Lender, by delivering its signature page to this Agreement or a joinder agreement and funding its Advances, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by the Administrative Agent and Collateral Agent, Majority Lenders or Lenders, as applicable.

Section 9.9 Indemnification.

The Lenders hereby agree to indemnify each of the Administrative Agent and the Collateral Agent and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) in accordance with their respective Rateable Portions, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against either the Administrative Agent or the Collateral Agent or their respective directors, officers, agents and employees in any way relating to or arising out of this Agreement or any other Credit Documents or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in respect of this Agreement or any other Credit Documents in their respective capacity as the Administrative Agent or the Collateral Agent, provided that no Lender will be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's or the Collateral Agent's gross negligence or willful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Administrative Agent or the Collateral Agent promptly upon demand for its Rateable Portion of any reasonable out-of-pocket expenses (including legal fees, on a solicitor and his own client full indemnity basis) incurred by the Administrative Agent or the Collateral Agent in connection with the preservation of any right of the Administrative Agent, the Collateral Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Credit Documents, to the extent that the Administrative Agent or the Collateral Agent is not reimbursed for such expenses by the Borrower. This indemnity will survive the termination of the other provisions of this Agreement as a separate and continuing covenant of the Lenders.

Section 9.10 Successor Agent.

Either the Administrative Agent or the Collateral Agent may, as hereinafter provided, resign at any time by giving 30 days' notice (the "**Resignation Notice**") thereof to the Lenders and the Borrower. The remaining Lenders, with the consent of the Borrower, such consent not to be unreasonably withheld, will forthwith upon receipt of the Resignation Notice unanimously appoint a Lender as successor agent (the "**Successor Agent**") to assume the duties hereunder of the resigning Administrative Agent or Collateral Agent. Upon the acceptance of any appointment as agent hereunder by a Successor Agent, such Successor Agent will thereupon succeed to and become vested with all the rights, powers, privileges and duties as agent under this Agreement or any other Credit Documents of the resigning Administrative Agent or Collateral Agent. Upon such acceptance, the resigning Administrative Agent or Collateral Agent will be discharged from its further duties and obligations as agent under this Agreement or any other Credit Documents, but any such resignation will not affect such resigning Administrative Agent's or Collateral Agent's obligations hereunder as a Lender (if applicable), including for its Rateable Portion of the Commitment. After the resignation of the Administrative Agent or the Collateral Agent as agent hereunder, the provisions of this Article 9 will continue to enure to its benefit as to any actions taken or omitted to be taken by it while it was the agent of the Lenders hereunder. Notwithstanding the foregoing, if the remaining Lenders fail to appoint a Successor Agent within 30 days of receipt of the Resignation Notice, the resigning Administrative Agent or Collateral Agent may and with the approval of the Borrower prior to an Event of Default, such approval not to be unreasonably withheld, appoint a Successor Agent from among the Lenders, provided that consent of such Successor Agent has been obtained.

Notwithstanding anything herein to the contrary, the Administrative Agent and Collateral Agent may assign its rights and duties as agent hereunder to (i) an Affiliate of the Administrative Agent and Collateral Agent or to any Lender or Affiliate thereof without the prior written consent of, or prior written notice to, the Borrower or the Lenders, or (ii) any other non-Affiliate financing source of the Administrative Agent and Collateral Agent or other third party with the prior written consent of the Majority Lenders; provided that the Borrower and the Lenders may deem and treat such assigning Administrative Agent or Collateral Agent as Administrative Agent or Collateral Agent for all purposes hereof, unless and until such assigning Administrative Agent or Collateral Agent provides written notice to the Borrower and the Lenders of such assignment. Upon such assignment, such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent or Collateral Agent hereunder and under the other Credit Documents.

The Administrative Agent and Collateral Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub agents appointed by the Administrative Agent and Collateral Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The Administrative Agent and Collateral Agent shall not be responsible for the acts or omissions of its sub agents so long as they are appointed with due care. The exculpatory, indemnification and other provisions of Article 9 shall apply to any Affiliates of the Administrative Agent and Collateral Agent and shall apply to their respective activities in connection with the credit facilities provided for herein. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of Article 9 shall apply to any such sub agent and to the Affiliates of any such sub agent, and shall apply to their respective activities as sub agent. Notwithstanding anything herein to the contrary, with respect to each sub agent appointed by the Administrative Agent or Collateral Agent, such sub agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Credit Parties and the Lenders and such sub agent shall only have obligations to the Administrative Agent and Collateral Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub agent.

Section 9.11 Taking and Enforcement of Remedies.

Except as otherwise provided herein or in any other Credit Document, each Lender hereby acknowledges that, to the extent permitted by Applicable Law, rights and remedies provided under this Agreement or any other Credit Documents to the Lenders are for the benefit of the Lenders collectively and not severally and further acknowledges that its rights and remedies thereunder are to be exercised not severally but collectively through the Administrative Agent or the Collateral Agent, as applicable, upon the decision of the Lenders (with the required majority or unanimity as herein provided), regardless of whether acceleration of Obligations hereunder was made, and accordingly, notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it will not be entitled to take any action with respect to the Credit Facility, including any acceleration of Obligations thereunder, but that any such action will be taken only by the Administrative Agent or the Collateral Agent, as applicable, with the prior written direction of the Lenders (with the required majority or unanimity as herein provided). Notwithstanding the foregoing, in the absence of written instructions from the Lenders, and where in the sole opinion of the Administrative Agent or the Collateral Agent, as applicable, the exigencies of the situation warrant such action, the Administrative Agent or the Collateral Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the circumstances. Each of the Lenders hereby covenants and agrees that it has not heretofore and will not seek, take, accept or receive any security for any of the Obligations of the Credit Parties under this Agreement or any other Credit Documents and will not enter into any agreement with any of the parties relating in any manner whatsoever to the Credit Facility, unless all of the Lenders under the Credit Facility will at the same time obtain the benefit of any such security or agreement, as the case may be.

The Lenders and each Credit Party hereby agree that after the occurrence of an Event of Default, in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Administrative Agent or Collateral Agent (irrespective of whether the principal of any Advance shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent or Collateral Agent shall have made any demand on any Credit Party) shall be entitled and empowered, by intervention in such proceeding or otherwise, to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Advances and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Lenders, the Administrative Agent and Collateral Agent and other agents (including any claim for the reasonable compensation, expenses, disbursements and

advances of the Lenders, the Administrative Agent and Collateral Agent and other agents and their agents and counsel and all other amounts due Lenders, the Administrative Agent and Collateral Agent and other agents hereunder) allowed in such judicial proceeding; subject to the Intercreditor Agreements, as applicable, to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, interim trustee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the compensation, expenses, disbursements and advances of the Administrative Agent and Collateral Agent and its agents and counsel, and any other amounts due the Administrative Agent and Collateral Agent and other agents hereunder. Without limiting the provisions of the Intercreditor Agreements, as applicable, nothing herein contained shall be deemed to authorize the Administrative Agent and Collateral Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lenders or to authorize the Administrative Agent and Collateral Agent to vote in respect of the claim of any Lender in any such proceeding; further, nothing contained in this Section 9.11 shall affect or preclude the ability of any Lender to file and prove such a claim in the event that the Administrative Agent or Collateral Agent has not acted within ten (10) days prior to any applicable bar date and require an amendment of the proof of claim to accurately reflect such Lender's outstanding Obligations.

Section 9.12 Reliance Upon Agent.

The Borrower will be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Administrative Agent or the Collateral Agent pursuant to this Agreement or any other Credit Documents, and the Borrower will be entitled to deal with the Administrative Agent or the Collateral Agent with respect to matters under this Agreement or any other Credit Documents which the Administrative Agent or the Collateral Agent, as applicable, is authorized hereunder to deal with, without any obligation whatsoever to satisfy itself as to the authority of the Administrative Agent or the Collateral Agent to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to them by the Agent, notwithstanding any lack of authority of the Administrative Agent or the Collateral Agent to provide the same.

Section 9.13 Agent May Perform Covenants.

If the Borrower fails to perform any covenant on its part herein contained, the Administrative Agent may give notice to the Borrower of such failure and if, within ten (10) Business Days of such notice (or after the expiry of such other time or cure period as may be required in this Agreement), such covenant remains unperformed, the Administrative Agent on behalf of the Lenders may, in its sole discretion but need not, perform any such covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Administrative Agent may make such payment or expenditure and all sums so expended will be forthwith payable by the Borrower to the Administrative Agent on behalf of the Lenders and will bear interest at a per annum rate that is equal to the Applicable Rate plus the Default Rate. No such performance by the Administrative Agent shall require the Administrative Agent to further perform any Credit Party's covenants or shall operate as a derogation of the rights and remedies of the Administrative Agent under this Agreement or as a waiver of such covenant by the Administrative Agent or the Lenders.

Section 9.14 No Liability of Agent.

Neither the Administrative Agent nor the Collateral Agent, in its capacity as agent of the Lenders under this Agreement or any other Credit Documents, will have responsibility or liability to the Borrower or the Lenders on account of the failure of any Lender to perform its obligations hereunder, or to any Lender on account of the failure of the Borrower to perform its obligations under this Agreement or any other Credit Documents.

Section 9.15 Nature of Obligations under this Agreement.

- (1) The obligations of each Lender, the Administrative Agent and the Collateral Agent under this Agreement are separate. The failure of any Lender to carry out its obligations hereunder will not relieve the other Lenders, the Administrative Agent, the Collateral Agent or the Borrower of any of their respective obligations hereunder.
- (2) Neither the Administrative Agent, the Collateral Agent nor any Lender will be liable or otherwise responsible for the obligations of any other agent or Lender hereunder.

Section 9.16 Lender Consent.

- (1) Notwithstanding anything herein to the contrary, the following matters will require the consent, approval action or agreement, as the context requires, of all Lenders:
 - (a) the reduction or forgiveness of any Obligations payable by any Credit Party under the Credit Facility or under any of this Agreement or any other Credit Documents;
 - (b) the postponement of any maturity date of any Obligations of any Credit Party to the Lenders or under any of this Agreement or any other Credit Documents, other than as provided for in this Agreement;
 - (c) the release or discharge of the Security, or any part thereof, unless otherwise expressly permitted or provided in this Agreement, or any change in the ranking or priority of the Security;
 - (d) any change in the nature of the Advance;
 - (e) any change to or waiver of Section 2.1, Section 2.2, Section 2.3, Section 2.5, Section 2.8, Section 4.1, Section 6.1(c) and Section 6.3;
 - (f) any amendment to Section 8.7, Section 8.8 or to this Section 9.16(1);
 - (g) any increase in its Individual Commitment Amount or any amendment to the definition of "Individual Commitment Amount";
 - (h) any change to the definition of "Majority Lenders" or "Permitted Liens"; and
 - (i) any other matter that in this Agreement specifically requires the approval, consent, authorization or agreement of "the Lenders" collectively or "all of the Lenders".

Provided that (A) any change to Article 9 will require the consent of each of the Administrative Agent and the Collateral Agent, (B) any change to the Individual Commitment Amount can only be made with the consent of the applicable Lender; (C) any change which only affects one of the Lenders, the Administrative Agent or the Collateral Agent, respectively, shall only require the consent of the affected Persons.

- (2) Subject to Section 9.16(1), any waiver of or any amendment to any provision of this Agreement or any other Credit Documents and any action, consent or other determination in connection with this Agreement or any other Credit Documents will bind all of the Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.

Section 9.17 Specific Collateral Agency Provisions.

- (1) Subject to the terms of this Agreement and the Intercreditor Agreements, the Collateral Agent agrees to administer and enforce the Security Documents and other Credit Documents to which it

is a party and to foreclose upon, collect and dispose of the Collateral and to provide the proceeds therefrom: (i) to the extent attributable to the Shared Security Documents, to the Collateral Agent to deal with in accordance with the provisions of the Intercreditor Agreement (Swap Counterparty), or (ii) to the extent attributable to the Supplemental Security Documents, to the Administrative Agent, for the benefit of the Secured Parties, who shall apply such proceeds as provided in this Agreement, and otherwise to perform its duties and obligations as the Collateral Agent hereunder in accordance with the terms hereof.

- (2) Notwithstanding any other provision of the Credit Documents, in no event shall the Collateral Agent be required to foreclose on, or take possession of, the Collateral, if, in the judgment of the Collateral Agent, such action would be in violation of any Applicable Law, or if the Collateral Agent reasonably believes that such action would result in the incurrence of liability by the Collateral Agent for which it is not fully indemnified by the Lenders.
- (3) Subject to the terms of the Intercreditor Agreements, the Collateral Agent may at any time request instructions from the Lenders as to a course of action to be taken by it hereunder and under any of the Credit Documents or in connection herewith and therewith or any other matters relating hereto and thereto.
- (4) The powers conferred on the Collateral Agent under this Agreement and the Credit Documents are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody and preservation of the Collateral in its possession and the accounting for monies actually received by it, the Collateral Agent shall have no other duty as to the Collateral. The Collateral Agent hereby agrees to exercise reasonable care in respect of the custody and preservation of the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Amendments.

No amendment or waiver of any provision of any of the Credit Documents, nor consent to any departure by the Credit Parties or any other Person from such provisions, shall be effective unless in writing and approved by the Lenders. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 10.2 Waiver.

- (1) No waiver by a party of any provision or of the breach of any provision of the Credit Documents will be effective unless it is contained in a written instrument duly executed by an authorized officer or representative of such party. Such written waiver will affect only the matter specifically identified in the instrument granting the waiver and will not extend to any other matter, provision or breach.
- (2) No failure on the part of the Administrative Agent, the Collateral Agent or any Lender to exercise, and no delay in exercising, any right under any of the Credit Documents shall operate as a waiver of such right; nor shall any single or partial exercise of any right under any of the Credit Documents preclude any other or further exercise of such right or the exercise of any other right.
- (3) Acceptance of payment by a party after a breach or non-fulfilment of any provision of the Credit Documents requiring a payment to such party will constitute a waiver of such provision if cured by such payment, but will not constitute a waiver or cure of any other provision of the Credit Documents.

- (4) Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Advance and, notwithstanding such initial Advance or any investigation made by or on behalf of any party, shall continue in full force and effect. The closing of this transaction shall not prejudice any right of one party against any other party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 10.3 Notices; Effectiveness; Electronic Communication.

- (1) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or email addressed:

- (a) to the Borrower (which shall be deemed to constitute notice to all Credit Parties under the Credit Documents) at:

Griffon Partners Operation Corp.
900, 140 Fourth Avenue SW
Calgary, Alberta T2P 3N3

Attention: Daryl Stepanic
Email: DS@griffon-partners.com

- (b) to the Administrative Agent:

GLAS USA LLC
3 Second Street, Suite 206
Jersey City, NJ 07311
Fax: 212-202-6246
Phone: +1 (201) 839-2200

Email: ClientServices.Americas@glas.agency; tmgus@glas.agency

with a copy to:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

and with a copy to:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: SignalAlpha@langhamhall.com

(c) to the Collateral Agent:

GLAS Americas LLC
3 Second Street, Suite 206
Jersey City, NJ 07311
Fax: 212-202-6246
Phone: +1 (201) 839-2200

Email: ClientServices.Americas@glas.agency; tmgus@glas.agency

with a copy to:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

and with a copy to:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: signalAlpha@langhamhall.com

(d) to Trafigura, as a Lender, at:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

(e) to Signal Alpha C4 Limited, as a Lender, at:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: signalAlpha@langhamhall.com

- (2) Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next business day for the recipient). Notices delivered through email shall be deemed to have been given when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section 10.3(2).
- (3) Any party hereto may change its address, fax number or email address for notices and other communications hereunder by notice to the other parties hereto.

Section 10.4 Expenses; Indemnity; Damage Waiver.

- (1) The Borrower will pay or reimburse the Administrative Agent, the Collateral Agent and any Lender for all out-of-pocket expenses, including legal fees and disbursements (on a solicitor and his own client full indemnity basis) and enforcement costs, incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the creation, negotiation, preparation, execution, maintenance, syndication, publication, management, collection and amendment of the Credit Documents and the Credit Facility and the enforcement of their rights and remedies thereunder or relating thereto, as applicable.
- (2) The Borrower hereby indemnifies and holds harmless the Administrative Agent, the Collateral Agent, each Lender and their respective directors, officers, employees and agents (in this Section 10.4, collectively, the "**Indemnified Parties**"), for any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (in this Section 10.4 collectively a "**Claim**") suffered or incurred by such Indemnified Party, arising out of, or in respect of:
- (a) the release of any Contaminant into the Environment from or into any property, owned, operated or controlled, directly or indirectly, by the Borrower or otherwise in which the Borrower has an interest; and
 - (b) the remedial action, if any, required to be taken by the Administrative Agent, the Collateral Agent or any Lender in respect of any such release,

except with respect to any Indemnified Party, in such cases where and to the extent that such Claims arise from the gross negligence or wilful misconduct of such Indemnified Party. This indemnity will survive repayment or cancellation of the Obligations or any part thereof, including any termination of the other provisions of this Agreement.

- (3) In addition to any liability of the Borrower to the Administrative Agent, the Collateral Agent and the Lenders under any other provision hereof, the Borrower will and does hereby indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by the same as a result of or in connection with: (a) any cost or expense incurred by reason of the liquidation or re-deployment in whole or in part of deposits or other funds required by any Lender to fund or maintain the

Advance as a result of the Borrower's failure to complete such Advance or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder; (b) the Borrower's failure to pay any amount, including any interest or fees, due hereunder on its due date after the expiration of any applicable grace or notice periods; (c) the Borrower's failure to give any notice required to be given by it to the Administrative Agent or the Collateral Agent hereunder or under any Credit Document; (d) the failure of any Credit Party to make any other payment due hereunder or under any of the other Credit Documents; (e) the inaccuracy of any Credit Party's representations and warranties contained in any Credit Document; (f) any failure of any Credit Party to observe or fulfil its covenants under any Credit Document; (g) the occurrence of any other Default or Event of Default; and (h) any use of the proceeds of the Credit Facility, including to pay the purchase price of any acquisition; provided that this Section 10.4(3) will not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section 10.4(3) shall survive repayment of the Obligations of the Borrower under the Credit Documents.

- (4) To the fullest extent permitted by Applicable Law, neither the Borrower, any other Credit Party nor any Subsidiary of the Borrower or any other Credit Party shall assert, and hereby waives, any claim against any Indemnified Party, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, the Advance or the use of the proceeds thereof. No Indemnified Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.
- (5) All amounts due under this Section 10.4 shall be payable promptly after demand therefor. A certificate of the Administrative Agent and the Lenders setting forth the amount or amounts owing to the Administrative Agent, the Collateral Agent, any Lender or Related Party, as the case may be, as specified in this Section 10.4, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be deemed to be *prima facie* evidence of such amount or amounts.
- (6) The provisions of this Section 10.4 shall survive the termination of this Agreement and the repayment of the Obligations. To the extent required by law to give full effect to the rights of the Indemnified Parties under this Section 10.4, the parties hereto agree and acknowledge that the Administrative Agent is acting as agent for its respective Related Parties and agrees to hold and enforce such rights on behalf of such Related Parties as they may direct. The Borrower acknowledges that neither its obligation to indemnify nor any actual indemnification by it of any Lender or any other Indemnified Party in respect of such Person's losses for legal fees and expenses shall in any way affect the confidentiality or privilege relating to any information communicated by such Person to its counsel.

Section 10.5 Successors and Assigns.

- (1) No Credit Party shall have the right to assign its rights or obligations under this Agreement or any other Credit Document or any interest in this Agreement or any other Credit Document without the prior written consent of the Lenders, in their sole and absolute discretion.
- (2) Each Lender may also assign all or any part of its interest in the Credit Facility to one or more Persons (each an "**Assignee**") with the consent of the Borrower or any other Person (such consent not to be unreasonably withheld or delayed). Notwithstanding the foregoing, no consent of the Borrower shall be required if: (a) an assignment occurs during an Event of Default which is continuing, or (b) the Assignee is an Affiliate of a Lender. In the case of an assignment, the

Assignee shall have the same rights and benefits and be subject to the same limitations under the Credit Documents as it would have if it was the assigning Lender.

- (3) In the case of an assignment, each Lender shall deliver an assignment and assumption agreement in a form acceptable to such Lender and the Assignee by which the Assignee assumes the obligations of such Lender and agrees to be bound by all the terms and conditions of this Agreement, all as if the Assignee had been an original party. Upon receipt by the Borrower of the assignment and assumption agreement, such Lender shall be released from its obligations under this Agreement (to the extent of such assignment and assumption) and shall have no liability or obligations to the Borrower to such extent, except in respect of matters arising prior to the assignment.
- (4) Each Lender may at any time pledge or grant a security interest in all or a portion of its rights under this Agreement to secure obligations of such Lender provided that no such pledge or security shall release such Lender from any of its obligations hereunder or substitute any such pledge for such Lender as a party hereto.
- (5) Any assignment pursuant to this Section 10.5 will not constitute a repayment by the Borrower to the assigning or granting Lender of the Advance, nor a new Advance to the Borrower by the assigning or granting Lender or by the Assignee, as the case may be, and the parties acknowledge that the Borrower's obligations with respect to the Advances will continue and will not constitute new obligations.

Section 10.6 Judgment Currency.

- (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to any Secured Party in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.
- (2) The obligations of the Borrower in respect of any sum due in the Original Currency from it to any Secured Party under any of the Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Other Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Secured Parties in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify each of the Secured Parties, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Secured Parties in the Original Currency, the Secured Parties shall remit such excess to the Borrower.

Section 10.7 Governing Law; Jurisdiction; Etc.

- (1) This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.
- (2) The parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any of the transactions contemplated thereby.

Section 10.8 Waiver of Jury Trial.

Each party hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other Credit Document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory).

Section 10.9 No Partnership, etc.

Except as expressly provided for herein, the parties agree that nothing contained in this Agreement nor the conduct of any party will in any manner whatsoever constitute or be intended to constitute any party as the agent or representative or fiduciary of any other party nor constitute or be intended to constitute a partnership or joint venture among the parties or any of them, but rather each party will be separately responsible, liable and accountable for its own obligations under the Credit Documents, or any conduct arising therefrom and for all claims, demands, actions and causes of action arising therefrom. The parties agree that no party will have the authority or represent that it has, or hold itself out as having, the authority to act for or assume any obligation or responsibility on behalf of any other party, save and except as may be expressly provided for in this Agreement.

Section 10.10 Counterparts.

The Credit Documents may be executed in any number of counterparts (including by facsimile transmission or other electronic transmission) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

Section 10.11 Electronic Execution.

The words "execution", "signed", "signature" and words of like import on any document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

Section 10.12 Waiver of Law.

To the extent legally permitted, the Borrower hereby irrevocably and absolutely waives the provisions of any Applicable Law which may be inconsistent at any time with, or which may delay or limit in any way, the enforcement of the Credit Documents in accordance with their terms.

Section 10.13 Entire Agreement.

This Agreement and the other Credit Documents constitute the entire agreement among the parties party hereto, and cancels and supersedes any other agreements, undertakings, declarations, representations and warranties, written or verbal among all such parties in respect of the subject matter of this Agreement.

Section 10.14 Treatment of Certain Information; Confidentiality.

- (1) The Administrative Agent, the Collateral Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to them, their Affiliates, the Swap Counterparty and their and their Affiliates' respective partners, directors, officers, employees, managers, administrators, trustees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Law or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in

connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.14 to (i) any assignee of, or any prospective assignee of, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its partners, directors, officers, employees, managers, administrators, trustees, agents, advisors or other representatives) to any swap, derivative, credit-linked note or similar transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Collateral Agent any Lender or any Credit Party.

- (2) For purposes of this Section, "**Information**" means all information received in connection with this Agreement from any of the Credit Parties or any of their respective Subsidiaries relating to any of the Credit Parties or any of their respective Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, the Collateral Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section 10.14 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent, the Collateral Agent and any Lender may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

Section 10.15 Changes in LMR.

If (a) as a result of any change in any Applicable Law, rule, policy, regulation, order or directive, any applicable Energy Regulator ceases to use a liability management (or equivalent) rating as a means of determining whether a Person is in compliance with its abandonment and reclamation policies, regulations and directives in any Applicable LMR Jurisdiction, (b) the method of calculation of such liability management rating changes in any material manner in any Applicable LMR Jurisdiction, or (c) the threshold for which license transfers of regulated properties shall be permitted under an Energy Regulator's licensee liability regime in any Applicable LMR Jurisdiction changes, then, in any such case, the Borrower and the Lenders shall enter into good faith discussions with a view to determining a comparable rating system or threshold, as applicable, to replace the concept of LMR as set forth herein that is, at such time, broadly accepted as the prevailing market practice for such regulation in such Applicable LMR Jurisdiction, with the intent of having the respective positions of the Lenders and the Borrower after such change conform as nearly as possible to their respective positions immediately prior to such change. Upon the Borrower and the Lenders agreeing on such methodology for determining LMR and the thresholds set forth herein, the Borrower and the Lenders shall enter into documentation to amend the provisions hereof to refer to such rate and make all other adjustments incidental thereto. The parties hereto agree that such amendment shall require the consent of the Majority Lenders notwithstanding anything to the contrary set out herein.

Section 10.16 Acknowledgment Regarding Any Supported QFCs.

To the extent that the Credit Documents and the Permitted Swap Agreement provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (in this Section 10.16, such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the Borrower, the Administrative Agent and the Lenders acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit

Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (in this Section 10.16, together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Lender Secured Documents and any Supported QFC may in fact be stated to be governed by the laws of the Province of Alberta, Canada and/or any other Province of Canada):

- (a) In the event a Covered Entity that is party to a Supported QFC (in this Section 10.16, each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Lender Secured Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Lender Secured Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

- (b) As used in this Section 10.16, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 10.17 No Fiduciary Duty.

The Lenders and their Affiliates (collectively, solely for purposes of this Section 10.16, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their shareholders and their Affiliates. The Credit Parties agree that nothing in the Credit Documents will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Credit Parties, and their respective shareholders or its Affiliates, on the other

hand. The Credit Parties acknowledge and agree that (a) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other hand, and (b) in connection therewith and with the process leading thereto, (i) the Lenders have not assumed an advisory or fiduciary responsibility in favour of the Credit Parties, its shareholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether the Lenders have advised, is currently advising or will advise the Credit Parties, its shareholders or its Affiliates on other matters) or any other obligation to the Credit Parties except the obligations expressly set forth in the Credit Documents and (ii) the Lenders are acting solely as principal and not as the agent or fiduciary of the Credit Parties, its management, shareholders, creditors or any other person. The Credit Parties acknowledge and agree that the Credit Parties have consulted their own legal and financial advisors to the extent they deemed appropriate and that they are responsible for making their own independent judgment with respect to such transactions and the process leading thereto. The Credit Parties agree that they will not claim that the Lenders have rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Credit Parties, in connection with such transactions or the process leading thereto.

[Remainder of Page Left Intentionally Blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP., as
Borrower

Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

DATED as of the date first written above.

**GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD.**, as Guarantor

Per:



Name: Elliott Choquette

Title: President

DATED as of the date first written above.

GRIFFON PARTNERS HOLDING CORP., as
Guarantor

Per:



Name: Daryl Stepanic

Title: Chief Executive Officer

GLAS USA LLC, as Administrative Agent

Per:




Name: Yana Kislenko
Title: Vice President

Signature Page to Loan Agreement

^{DS}
DG ^{DS}
ND

GLAS AMERICAS LLC, as Collateral Agent

Per:



Name: Yana Kislenko
Title: Vice President

Signature Page to Loan Agreement

DS DS
DG ND

TRAFIGURA CANADA LIMITED, as Lender

Per:


Name: **Iain Singer**
Title: **Director**

SIGNAL ALPHA C4 LIMITED, as Lender

Per:



Name: Bradley Troy

Title: DIRECTOR

Signature Page to Loan Agreement

DS DS
DG ND

SCHEDULE A
LEASED PROPERTIES

Nil.

SCHEDULE B

OWNED PROPERTIES

1. The fee title interest in surface parcel #119169074 as Lot 13 Blk/Par 4 Plan No G470 Extension 0 as described on Certificate of Title 92S38420.

SCHEDULE 2.5

AMORTIZATION SCHEDULE

US\$1,328,502.415 per month starting on October 1, 2022.

SCHEDULE 5.1(a)

JURISDICTIONS OF INCORPORATION

Griffon Partners Capital Management Ltd. – Alberta

Griffon Partners Holding Corp. – Alberta

Griffon Partners Operation Corp. – Alberta

2437801 Alberta Ltd. – Alberta

2437799 Alberta Ltd. – Alberta

2437815 Alberta Ltd. – Alberta

Stellion Limited – Cyprus

Spicelo Limited – Cyprus

SCHEDULE 5.1(p)
ENVIRONMENTAL LAWS

Nil.

SCHEDULE 5.1(s)
MATERIAL AGREEMENTS

Nil.

SCHEDULE 5.1(w)**CORPORATE STRUCTURE**

Credit Party	Jurisdiction of Formation	Chief Executive Office	Registered Office	Location of Assets	Tradenames
Griffon Partners Capital Management Ltd.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	800, 333 – 7th Avenue SW Calgary, AB T2P 2Z1	Alberta	Nil
Griffon Partners Holding Corp.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	Alberta	Nil
Griffon Partners Operation Corp.	Alberta	900, 140 Fourth Avenue SW Calgary, Alberta T2P 3N3	2400, 525 – 8th Avenue SW Calgary, AB T2P 1G1	Alberta	Nil
Stellion Limited	Cyprus	N/A	Megalou Alexandrou, 17 Aglantzia, 2121, Nicosia, Cyprus	N/A	N/A
2437815 Alberta Ltd.	Alberta	203 – 600 Princeton Way SW Calgary, Alberta T2P 5N4	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
2437799 Alberta Ltd.	Alberta	10735 Willowfern Dr. SE Calgary, Alberta T2J 1R3	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
2437801 Alberta Ltd.	Alberta	305 – 605 7 Avenue NE Calgary, Alberta T2E 0N4	2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1	N/A	N/A
Spicelo Limited	Cyprus	N/A	Megalou Alexandrou, 17 Aglantzia, 2121, Nicosia, Cyprus	N/A	N/A

Issued Capital of Griffon Partners Capital Management Ltd.

Shareholder	Share Class	Number of Shares	Share Certificate
Stellion Limited	Class A Common	1	A-9

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2437801 Alberta Ltd.	Class A Common	1	A-10
2437799 Alberta Ltd.	Class A Common	1	A-11
2437815 Alberta Ltd.	Class A Common	1	A-12
Stellion Limited	Class B Common	79,500	B-1
2437801 Alberta Ltd.	Class B Common	8,500	B-5
2437799 Alberta Ltd.	Class B Common	6,000	B-6
2437815 Alberta Ltd.	Class B Common	6,000	B-7

Issued Capital of Griffon Partners Holding Corp.

Shareholder	Share Class	Number of Shares	Share Certificate
Griffon Partners Capital Management Ltd.	Common Shares	60,000	C-1

Issued Capital of Griffon Partners Operation Corp.

Shareholder	Share Class	Number of Shares	Share Certificate
Griffon Partners Holding Corp.	Common Shares	1,000	C-2

EXHIBIT 1**FORM OF COMPLIANCE CERTIFICATE****COMPLIANCE CERTIFICATE**

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Compliance Certificate is delivered pursuant to Section 6.1(a)(iii) of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. This Compliance Certificate applies to the Financial [Quarter/Year] ending [●], 20[●] (the “**Statement Date**”)
2. I have read the provisions of the Loan Agreement which are relevant to this Compliance Certificate and have made or caused to be made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this Compliance Certificate.
3. The following calculations were true and correct and the Borrower is in compliance with all of the financial covenants set forth in Section 6.3 of the Loan Agreement for the period ended as of the Statement Date:

(a)	PDP Coverage Ratio	[●]:1
(b)	Current Ratio	[●]:1
(c)	Total Leverage Ratio Ratio	[●]:1
(d)	Liquidity	\$ _____
4. As of the Statement Date:
 - (a) the Excess Cash Flow for the Financial Quarter ending on the Statement Date was \$ _____; and
 - (b) the Credit Parties have received the following amounts in the Financial Quarter ending on the Statement Date:

- (i) \$_____ of Net Proceeds arising from any sale or other Disposition relating to all or any part of the Collateral or any interest therein;
- (ii) \$_____ of Net Proceeds from any issuance of Debt for borrowed money, including by way of bonds, promissory notes, debentures or similar evidences of indebtedness by the Credit Parties;
- (iii) \$_____ of Net Proceeds from any issuance of Equity Securities by the Credit Parties;
- (iv) \$_____ of Net Proceeds of insurance;
- (v) \$_____ of grants, rebates or refunds received by the Borrower from any Governmental Authority except to the extent that any such grants, rebates or refunds are in accordance with the terms thereof required by the applicable Governmental Authority to be used for a particular purpose other than for the repayment of Debt; and
- (vi) \$_____ received from Spicelo Limited pursuant to Section 37(s) of the Greenfire Pledge.

All amounts referred to in this paragraph (b) have been paid in full to the Administrative Agent pursuant to Section 2.5(4) of the Loan Agreement.

5. As at this date:

- (a) the LMR of the Borrower in each Applicable LMR Jurisdiction is as follows:

Applicable LMR Jurisdiction	LMR
_____	_____

- (b) the Borrower has paid all amounts required to be paid by it pursuant to Section 2.5 of the Loan Agreement, including the amount of \$_____ pursuant to Section 2.5(3);
- (c) no Default or Event of Default has occurred and is continuing;
- (d) the representations and warranties of each of the Credit Parties referred to in Section 5.1 of the Loan Agreement and each other Loan Document to which such Credit Party is a party are true and correct as though made on this date, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date;
- (e) the financial information and calculations attached as Schedule I hereto are true and correct in all material respects, as of the dates or for the periods, as applicable, specified on such Schedule;
- (f) there has been no change to the Owned Properties of the Borrower listed on Schedule B to the Loan Agreement since the date of the **[Loan Agreement / the most recent Compliance Certificate delivered pursuant to Section 6.1(a)(iii) of the Loan Agreement]** other than **[(i)]** lands and premises sold or otherwise disposed of as permitted in this Agreement as and from the date of such sale or disposition [, and **(ii) those lands and premises which are listed on Schedule II hereto;**

- 3 -

- (g) the completed "LMR and Decommissioning Expense Worksheet" as required pursuant to Section 6.1(b)(xi) of the Loan Agreement **[is all attached hereto as Schedule III] [has been delivered to the Administrative Agent concurrently herewith].**

[Remainder of page intentionally blank]

DS DS
DG ND

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

Signature Page to Compliance

^{DS}
DG

^{DS}
ND

SCHEDULE I

[●]

[SCHEDULE II]
[OWNED PROPERTIES]
[●]

[SCHEDULE III]

[LMR AND DECOMMISSIONING EXPENSE WORKSHEET]

[see attached]

DS DS
DG ND

EXHIBIT 2

FORM OF ENVIRONMENTAL CERTIFICATE

ENVIRONMENTAL CERTIFICATE OF
GRIFFON PARTNERS OPERATION CORP.

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Environmental Certificate is delivered pursuant to [Section 4.1(a)(xvi) / Section 6.1(a)(v)] of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Borrower to confirm that the internal environmental reporting and response procedures of the Borrower have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in paragraphs 3 through 8 are qualified as to (a) the matters, if any, disclosed in Exhibit 1 hereto, and (b) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or could not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The property to be acquired by the Borrower under the Acquisition Agreement is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from a Governmental Authority by the Borrower, or of which any of the Borrower is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by the Borrower; or
 - (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from an Governmental Authority by the Borrower or of which the Borrower is otherwise aware, relating to the Environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by the Borrower.

5. Except in compliance with Environmental Laws, no Contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Contaminant at, on, from or under any property owned, leased, managed, controlled or operated by the Borrower. In this certificate, "**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.
6. None of the lands and facilities owned, leased, managed, controlled or operated by the Borrower, have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.
7. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by the Borrower, which with the passage of time, or the giving of notice or both, has given rise to or could reasonably be expected to give rise to a violation or liability under any Environmental Laws.
8. The Borrower has obtained all permits, licenses and other authorizations (collectively, the "**Permits**") which are required under Environmental Laws and are in compliance with all terms and conditions of all Permits and each of the Permits is in full force and effect and unrevoked as of the date of this Certificate.
9. The Borrower is not aware of any matter affecting the Environment which has had or could reasonably be expected to have a Material Adverse Effect.
10. The undersigned acknowledges that the Administrative Agent and each Lender are relying on this certificate in connection with the Advance made under the Loan Agreement.

[Remainder of page intentionally blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

Signature Page to Environment

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EXHIBIT 1 TO ENVIRONMENTAL CERTIFICATE

[NIL]

EXHIBIT 3

FORM OF OIL AND GAS OWNERSHIP CERTIFICATE

OIL AND GAS OWNERSHIP CERTIFICATE OF
GRIFFON PARTNERS OPERATION CORP.

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the "**Loan Agreement**", the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

This Oil and Gas Ownership Certificate is delivered pursuant to [Section 4.1(a)(xv) / Section 6.1(a)(v)] of the Loan Agreement.

I, [●], am the duly appointed [●] of the Borrower, and hereby certify for and on behalf of the Borrower and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. I have made or caused to be made due inquiries and review of all documents, correspondence and other materials (the "**Title Enquiries**") relating to the P&NG Rights and lands or interests in lands (the "**Lands**") described in the [●] dated as of [●], 202[●] on certain properties (the "**Engineering Report[s]**") [to be acquired by the Borrower pursuant to the Acquisition Agreement] / [owned by the Borrower].
2. Based upon the Title Enquiries, I have no knowledge, information or belief that there exists any provision in any agreement, contract or document pertaining to the Lands which prevents the Borrower from providing a Lien over such Lands to the Collateral Agent, for the benefit of the Secured Parties, or which would prevent the Collateral Agent from enforcing and realizing on such Security in the event of a default thereunder other than the requirement to obtain the consent and/or waiver of a right of first refusal in the event of the sale of the Lands on the realization and enforcement of such Security.
3. Based upon the Title Enquiries, to the best of my knowledge, information and belief, the Borrower is, effective the date hereof, or will be, effective the Closing Date, possessed of and is the beneficial owner of the respective working, royalty and other interests set forth in the Engineering Report[s] with respect to the Lands, subject to any Permitted Liens and to minor defects of title which in the aggregate do not affect their rights of ownership therein or the value thereof in any way which would reasonably expected to have a Material Adverse Effect or to which the Administrative Agent and the Lenders have consented in writing.
4. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default (by the Borrower or for which the Borrower is liable, including, without limitation, by any operation of the Lands) of payment of royalties in connection with the Lands

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which have accrued due by reason of production since any royalty payment dates, as prescribed by statute or agreement, immediately preceding the date of this certificate which could reasonably be expected to have a Material Adverse Effect and neither the Borrower nor any Person on behalf of the Borrower (including, without limitation, any operator of the Lands) has received notice of default of any obligation imposed on it by any farm-out, operating agreement or any other contract or agreement in respect of the Lands which, in any case, could reasonably be expected to have a Material Adverse Effect and, to the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default of any such obligation which could reasonably be expected to have a Material Adverse Effect.

5. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, neither the Borrower nor any Person on behalf of the Borrower (including, without limitation, any operator of the Lands) has received notice of any claim adverse to the Borrower's working, royalty and other interests in the Lands which if successfully asserted would reasonably be expected to have a Material Adverse Effect and there are no Liens or adverse claims, other than the Permitted Liens, which affect the title of the Borrower to its respective interests in the Lands which in any way could reasonably be expected to have a Material Adverse Effect.
6. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there are at present no outstanding unfulfilled obligations being enforced under any lease or contract pertaining to the Lands which could reasonably be expected to have a Material Adverse Effect and the Borrower's working, royalty and other interests in the Lands are not subject to any contractual obligations or conditions which are reasonably expected to result in the diminishment or forfeiture of those working, royalty and other interests, except those which are not prohibited by the Loan Agreement or which are accounted for in the Engineering Report[s].
7. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, all of the working, royalty and other interests of the Borrower in respect of petroleum and natural gas rights described in the Engineering Report[s] are accurately reflected in the Engineering Report[s] in all material respects.
8. The undersigned acknowledges that the Administrative Agent and each Lender are relying on this certificate in connection with the Advance made under the Loan Agreement.

[Remainder of page intentionally blank]

DATED as of the date first written above.

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:
Title:

EXHIBIT 4

FORM OF NOTICE OF ADVANCE

NOTICE OF ADVANCE

DATE: [●], 202[●]

TO: [●], as Administrative Agent (as defined in the Loan Agreement defined below)

AND TO: The Lenders (as defined in the Loan Agreement defined below)

RE: Loan agreement dated as of [●], 2022 (as amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, the “**Loan Agreement**”, the terms defined therein being used herein are as therein defined) among Griffon Partners Operation Corp., as Borrower, Griffon Partners Capital Management Ltd. and [Blocker Co], as Guarantors, Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders thereunder, as Lenders, GLAS USA LLC, as Administrative Agent, and GLAS Americas LLC, as Collateral Agent

Dear Mesdames/Sirs:

The undersigned gives you notice pursuant to Section 2.4 of the Loan Agreement that the Borrower requests an Advance under the Loan Agreement, and, in that connection, sets forth below the information relating to the Advance:

1. The date of the Advance, being a Business Day, is [●], 2022 (the “**Proposed Borrowing Date**”).
2. The aggregate amount of the Advance is \$[●], which will be used for the use and purposes set out in Section 2.3 of the Loan Agreement.

All of the representations and warranties of each Credit Party contained in the Loan Agreement and each other Loan Document to which such Credit Party is a party are true and correct on and as of the date hereof as though made on and as of the date hereof (and will be true and correct on and as of the Proposed Borrowing Date specified above as though made on and as of such date), in any such case, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date.

All of the covenants of each of the Credit Parties contained in the Loan Documents to which such Credit Party is a party have been performed or shall be performed on the date of the Advance, and all of the other conditions precedent to the Advance requested hereby, and all other terms and conditions contained in the Loan Agreement to be complied with by such Credit Party have been or shall be complied with concurrently with, or immediately following, the funding of the Advance, in each case, fully met or performed.

No Default or Event of Default under the Loan Agreement has occurred and is continuing nor will any Default or Event of Default occur as a result of the Advance being requested or the application by the Borrower of the proceeds thereof.

[Remainder of page intentionally blank]

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Yours truly,

GRIFFON PARTNERS OPERATION CORP.

Per:

Name:

Title:

Signature Page to Notice

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This is **Exhibit "C"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

SPICELO LIMITED
as Chargor

and

GLAS AMERICAS LLC
as Collateral Agent

LIMITED RECOURSE GUARANTEE AND SECURITIES PLEDGE AGREEMENT

July 21, 2022

LIMITED RECOURSE GUARANTEE AND SECURITIES PLEDGE AGREEMENT

Limited recourse guarantee and securities pledge agreement dated as of July 21, 2022 made by Spicelo Limited (the "**Chargor**") to and in favour of GLAS Americas LLC (the "**Collateral Agent**") for the benefit of the Secured Parties.

RECITALS:

- (a) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) It is a requirement under the Loan Agreement that the Chargor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Secured Obligations; and
- (c) Due to the close business and financial relationships between the Chargor, the Borrower and the other affiliates party to the transactions contemplated by the Loan Agreement, the Chargor will derive substantial direct and indirect benefits from such transactions and therefore the Chargor considers it in its best interest to provide this Agreement.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Chargor agrees as follows.

Section 1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"Administrative Agent" means GLAS USA LLC and its successors and assigns.

"Agreement" means this limited recourse guarantee and securities pledge agreement.

"Borrower" means Griffon Partners Operation Corp.

"Collateral" has the meaning specified in Section 22(1).

"Companies Law" means the Companies Law, Chapter 113 of the Laws of Cyprus, as amended.

"Expenses" means all expenses, costs and charges incurred by or on behalf of any Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with any Secured Party's interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Credit Document.

"Greenfire" means Greenfire Resources Inc.

"Guaranteed Obligations" means all Obligations of the other Credit Parties.

"Lenders" means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

“Loan Agreement” means the loan agreement dated as of the date hereof among the Borrower, as borrower, Griffon Partners Capital Management Ltd. and Griffon Partners Holding Corp., as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Collateral Agent, Administrative Agent or Lenders.

“Registrar of Companies” means the Department of the Registrar of Companies and Intellectual Property.

“Secured Obligations” means, collectively, the Guaranteed Obligations and the Expenses.

“Secured Parties” has the meaning set forth in the Loan Agreement, but for certainty does not include any Swap Counterparty.

“Security” means a security (as defined in the STA) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“Security Interest” means the security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement.

“Shareholders Agreement” means the shareholders agreement among the Chargor, the other shareholders of Greenfire and Greenfire dated August 5, 2021, as in effect on the date hereof.

Section 2 Interpretation.

- (1) Terms defined in the *Personal Property Security Act* (Alberta) (“**PPSA**”) or the *Securities Transfer Act* (Alberta) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms “**investment property**”, “**money**” and “**proceeds**” have the meanings given to them in the PPSA; and the terms “**certificated security**”, “**control**”, “**deliver**”, “**security**” and “**uncertificated security**” have the meanings given to them in the STA. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in any Credit Document to Liens permitted by the Loan Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any Person over the Collateral Agent and the Secured Parties.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.

- (7) Any reference to this Agreement or any other Credit Document refers to this Agreement or such Credit Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 3 Guarantee.

The Chargor, jointly and severally, irrevocably and unconditionally guarantees to the Collateral Agent and the Secured Parties the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Guaranteed Obligations. The Chargor agrees that the Guaranteed Obligations will be paid to the Collateral Agent and the Secured Parties strictly in accordance with their terms and conditions.

Section 4 Indemnity.

- (1) If any or all of the Guaranteed Obligations are not duly performed by any other Credit Party and are not performed by the Chargor under Section 3 for any reason whatsoever, the Chargor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Parties from and against all losses resulting from the failure of the other Credit Parties to duly perform such Guaranteed Obligations.
- (2) The Chargor shall indemnify the Collateral Agent and the Secured Parties and their respective directors, officers, employees, agents, partners, shareholders and representatives (each such person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any party hereto or any third party arising out of, in connection with, or as a result of any action, investigation, suit or proceeding (whether commenced or threatened) relating to or arising out of (i) the execution or delivery of any Credit Document, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any loan under the Loan Agreement or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Chargor, and regardless of whether any Indemnitee is a party thereto.
- (3) All amounts due under this Section 4 shall be payable not later than three (3) Business Days after demand therefor.

Section 5 Primary Obligation.

If any or all of the Guaranteed Obligations are not duly performed by the other Credit Parties and are not performed by the Chargor under Section 3 or the Collateral Agent and the Secured Parties are not indemnified under Section 4(1), in each case, for any reason whatsoever, such Guaranteed Obligations will, as a separate and distinct obligation, be performed by the Chargor as primary obligor.

Section 6 Absolute Liability.

The Chargor agrees that the liability of the Chargor under Section 3 and Section 5 and, for greater certainty, under Section 4(1), is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Credit Documents;

- (b) any contest by any other Credit Party or any other Person as to the amount of the Guaranteed Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Parties, including, without limitation, the Collateral Agent's Security Interest in the Collateral;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of any other Credit Party or any other Person liable in any manner under or in respect of the Guaranteed Obligations or the extinguishment of all or any part of the Guaranteed Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Guaranteed Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Collateral Agent or the Secured Parties may grant to the Chargor, any other Credit Party or any other Person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Loan Agreement, the other Credit Documents or any other related document or instrument, or the Guaranteed Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with the Chargor, any other Credit Party or any other Person;
- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Chargor, any other Credit Party or any other Person or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Chargor, any other Credit Party or any other Person or their respective businesses;
- (i) any dealings with the security which the Collateral Agent or the Secured Parties hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Chargor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Chargor, any other Credit Party or any other Person or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not the Chargor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Agreement;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any Governmental Authority that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Guaranteed Obligations or the obligations of the

Chargor under this Agreement, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Guaranteed Obligations;

- (m) including, without limitation, the Security Interest of the Collateral Agent in the Collateral, as applicable, any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties, including, without limitation, its Security Interest in the Collateral, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Parties realize on such security;
- (n) any application of any sums received to the Guaranteed Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of the Chargor, any other Credit Party or any other Person in respect of the Guaranteed Obligations or this Agreement.

Section 7 Limited Recourse.

Notwithstanding that the obligations of the Chargor under this Agreement are or will be debts owing by the Chargor to the Collateral Agent and the Secured Parties, and the Collateral Agent and the Secured Parties are limited in recourse to the security constituted by its Security Interest in the Collateral. The Chargor shall not be liable to the Collateral Agent or the Secured Parties for any deficiency resulting from any such realization of the Collateral or otherwise.

Section 8 Amount of Obligations.

Any account settled or stated by or between the Collateral Agent and the other Credit Parties, or if any such account has not been settled or stated immediately before demand for payment under this Agreement, any account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by the Chargor as conclusive evidence of the amount of the Guaranteed Obligations which is due by the other Credit Parties to the Collateral Agent and the Secured Parties or remains unpaid by the other Credit Parties to the Collateral Agent and the Secured Parties.

Section 9 Payment on Demand.

Upon the occurrence and during the continuance of an Event of Default, the Chargor will pay and perform the Guaranteed Obligations and pay all other amounts payable by it to the Collateral Agent or the Secured Parties under this Agreement, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Chargor bears interest from the date of such demand at the rate or rates of interest then applicable to the Guaranteed Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

Section 10 Assignment and Postponement.

- (1) All obligations, liabilities and indebtedness of the Borrower or any other Credit Party (other than the Chargor) to the Chargor of any nature whatsoever and all security therefor (the “**Intercompany Indebtedness**”) are assigned and transferred to the Collateral Agent as continuing and collateral security for the Chargor’s obligations under this Agreement and postponed to the payment in full of all Guaranteed Obligations. The Chargor will not assign all or any part of the Intercompany Indebtedness to any Person other than the Collateral Agent or the Secured Parties.

- (2) All Intercompany Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and will be collected, enforced or proved subject to, and for the purpose of, this Agreement. In the event any payments are received by the Chargor in respect of the Intercompany Indebtedness, such payments will be held in trust for the Collateral Agent and the Secured Parties and segregated from other funds and property held by the Chargor and promptly paid to the Collateral Agent on account of the Guaranteed Obligations.
- (3) The Intercompany Indebtedness shall not be released or withdrawn by the Chargor without the prior written consent of the Collateral Agent. The Chargor will not allow a limitation period to expire on the Intercompany Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercompany Indebtedness except for the purpose of delivering the same to the Collateral Agent.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Chargor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercompany Indebtedness as may be reasonably necessary to establish the Chargor's entitlement to payment of any Intercompany Indebtedness. Such proof of claim or other proceeding requested by the Collateral Agent must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to the Chargor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by Applicable Law to be made or commenced, provided that the Collateral Agent has requested such proof of claim or other proceeding to be made in sufficient time to meet such day which is 10 days preceding the date when such proof of claim or other proceeding is required by Applicable Law. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.
- (5) If the Chargor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section 10, the Collateral Agent is, effective upon such failure, irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Chargor (but is not obliged) with the power to exercise for and on behalf of the Chargor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Chargor proofs of claims or other such proceedings against the Borrower on account of the Intercompany Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercompany Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Guaranteed Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Chargor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Agreement.
- (6) The Chargor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercompany Indebtedness to the payment and performance of the Guaranteed Obligations.
- (7) The provisions of this Section 10 survive the termination of this Agreement and remain in full force and effect until (i) the Guaranteed Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Collateral Agent and the Secured Parties have no further obligations under any of the Credit Documents in accordance with the terms hereof.

Section 11 Suspension of Chargor's Rights.

So long as there are any Guaranteed Obligations, the Chargor will not exercise any rights which they may at any time have by reason of the performance of any of their obligations under this Agreement (i) to be indemnified by the other Credit Parties, or any of them, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the other Credit Parties, or any of them, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Secured Parties under any of the Credit Documents. The Chargor hereby agrees in favour of the Borrower and the other Credit Parties, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of the Borrower or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the Secured Parties. The Chargor further agrees that the Borrower, the other Credit Parties and other guarantors of the debts, liabilities and obligations of the Borrower are intended third party beneficiaries of the Chargor's agreement contained in this Section 11.

Section 12 No Prejudice to Collateral Agent or Secured Parties.

The Collateral Agent and the Secured Parties are not prejudiced in any way in the right to enforce any provision of this Agreement by any act or failure to act on the part of any other Credit Party, the Collateral Agent or the Secured Parties. The Collateral Agent and the Secured Parties may, at any time and from time to time, in such manner as it may determine is expedient, without any consent of, or notice to, the Chargor and without impairing or releasing the obligations of the Chargor (i) change the manner, place, time or terms of payment or performance of the Guaranteed Obligations, (ii) renew or alter the Guaranteed Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with any other Credit Party or any other Person, (v) release, compound or vary the liability of any other Credit Party or any other Person liable in any manner under or in respect of the Guaranteed Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Chargor, any other Credit Party or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Guaranteed Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waive or modify its right to deal with, any Person and security. In its dealings with the Chargor, the Collateral Agent and the Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Chargor.

Section 13 Rights of Subrogation.

Any rights of subrogation acquired by the Chargor by reason of payment under this Agreement, and not terminated pursuant to Section 11 shall not be exercised until the Guaranteed Obligations and all other amounts due to the Collateral Agent and the Secured Parties have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Collateral Agent and the Secured Parties. In the event (i) of the liquidation, winding up or bankruptcy of any other Credit Party (whether voluntary or compulsory), (ii) that any other Credit Party makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that any other Credit Party makes any composition with creditors or enters into any scheme of arrangement, the Collateral Agent has the right, subject only to any limitations under Applicable Laws, to rank in priority to the Chargor for their full claims in respect of the Guaranteed Obligations and receive all dividends and other payments until their claims have been paid in full. The Chargor will continue to be liable, less any payments made by it, for any balance which may be owing to the Collateral Agent and the Secured Parties by the other Credit Parties. No valuation or retention of their security by the Collateral Agent shall, as between the Collateral Agent and the Secured Parties and the Chargor, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Guaranteed Obligations. If any amount is paid to the Chargor at any time when all the Guaranteed Obligations and other amounts due to the Collateral Agent and the Secured Parties have not been paid in full, the amount will be held in trust for the benefit of the

Collateral Agent and the Secured Parties and immediately paid to the Collateral Agent to be credited and applied to the Guaranteed Obligations, whether matured or unmatured. The Chargor has no recourse against the Collateral Agent or the Secured Parties for any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties or any irregularity or defect in the manner or procedure by which the Collateral Agent or the Secured Parties realize on such security.

Section 14 No Set-off.

To the fullest extent permitted by law, the Chargor makes all payments under this Agreement without regard to any defence, counter-claim or right of set-off available to it.

Section 15 Successors of the other Credit Parties.

This Agreement will not be revoked by any change in the constitution of the other Credit Parties, the Collateral Agent or any other Person. This Agreement extends to any person, firm or corporation acquiring, or from time to time carrying on, the business of the other Credit Parties.

Section 16 Continuing Guarantee and Continuing Obligations.

The obligation of the Chargor under Section 3 is a continuing guarantee, and the obligations of the Chargor under Section 4(1) and Section 5 are continuing obligations. Each of Section 3, Section 4(1) and Section 5 extends to all present and future Guaranteed Obligations, applies to and secures the ultimate balance of the Guaranteed Obligations due or remaining due to the Collateral Agent and the Secured Parties and is binding as a continuing obligation of the Chargor until the Collateral Agent and the Secured Parties release the Chargor. This Agreement will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Collateral Agent or the Secured Parties upon the insolvency, bankruptcy or reorganization of the Chargor or otherwise, all as though the payment had not been made.

Section 17 Security for Guarantee.

The Chargor acknowledges that this Agreement is intended to secure payment and performance of the Guaranteed Obligations and that the payment and performance of the Guaranteed Obligations and the other obligations of the Chargor under this Agreement are secured pursuant to the terms and provisions of this Agreement.

Section 18 Right of Set-off.

Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent and each Secured Party are authorized by the Chargor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Parties to or for the credit or the account of the Chargor against any and all of the obligations of the Chargor now or hereafter existing irrespective of whether or not (i) the Collateral Agent or the Secured Parties have made any demand under this Agreement with respect to the Guaranteed Obligations, or (ii) any of the obligations comprising the Guaranteed Obligations are contingent or unmatured. The rights of the Collateral Agent and the Secured Parties under this Section 18 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Parties may have.

Section 19 *Interest Act (Canada).*

The Chargor acknowledges that certain of the rates of interest applicable to the Guaranteed Obligations may be computed on the basis of a year of 360 days or 365 days, as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act (Canada)*, whenever any

interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365, as the case may be.

Section 20 Taxes.

The provisions of Article 7 of the Loan Agreement will apply to all payments made under this Agreement, *mutatis mutandis*.

Section 21 Judgment Currency.

- (1) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Guaranteed Obligations or any other amount due to the Collateral Agent or any Secured Party in respect of the Chargor's obligations under this Agreement in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Chargor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Collateral Agent could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (2) The obligations of the Chargor in respect of any sum due in the Original Currency from it to the Collateral Agent shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent of any sum adjudged to be so due in such Other Currency the Collateral Agent may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Collateral Agent in the Original Currency, the Chargor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Collateral Agent against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Collateral Agent in the Original Currency, the Collateral Agent, agrees to remit such excess to the Chargor.

Section 22 Grant of Security.

- (1) The Chargor grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Collateral Agent, for the benefit of the Secured Parties (collectively, the "**Collateral**"):
 - (a) all Securities in the capital of Greenfire now owned by the Chargor, including the Securities listed in Schedule A that are held by the Chargor, all security certificates and other instruments representing such Securities and all rights and claims of the Chargor in such Securities;
 - (b) all present and after-acquired rights of the Chargor in the cash collateral account referred to in Section 33 and all money, intangibles, investment property, chattel paper and instruments received at any time and from time to time for deposit into such cash collateral account or deposited in such cash collateral account; and
 - (c) all substitutions and replacements of, increases and additions to the property described in Section 22(1)(a) and Section 22(1)(b); including any consolidation, subdivision, reclassification or stock dividend;

- (d) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 22(1)(a), Section 22(1)(b) and Section 22(1)(c), including the proceeds of such proceeds.
- (2) With respect to any registration and/or filing and/or stamping requirements that may be applicable in the Republic of Cyprus in connection with this Agreement, the Chargor shall, at its own cost:
- (a) within 10 (ten) Business Days from the day of execution of this Agreement, procure the filing of a certified true copy of this Agreement and the necessary forms to the Registrar of Companies for the registration of the particulars of this Agreement and charge created hereunder pursuant to section 90 of the Companies Law and deliver to the Collateral Agent evidence that the filing has been made and relevant fees has been paid;
 - (b) within 10 (ten) Business Days from the day of execution of this Agreement, deliver to the Collateral Agent, a certified true copy of extract of the register of mortgages and charges of the Chargor, evidencing that the particulars of this Agreement have been entered therein;
 - (c) within 10 (ten) Business Days of receipt of the same, deliver to the Collateral Agent a certificate of charge, evidencing that the Registrar of Companies has registered a charge in favour of the Collateral Agent in relation to this Agreement; and
 - (d) within 10 (ten) Business Days from the day of execution of this Agreement, and provided a fully signed copy of this Agreement is in place, provide the Collateral Agent with evidence that this Agreement has been submitted to the Commissioner of Stamp Duties in Cyprus and within 10 (ten) Business Days from the date of issuance of the said confirmation for payment by the Commissioner of Stamp Duties, it shall provide the Collateral Agent with evidence as to whether stamp duty has been paid on this Agreement or whether the same was exempted from the said obligation.

Section 23 Secured Obligations.

The Security Interest secures the payment and performance of the Secured Obligations.

Section 24 Attachment.

- (1) The Chargor acknowledges that (i) value has been given, (ii) it has rights in the Collateral, as applicable, or the power to transfer rights in the Collateral, as applicable, to the Collateral Agent (other than after-acquired Collateral, as applicable), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Chargor acquires any Securities in the capital of Greenfire that are not specified in Schedule A, the Chargor will notify the Collateral Agent in writing and provide the Collateral Agent with a revised Schedule A recording the acquisition or establishment of and particulars relating to such Securities, financial assets or securities account within 15 days after such acquisition or establishment.
- (3) The Chargor will cause the Collateral Agent to have control over each security that now or at any time becomes Collateral, as applicable, and will take all action that the Collateral Agent deems advisable to cause the Collateral Agent to have control over such Collateral, including (i) upon the occurrence and during the continuance of an Event of Default, causing the securities to be transferred to or registered in the name of the Collateral Agent or its nominee or otherwise as the Collateral Agent may direct, (ii) endorsing any certificated securities to the Collateral Agent or in blank by an effective endorsement, (iii) delivering the Collateral, as applicable, to the Collateral Agent or someone on its behalf as the Collateral Agent may direct, (iv) delivering to the Collateral

Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any securities to the Collateral Agent or any third party, and (v) entering into control agreements with the Collateral Agent and Greenfire in respect of any Collateral in form and substance satisfactory to the Collateral Agent. At the request of the Collateral Agent, the Chargor will take similar actions, as applicable, with respect to any other Securities.

- (4) The Chargor irrevocably waives, to the extent permitted by Applicable Law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Collateral Agent or any Secured Party.

Section 25 Care and Custody of Collateral.

- (1) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Collateral Agent has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities. The Collateral Agent has no obligation to protect or preserve any Securities from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, or is subject to the control of, the Collateral Agent, the Chargor, or any other person. In the physical keeping of any Securities, the Collateral Agent is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.
- (3) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, sell, transfer, use or otherwise deal with any investment property included in the Collateral over which the Collateral Agent has control, on such conditions and in such manner as the Collateral Agent in its sole discretion may determine.

Section 26 Rights of the Chargor.

- (1) Until the occurrence of an Event of Default which is continuing, the Chargor is entitled to vote the Securities that are part of the Collateral, as applicable, and to receive all dividends and distributions on such Securities. In order to allow the Chargor to vote any Securities or other financial assets registered in the Collateral Agent's name or the name of its nominee, at the request and the expense of the Chargor, the Collateral Agent will, prior to the Security Interest being enforceable, and may, after the Security Interest is enforceable, execute valid proxies appointing proxyholders to attend and act at meetings of shareholders, and execute resolutions in writing, all pursuant to the relevant provisions of the issuer's governing legislation. Upon the occurrence and during the continuance of an Event of Default, all rights of the Chargor to vote (under any proxy given by the Collateral Agent (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Collateral Agent.
- (2) Any distributions or dividends received by the Chargor contrary to Section 26(1) or any other moneys or property received by the Chargor after the Security Interest is enforceable will be received as trustee for the Collateral Agent and the Secured Parties and shall be immediately paid over to the Collateral Agent.

Section 27 Enforcement.

The Security Interest becomes and is enforceable against the Chargor upon the occurrence and during the continuance of an Event of Default.

Section 28 Remedies.

Whenever the Security Interest is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may realize upon the Collateral and enforce the rights of the Collateral Agent and the Secured Parties by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Securities as if the Collateral Agent were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Collateral Agent or its nominee);
- (c) collection of any proceeds arising in respect of the Collateral;
- (d) application of any proceeds arising in respect of the Collateral in accordance with Section 38(14);
- (e) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (f) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (g) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

Section 29 Exercise of Remedies.

The remedies under Section 28 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent and the Secured Parties however arising or created. The Collateral Agent and the Secured Parties are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent and the Secured Parties in respect of the Secured Obligations including the right to claim for any deficiency.

Section 30 Receiver's Powers.

- (1) Any receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Chargor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.
- (2) Any receiver appointed by the Collateral Agent will act as agent for the Collateral Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Chargor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Chargor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Chargor agrees to ratify and confirm all actions of the receiver acting as agent for the Chargor, and to release and indemnify the receiver in respect of all such actions.

- (3) The Collateral Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Chargor or otherwise and is not responsible for any misconduct or negligence of such receiver.

Section 31 Appointment of Attorney.

The Chargor hereby irrevocably constitutes and appoints the Collateral Agent (and any officer of the Collateral Agent) the true and lawful attorney of the Chargor. As the attorney of the Chargor, the Collateral Agent has the power to exercise for and in the name of the Chargor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Chargor's right (including the right of disposal), title and interest in and to the Collateral, as applicable, including the execution, endorsement, delivery and transfer of the Collateral, as applicable, to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral, as applicable, to the same extent as the Chargor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Chargor. This power of attorney extends to and is binding upon the Chargor's successors and permitted assigns. The Chargor authorizes the Collateral Agent to delegate in writing to another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

Section 32 Shareholder Agreement.

Notwithstanding the other provisions of this Agreement, the Collateral Agent and the Secured Parties agree with the Chargor that any enforcement of or the realization by the Collateral Agent or any receiver or agent appointed by the Collateral Agent pursuant to this Agreement over the Collateral, including the transfer by the Chargor, the Collateral Agent or the Collateral Agent's nominee to any third party or parties in connection with such enforcement or realization, shall be subject to the terms and conditions of the Shareholders Agreement, including the right of first refusal set forth in Section 3.3 of the Shareholders Agreement (in this Section 32, the "**ROFR**"), provided that for purposes of the ROFR:

- (a) the Collateral Agent shall be deemed to be the "Offeror" (as defined in the Shareholders Agreement) only for the purposes of the ROFR and not considered a "Shareholder" (as defined in the Shareholders Agreement) for any other purpose unless and until it has acquired the Collateral pursuant to Section 32(d) below;
- (b) any third party making a *bona fide* offer in respect of the Collateral shall be deemed to be a "Third Party" (as defined in the Shareholders Agreement) and the offer a "Third Party Offer" (as defined in the Shareholders Agreement) and the "Selling Notice" (as defined in the Shareholders Agreement) deemed to have been given when the Collateral Agent has notified the "Offerees" (as defined in the Shareholders Agreement) of such "Third Party Offer";
- (c) the deemed price for the Collateral shall be an amount no less than the aggregate amount of the Outstanding Principal, together with all accrued unpaid interest and fees and all other Obligations, then owing to the Collateral Agent and the Secured Parties (in this Section 32, the "**Minimum Offering Price**") and such amount shall be deemed to be the "Third Party Offer" price; *provided that* if no "Third Party Offer" is made the provisions of the ROFR shall be read as if such a "Third Party Offer" had been made at the Minimum Offering Price and the "Selling Notice" deemed to have been given on the date the Collateral Agent initiates the enforcement process under this Agreement and *further provided that* the Collateral Agent shall be under no obligation to first solicit a "Third Party Offer" before initiating the ROFR;

- (d) if either: (i) no "Offeree" exercises its rights to acquire the Collateral; or (ii) the "Offerees" collectively fail to exercise their rights to acquire all of the Collateral, the Collateral Agent shall be entitled to either acquire the Collateral (for certainty without the payment of any purchase price) or to sell the Collateral to a "Third Party", in each case pursuant to a realization under this Agreement, for an amount not less than the Minimum Offering Price; provided that if any such proposed sale results in a purchase price for the Collateral which is less than the Minimum Offering Price then the Collateral Agents shall be required to re-offer the Collateral (or such of the Collateral that were not previously acquired by the "Offeree(s)") to the "Shareholders" (as defined in the Shareholders Agreement) in compliance with the ROFR process contemplated by this Section 32 and the associated terms of the Shareholders Agreement;
- (e) all other provisions of the ROFR shall be interpreted to give effect to the foregoing; and
- (f) the provisions of Article 4 of the Shareholders Agreement shall not apply to the transfer of the Collateral pursuant to this Section 32 to the extent required to give effect to the foregoing provisions of this Section 32 and any enforcement or realization in connection with this Agreement.

The Chargor covenants and agrees that it will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Collateral Agent or any Secured Party at any time to give effect to the provisions of this Section 32, including in connection with any sale or transfer of the Collateral. The Chargor agrees that it will not, in any manner, challenge, contest, object to, protest or bring into question the any sale or transfer of the Collateral (or any part thereof) pursuant to the provisions of this Section 32, it will not take any action that would hinder, delay, impede, restrict or prohibit any sale or transfer pursuant to the provisions of this Section 32, and it will not otherwise take any action that would limit, invalidate or set aside any such sale or transfer.

Section 33 Cash Collateral.

The Chargor shall, immediately upon receipt of the proceeds of any sale or transfer contemplated by Section 37(g), deposit into a cash collateral account maintained by and in the name of the Collateral Agent, for the benefit of the Secured Parties, the full amount of such proceeds (the "**Drag-Along Proceeds**") and such funds (together with any interest thereon) will be held by the Collateral Agent for payment of the Guaranteed Obligations so long as the Collateral Agent or the Secured Parties have or may in any circumstance have any obligations under the Loan Agreement (including any contingent or conditional obligation to make advances thereunder, even if such advances are uncommitted in accordance with the Loan Agreement). Such funds will be held as security for the Guaranteed Obligations and may be set-off against any Guaranteed Obligations owing from time to time. The Collateral Agent shall not be required to hold such funds in an interest bearing account, and shall have no liability for interest thereon. Any balance of such funds and interest remaining at such time as the Collateral Agent has received full and indefeasible payment of all Obligations (including the Guaranteed Obligations) and does not have and may never have any obligations under the Loan Agreement (including any contingent or conditional obligation to make advances thereunder, even if such advances are uncommitted in accordance with the Loan Agreement) will be released to the Chargor. The Collateral Agent shall have exclusive control over all amounts at any time on deposit in such cash collateral account. The deposit of such funds by the Chargor with the Collateral Agent as herein provided will not operate as a repayment of the Outstanding Principal or any other Obligations until such time as such funds are actually paid to the Collateral Agent.

Section 34 Dealing with the Collateral.

- (1) The Collateral Agent and the Secured Parties are not obliged to exhaust their recourse against the Chargor or any other Person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Collateral Agent may consider desirable.

- (2) The Collateral Agent and the Secured Parties may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Chargor or the rights of the Collateral Agent and the Secured Parties in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Collateral Agent and the Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

Section 35 Standards of Sale.

Without prejudice to the ability of the Collateral Agent to dispose of the Collateral in any manner which is commercially reasonable, the Chargor acknowledges, as applicable, that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Collateral Agent, any Secured Party or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice and in accordance with such procedures as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Collateral.

Section 36 Dealings by Third Parties.

- (1) No Person dealing with the Collateral Agent, any Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Collateral Agent or the Secured Parties by the Borrower and/or the Chargor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Collateral

Agent with the Collateral, or (vi) how any money paid to Collateral Agent or the Secured Parties has been applied.

- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Collateral Agent or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Chargor, which each specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Chargor has or may have under any rule of law or statute now existing or hereafter adopted.

Section 37 Representations, Warranties and Covenants.

The Chargor represents and warrants and covenants and agrees, acknowledging and confirming that the Collateral Agent and each Secured Party are relying on such representations, warranties, covenants and agreements, that:

- (a) It is a limited liability company incorporated and existing under the laws of its jurisdiction of incorporation;
- (b) It has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under this Agreement and any other Credit Documents to which it is a party.
- (c) The execution and delivery by the Chargor and the performance by it under, and compliance with the terms, conditions and provisions of, this Agreement and any other Credit Documents to which it is a party:
 - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating, or constitutional, documents or by-laws;
 - (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any contracts, leases or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
 - (iii) do not and will not result in the violation of any law, regulation or rule or any judgment, injunction, order, writ, decision, ruling or award which is binding on it.
- (d) This Agreement and the other Credit Documents to which it is a party have been duly executed and delivered by the Chargor and constitute legal, valid and binding agreements of it, subject to Section 22(2)(a), enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (e) Until the Guaranteed Obligations and all other amounts owing under this Agreement are paid or repaid in full, the Guaranteed Obligations are performed in full and the Collateral Agent and the Secured Parties have no obligations under the Credit Documents, the Chargor covenants and agrees that it will take, or will refrain from taking, as the case may

be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Article 6 of the Loan Agreement, and so that no Default or Event of Default, is caused by the actions of the Chargor.

- (f) Each representation and warranty made by the Borrower under Section 5.1 of the Loan Agreement, to the extent it pertains to the Chargor, this Agreement and any other Credit Documents to which the Chargor is a party, is true, accurate and complete in all respects.
- (g) It will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral; provided, however, that the Chargor may sell the Securities in the capital of Greenfire which form part of the Collateral if the Chargor is required to do so as a result of the exercise by other shareholders of Greenfire of the drag-along right pursuant to and in accordance with Section 3.5 of the Shareholders Agreement (a “**Drag-Along Event**”) if an amount equal to the Drag-Along Proceeds is placed into the cash collateral account contemplated by Section 33 and dealt with in accordance with the provisions of Section 33. The Chargor shall provide written notice to the Collateral Agent immediately upon the exercise by any Person of such drag-along right under the Shareholders Agreement. If aggregate amount of the Outstanding Principal, together with all accrued unpaid interest and fees and all other Obligations, owing at such time (collectively, the “**Outstanding Obligations**”) exceeds the Drag-Along Proceeds, such difference shall be the “**Drag-Along Deficiency Amount**” and the Borrower shall be required to repay such Drag Along Deficiency Amount pursuant to Section 2.6(2)(e) of the Credit Agreement.
- (h) It will not create or suffer to exist, any Lien on the Collateral, as applicable, and will not grant control over the Collateral to any Person other than the Collateral Agent.
- (i) Schedule A lists all Securities in the capital of Greenfire owned or held by the Chargor on the date of this Agreement. Schedule A sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class and whether the Securities are certificated securities or uncertificated securities.
- (j) The Securities that are Collateral, as applicable, have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (k) Except as described in Schedule A, no transfer restrictions apply to the Securities listed in Schedule A, as applicable. The Chargor has delivered to the Collateral Agent copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Chargor’s possession and confirms that any interest in a partnership or limited liability company that now, or at any time, forms part of the Collateral is, and will be, a “security” for the purposes of the STA.
- (l) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral, as applicable.
- (m) Except for the consent of the boards of directors of the Chargor and Greenfire, which have been obtained, including in relation to the ROFR (as defined in and as contemplated by Section 32) and except as otherwise provided under Section 22(2), no authorization, approval, or other action by, and no notice to or filing with, any governmental or regulatory authority or official or any other Person, other than any filing under the PPSA, is required either:

- (i) for the pledge by the Chargor of any Collateral, as applicable, pursuant to this Agreement or for the execution, delivery and performance of this Agreement by the Chargor; or
 - (ii) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement, or the remedies in respect of the Collateral, as applicable, pursuant to this Agreement except as may be required in connection with a disposition of the Collateral pledged hereunder, as applicable, by applicable laws affecting the offering and sale of securities generally.
- (n) The Securities that are Collateral, as applicable, have been validly issued and, subject to Section 22(2)(a), are enforceable in accordance with their respective terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (o) The pledge, assignment, delivery to and control by the Collateral Agent of the Collateral, as applicable, pursuant to this Agreement creates a valid and, upon filing with the Registrar of Companies (as provided under Section 22(2)(a)), perfected first ranking security interest in such Collateral and the proceeds of it. Such Collateral and the proceeds from it are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on or control of the property or assets of the Chargor which would include such Collateral. The Collateral Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property securities legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (p) It does not know of any claim to or interest in any Collateral, as applicable, including any adverse claims. If any Person asserts any Lien, encumbrance or adverse claim against any of the Collateral, as applicable, the Chargor will promptly notify the Collateral Agent.
- (q) It has not consented to, will not consent to, and has no knowledge of any control by any Person with respect to any Collateral, other than the Collateral Agent.
- (r) It will notify the Collateral Agent immediately upon becoming aware of any change in an "issuer's jurisdiction" in respect of any Collateral, as applicable, that are uncertificated securities.
- (s) The Chargor will notify the Collateral Agent immediately upon becoming aware of:
- (i) any material development, event or circumstance respecting the assets, business, operations, licenses, permits, approvals or financial condition of Greenfire including, without limitation, any event or circumstance that could reasonably be expected to have a material adverse effect on Greenfire, or any of its assets, business, operations, licenses, permits, approvals or financial condition, whether individually or in the aggregate; and
 - (ii) Greenfire making any distribution, dividend, loan repayment or other payment to any of its shareholders, with reasonable details as to the nature and amount of such distribution, dividend, loan repayment or other payment.

The Chargor agrees that it shall immediately upon receipt of any distribution, dividend, loan repayment or other payment to the Chargor from Greenfire, directly or indirectly (by way of equity or shareholder loan or otherwise), pay up to 75% of all such amounts to the

Borrower to be used by the Borrower for the repayment of the Obligations pursuant to the terms of the Loan Agreement.

- (t) It will not, after the date of this Agreement, establish and maintain any securities accounts in respect of the Collateral with any securities intermediary unless i) it gives the Collateral Agent 30 days' prior written notice of its intention to establish such new securities account, ii) such securities intermediary is reasonably acceptable to the Collateral Agent, and iii) the securities intermediary and the Chargor (A) execute and deliver a control agreement with respect to such securities account that is in form and substance, satisfactory to the Collateral Agent, or (B) transfer the financial assets in such securities account into a securities account in the name of the Collateral Agent.
- (u) It will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including: (i) executing, recording and filing of financing or other statements, and paying all Taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest, (iv) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments, and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent.

Section 38 General.

- (1) Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery or email and shall be deemed to have been received by that party at the time it is delivered to the applicable address or sent to the applicable email address noted below, in either case to the attention of the individual designated below. Notice of change of address shall also be governed by this section. Demands, notices and other communications shall be addressed as follows:

- (a) **If to the Chargor:**

Spicelo Limited
 17 Megalou Alexandrou Street
 2121 Aglantzia
 Nicosia
 Cyprus
 Attention: Ioannis Charalambides
 Email: ceo@iccsovereigngroup.com

- (b) **If to the Collateral Agent or the Secured Parties, to the Collateral Agent at:**

GLAS Americas LLC
 3 Second Street, Suite 206
 Jersey City, NJ 07311

 Fax: 212-202-6246
 Phone: +1 (201) 839-2200
 Email: ClientServices.Americas@glas.agency; tmgus@glas.agency

with a copy to:

Trafigura Canada Limited
1700, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2

Attention: Iain Singer
Email: iain.singer@trafigura.com

and with a copy to:

Signal Alpha C4 Limited
3rd Floor, Liberation House, Castle Street
St Helier, Jersey, Channel Islands
JE1 2LH

Attention: Credit Ops
Email: creditops@signalcapital.com

and

Attention: Signal Alpha
Email: signalAlpha@langhamhall.com

- (2) A notice is deemed to have been given and received (i) if sent by personal delivery or courier service, or mailed by certified or registered mail, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day or (ii) if sent by e-mail, on the date sent if it is a Business Day and the e-mail was sent prior to 4:00 p.m. (local time where the recipient is located) and otherwise on the next Business Day. A party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a notice will be assumed not to be changed.
- (3) The Security Interest will be discharged in accordance with Section 3.7 of the Loan Agreement.
- (4) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent or any Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Collateral Agent and the Secured Parties in respect of the Secured Obligations. The representations, warranties and covenants of the Chargor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties the covenants, representations and warranties continue in full force and effect.
- (5) The Chargor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Collateral, as applicable, or any other property or assets of the Chargor that the Collateral Agent may require for (i) protecting such Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Collateral Agent and the Secured Parties. After the Security Interest becomes enforceable, the Chargor will do all acts and things and execute and deliver all documents and instruments that the Collateral Agent may require for facilitating the sale or other disposition of the Collateral, as applicable, in connection with its realization.

- (6) The Chargor acknowledges and confirms that it has established its own adequate means of obtaining from the other Credit Parties on a continuing basis all information desired by the Chargor concerning the financial condition of such other Credit Parties and that the Chargor will look to such other Credit Parties and not to the Collateral Agent or the Secured Parties, in order for the Chargor to keep adequately informed of changes in any other Credit Party's financial condition.
- (7) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.
- (8) This Agreement is binding on the Chargor, its successors and permitted assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and permitted assigns. This Agreement may only be assigned by the Collateral Agent without the consent of, or notice to, the Chargor, to an Affiliate of the Collateral Agent, and, in such event, such Affiliate will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Chargor will not assert against the assignee any claim or defence which the Chargor now has or may have against the Collateral Agent or any Secured Party. The Chargor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent which may be unreasonably withheld.
- (9) The Chargor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Securities in the capital of Greenfire that any of the amalgamating corporations then own, (B) all of the Securities in the capital of Greenfire that the amalgamated corporation thereafter acquires, (C) all of the Securities in the capital of Greenfire in which any of the amalgamating corporations then has any interest, and (D) all of the Securities in the capital of Greenfire in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Borrower to the Collateral Agent and the Secured Parties in any currency, under, in connection with or pursuant to any Credit Document to which the Borrower is a party, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Chargor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.
- (10) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (11) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent, the Secured Parties and the Chargor.
- (12) No consent or waiver by the Collateral Agent in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.

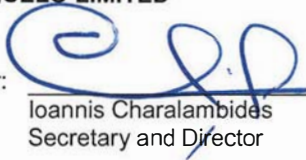
- (13) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.
- (14) All monies collected by the Collateral Agent upon the enforcement of its or the Secured Parties' rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Collateral Agent and the Secured Parties under the Security Documents, will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Agreement, the Collateral Agent shall apply such proceeds in accordance with this Section.
- (15) In the event of any conflict between the provisions of this Agreement and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.
- (16) By accepting the benefits of this Agreement, the Collateral Agent and the Secured Parties agree that this Agreement may be enforced only by the action of the Collateral Agent and that no other Secured Party shall have any right individually to seek to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Loan Agreement.
- (17) Notwithstanding the provisions of the *Limitations Act* (Alberta), to the maximum extent permitted by Applicable Law, the Chargor hereby agrees that the Collateral Agent may bring an action under this Agreement, notwithstanding any limitation periods applicable to such claim, and that any limitation periods applicable to this Agreement are hereby explicitly excluded. If the exclusion of limitation periods is not permitted under Applicable Law, then the applicable limitation periods are hereby extended to the maximum extent permitted by Applicable Law.
- (18) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (19) The Chargor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement and the other Credit Documents to which it is a party. The Chargor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Chargor in the courts of any other jurisdiction.
- (20) The Chargor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Chargor in accordance with Section 36(1). Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by Applicable Law.
- (21) This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[Remainder of page intentionally blank.]

DATED as of the date first above written.

SPICELO LIMITED

Per:


Ioannis Charalambides
Secretary and Director



Signature Page to Limited Recourse Guarantee and Securities Pledge Agreement

DS DS
DG ND

Acknowledged and Agreed to by:

GLAS AMERICAS LLC

Per: 
Name: Yana Kislenko
Title: Vice President

SCHEDULE A SECURITIES

Issuer	Owner	Class of Securities	Number of Securities	Certificated or Uncertificated	Certificate Number
Greenfire Resources Inc.	Spicelo Limited	Common Shares	1,125,000	Certificated	7-C
		Common Shares	2	Certificated	11-C

TRANSFER RESTRICTIONS

Capitalized terms which are used the following excerpts of Article 3 and Article 4 from the Shareholders Agreement shall have the meanings assigned thereto in the Shareholders Agreement.

ARTICLE 3 TRANSFER, DISPOSITION AND ISSUE OF SHARES

3.1 New Issuances

Upon the issuance of Shares to any Person or Persons if the subscriber is not then a Shareholder who is a party to this Agreement, including, for certainty, through the exercise of any warrants, options or other rights to acquire Shares of the Corporation, such Person or Persons shall become a party to this Agreement and shall agree to be bound by the terms of this Agreement by duly executing a joinder agreement in the form of Schedule B. The Corporation shall require that the subscriber become a party to this Agreement in accordance with the foregoing as a condition of the issuance of any Shares to any Person or Persons if the subscriber is not then a Shareholder who is a party to this Agreement.

3.2 Restriction on Transfer

3.2.1 Except as expressly required or permitted pursuant to the provisions of this Agreement or as required by law, no Shareholder shall directly or indirectly sell, Transfer or otherwise dispose of or Encumber any Shares or its rights under this Agreement. A purported Transfer of any Shares in violation of this Agreement will not be valid and shall be null and void. The Corporation will neither register, nor permit any transfer agent to register, any such Shares purportedly Transferred in violation of this Agreement on the securities register of the Corporation. In addition, during the period of the purported Transfer, no voting rights attaching to or relating to such Shares may be exercised, no purported exercise of voting rights will be valid or effective and no dividend or distribution will be paid or made on those Shares. Any Shareholder who purports to make a Transfer of any Shares in violation of this Agreement agrees to donate and hereby donates to the Corporation all dividends and distributions that would otherwise be paid or made on those Shares during the period of the purported Transfer (but any such donated dividend or distribution shall be paid when the breach is cured). The provisions of the immediately preceding sentence are in addition to, and not in lieu of, any other remedies to enforce the provisions of this Agreement.

3.2.2 If a proposed Transfer of Shares may be effected in accordance with the terms of this Agreement, then all Shareholders who are party to this Agreement and the Corporation shall execute such documents and provide all such approvals, votes, consents and other reasonable assistance as may be necessary or desirable in order to effect the Transfer of the Shares in accordance with the Articles and this Agreement. Notwithstanding any other provision of this Agreement, every Transfer of Shares to any Person or Persons if the Transferee is not then a Shareholder who is a party to this Agreement, will be subject to the condition that such Person or Persons will, as a result of such Transfer agree to be bound by the terms of this Agreement and become a party by duly executing a joinder agreement in the form of Schedule B.

3.3 Right of First Refusal

3.3.1 Subject to sections 3.4, 3.5, 3.6 and 3.9, if any Shareholder (the “**Offeror**”) desires to sell or dispose of any of its Shares, the other Shareholders (each, an “**Offeree**”) will have the prior right to purchase such Shares on the terms and in accordance with the procedures set forth in this section 3.3.1:

3.3.1.1 Upon receipt of a bona fide offer from a third party dealing at Arm’s Length with the Offeror (the “**Third Party Purchaser**”) to purchase any of the Offeror’s Shares (the “**Offered Shares**”) in cash which the Offeror wishes to accept (a “**Third Party Offer**”), an Offeror will give written notice (the “**Selling Notice**”) to each of the Offerees of its intention to Transfer any of its Shares. The Selling Notice will offer to sell to the Offerees, on a pro rata basis in proportion to the number of Shares held by each Offeree at the date of the Selling Notice, the number of Shares specified in the Third Party Offer on the terms contained in the Third Party Offer and will include a true copy of the Third Party Offer and the name of the Third Party Purchaser and any Person Controlling the Third Party Purchaser, directly or indirectly, and will contain the Piggy-Back Offer set out in section 3.4. The Offerees will have 30 days from its receipt of the offer to accept it by notice in writing to the Offeror.

3.3.1.2 The Selling Notice will state that any Offeree may accept the offer contained therein in respect of all or part of the Offeree’s pro rata portion of the offered Shares by delivering a written notice and indicate whether the Offeree wishes to purchase any excess Shares not being purchased by other Offerees and the maximum number of excess Shares so desired (a “**Purchase Notice**”) to the Offeror and to the Chairman of the Board within 30 days of receipt of the Selling Notice (the “**Offering Period**”) which will state the number of Shares the Offeree desires to purchase. The agreement of sale arising pursuant to this section 3.3.1.2 shall close within 30 days after the expiration of the Offering Period. If, within the Offering Period, a Purchase Notice has not been given by an Offeree, the Offeree will be deemed to have refused to purchase any of the Shares being offered.

3.3.1.3 If any Offeree does not accept the offer contained in the Selling Notice in respect of its proportion of the Shares being offered, its proportion will be divided pro rata among the Offerees desiring such Shares in excess of their proportions to the number of Shares held by them at the date of the Selling Notice, provided that no Offeree will be bound to take any Shares in excess of the number it so desires as indicated in the Purchase Notice.

3.3.1.4 If the Shares being offered will not be capable of being offered to or divided among the Offerees as set forth above in proportion to the number of Shares held by them at the date of the Selling Notice or without resulting in division into fractions, the same will be offered or divided among the Offerees as nearly as may be in accordance with the foregoing provisions and the balance will be offered to or divided among the Offerees or some of them in such manner as may be determined by the Board to be equitable.

3.3.1.5 Subject to section 3.4, if a Purchase Notice or Purchase Notices have not been given by the Offerees within the Offering Period to purchase all of the Shares being offered, the Offeror may, within 90 days after the expiration of the Offering Period, sell any or all of such Shares not purchased by the Offerees pursuant to the Third Party Offer and all the Purchase Notices will be void and of no legal effect.

3.3.2 Transfer of the Shares subject to this Agreement will be subject to the condition that a purchaser thereof will, if not a party to this Agreement, agree to be bound by the terms of this Agreement and become a party to this Agreement in accordance with the provisions of section 3.2.

3.4 Piggy-Back Offer

3.4.1 If the Third Party Offer(s) delivered pursuant to section 3.3 constitutes an offer to purchase 75% or more of the then issued and outstanding Shares, such Third Party Offer(s) must contain an offer (the “**Piggy-Back Offer**”) to purchase that proportion of the Shares held by each of the Offerees which is equal to the proportion of the Shares held by the Offeror(s) and its Affiliates which is the subject of the Third Party Offer(s) to the total number of Shares held by the Offeror(s) and its Affiliates (e.g. if the Third Party Purchaser offers to purchase 100% of the Offeror’s and its Affiliates’ (or Offerors and their Affiliates’) Shares, then the Third Party Purchaser must offer to purchase 100% of each Offeree’s Shares). The Piggy-Back Offer will contain terms and conditions identical to those contained in the Third Party Offer(s), provided that the obligations of the Third Party Purchaser to the Offerees under the Piggy-Back Offer may be conditional upon completion of the transaction contemplated by the Third Party Offer(s) and provided further that the Piggy-Back Offer will require each Offeree to provide joint and several covenants, representations and warranties and indemnities (including any escrow arrangements) that are substantially similar to those provided by the Offeror with recourse limited to the aggregate purchase price actually paid to such Offeree. The Piggy-Back Offer will be irrevocable and will provide that it is open for acceptance by the Offerees for a period of 30 days following receipt of the Selling Notice in writing (an “**Acceptance Notice**”) which will state the number of Shares that the accepting Offeree wishes to sell under the Piggy-Back Offer (up to the maximum number of Shares for which the Piggy-Back Offer is made to that Shareholder). Each Offeree who delivers an Acceptance Notice will be obligated to sell the number of Shares specified in the Acceptance Notice upon the terms specified in the Piggy-Back Offer to the Purchaser under the Piggy-Back Offer, conditional upon and contemporaneously with the completion of the transaction of purchase and sale contemplated in the Third Party Offer(s); provided, however, that no Shares will be sold under a Third Party Offer to which this section 3.4 applies unless, subject to section 3.4.2, payment for all Shares specified in all Acceptance Notices is made or provided for in accordance with the terms of the Piggy-Back Offer. The Piggy-Back Offer will not apply if the Offeror sells its Shares to the Offerees under the terms of the right of first refusal set out in section 3.3.

3.4.2 Notwithstanding the foregoing, if the Third Party Purchaser does not wish to purchase all the Shares that are the subject of an Acceptance Notice as described above, then the number of Shares that the Offeror(s) and each of the Offerees will be entitled to sell will be adjusted proportionately so that the Offeror(s) and each Offeree will each be entitled to sell the same relative proportion of the total number of Shares held by each such party (e.g. if such an adjustment resulted in the Third Party Purchaser purchasing 50% of the Offeror’s (or Offerors’) Shares, the Third Party Purchaser would also be purchasing 50% of each Offeree’s Shares).

3.5 Drag-Along Right

3.5.1 If the Super-Majority Shareholders receive an offer from a third party (the “**Drag-Along Offer**”) to purchase all (but not less than all) of the Shares of such Shareholders and such Shareholders (the “**Approving Shareholders**”) wish to accept the Drag-Along Offer, then the Approving Shareholders may, if requested to do so by the third party, deliver to each other

Shareholder (the “**Receiving Shareholders**”) a copy of the Drag-Along Offer addressed to each of the Receiving Shareholders together with a statement executed by each of the Approving Shareholders (the “**Drag-Along Notice**”) notifying each of the Receiving Shareholders that the Approving Shareholders are exercising their rights (the “**Drag-Along Rights**”) under this section 3.5. Notwithstanding the foregoing, a Drag-Along Offer must in addition (a) provide for the representations and warranties of the Receiving Shareholders to be limited to, where applicable, good title to the Shares being sold, free and clear of all encumbrances, and the residency of the Receiving Shareholders; (b) provide for the covenants, where applicable, of the Receiving Shareholders to be limited to the obligation to complete the Drag-Along Offer and for greater certainty, there will be no restrictive covenants such as non-competition, confidentiality or non-solicitation; and (c) provide for the liability of the Receiving Shareholder for misrepresentation or breach of contract, where applicable, to be capped at the value on closing of the purchase price consideration received on closing by that Receiving Shareholder. No Drag-Along Notice will be valid if the transaction to which it relates provides for any member of Senior Management to receive consideration or collateral benefits unavailable to other Shareholders other than an employment contract at reasonable market rates and other reasonable terms.

3.5.2 The Drag-Along Offer will be deemed not to be a Third Party Offer and the Drag-Along Notice will be deemed not to be a Selling Notice within the meaning of section 3.3.2 and the provisions of section 3.3 will not apply to any sale contemplated in this section 3.5.

3.5.3 Upon receipt of the Drag-Along Notice, each Receiving Shareholder will be obligated to sell (whether pursuant to a share sale, plan of arrangement, merger, amalgamation or other form of business combination) its Shares to the third party pursuant to the Drag-Along Offer at the same time as the Approving Shareholders sell their Shares to the third party and as part of the same closing, or where applicable, and/or to vote their Shares in favour of the transaction proposed in the Drag-Along Offer.

3.5.4 The Approving Shareholders will be entitled to accept the Drag-Along offer on behalf of the Receiving Shareholders and to deliver the same to the third party and, for such purpose, each Shareholder hereby appoints the Approving Shareholder holding the greatest number of Shares as its attorney, with full power of substitution to accept the Drag-Along Offer and to execute and deliver all documents and instruments to give effect to such acceptance and to establish a contract of purchase and sale between each of the Receiving Shareholders and the third party with respect to all the Shares held by such Receiving Shareholders, and/or, where applicable, to vote the Shares held by the Receiving Shareholders in favour of the transaction proposed in the Drag-Along Offer. Such appointment is irrevocable by each Shareholder and will not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Shareholder. Each Shareholder agrees that it will perform the agreement resulting from acceptance of the Drag-Along Offer in accordance with its terms and will ratify and confirm all that the Approving Shareholders may do or cause to be done pursuant to the foregoing.

3.5.5 Any purchase and sale of the Shares of the Receiving Shareholders to the third party pursuant to the Drag-Along Offer will be completed in accordance with the provisions of the Drag-Along Offer and at the same time as the purchase and sale of the Shares by the Approving Shareholders to the third party and as part of the same closing, provided that the purchase price payable in respect of Shares acquired pursuant to the Drag-Along Offer will be paid in cash or Marketable Securities at the closing.

3.6 Pre-Emptive Right

3.6.1 If any additional Shares are to be issued from treasury, other than pursuant to:

3.6.1.1 the issuance of Shares upon the due exercise of stock options granted pursuant to the Corporation's stock option plan or other incentive plan approved by Shareholders holding an aggregate Proportionate Interest not less than 60%; and

3.6.1.2 any issuance specifically excluded by Shareholders holding an aggregate Proportionate Interest not less than 60%.

the Corporation will provide the Shareholders with notice in writing of the Corporation's intention to issue additional Shares and the number thereof to be issued, the issue price for the Shares and the closing date for such offering, which shall be not less than 30 Business Days from the date of delivery of such notice (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements), or as required to comply with this section 3.6. The Shareholders shall have the right to purchase, on the same terms and conditions as offered in such issuance, up to that number of additional Shares which if owned by the Shareholders following completion of such issuance would result in the Shareholders' Proportionate Interest after the completion of such issuance remaining the same as the Shareholders' Proportionate Interest as immediately prior to the closing of such issuance.

3.6.2 To exercise their right to purchase, the Shareholders must provide written notice to the Corporation within 10 Business Days of receipt of notice from the Corporation that additional Shares are to be issued, which notice must set forth the maximum number of Shares that such Shareholder wish to subscribe for pursuant to the offering. If all of the additional Shares to be issued from treasury are not purchased by the Shareholders pursuant to this section 3.6, the Corporation shall be entitled to issue any remaining additional Commons Shares on the same terms and conditions stated in the Corporation's notice referenced in section 3.6.1 for a period of 60 days (or such other date as may be determined by the Board) after the date of expiration of the 10 Business Day notice period referred to above. If the Corporation has not received written notice of exercise of a Shareholder's right to purchase Shares within the 10 Business Day time period stated above, such Shareholder shall be deemed to have waived such right to purchase Shares pursuant to this section 3.6 in connection only with the offering of Shares described in such notice of exercise. For greater certainty, if a Shareholder declines to exercise its rights under this section 3.6 with respect to a particular offering of Shares, the rights contained in this section 3.6 shall continue to apply to all future issuances of Shares from treasury by the Corporation.

3.6.3 The provisions of sections 3.6.1 and 3.6.2 shall apply, mutatis mutandis, to any issuance from treasury of any securities exchangeable or convertible into Shares, but shall not apply to the issuance of Shares pursuant to the exceptions listed in section 3.6.1.

3.7 Exclusivity of Sections

Each of sections 3.3, 3.4 and 3.5 is exclusive and the provisions thereof may only be relied upon by a party hereto if the provisions of one of the other of such sections are not at the same time being relied upon by the same or another party hereto. Section 3.5 will supersede sections 3.3 and 3.4 and once it has been invoked, such sections 3.3 and 3.4 will be suspended until the process prescribed by section 3.5 has been completed.

3.8 Control

3.8.1 For the purposes of this section 3.8, the term "Corporate Shareholder" will include any Shareholder which is a corporation, partnership, trust, syndicate, or other entity any of the beneficial interests in which are Transferable.

3.8.2 Each Corporate Shareholder which is a party hereto and holds at least 5% of the Shares of the Corporation will deliver to the Chairman of the Board accurate information relating to

beneficial holders of the Corporate Shareholder's securities or ownership interests 14 days after its receipt of a written demand therefor made by or on behalf of the Corporation.

3.8.3 The Corporate Shareholder's compliance with that written notice to it may be waived by the written approval of holders of not less than a majority of the Shares not then held by the Corporate Shareholder and its Affiliates, given within 30 days following the receipt by the Corporate Shareholder of such written notice, and upon whatever terms and conditions may be set forth in such written waiver and approval, and in that event the written notice to the Corporate Shareholder will be without effect.

3.9 Permitted Transfers

3.9.1 Subject to section 3.2.2 and 3.8, but notwithstanding any other provisions hereof, any Shareholder shall be permitted to Transfer all or any part of the Shares owned by such Shareholder (the "**Transferor**") to an Affiliate or Immediate Family Member of such Shareholder, or, in the case of a Corporate Shareholder, to Persons who Control a Corporate Shareholder, Immediate Family Members or Affiliates of such Persons (in each case a "**Permitted Transferee**" and each such Transfer in accordance with this section 3.9, a "**Permitted Transfer**"). As a condition precedent to being registered as a holder of Shares, the Permitted Transferee shall execute and deliver to the Corporation and the other Shareholders a written acknowledgment substantially in the form satisfactory to the Corporation that such transfer is in accordance with and subject to the terms of this Agreement. Notwithstanding any such disposition as between the disposing Shareholder and the other parties hereto the disposing Shareholder shall remain liable as principal debtor under all covenants on its part contained herein and the disposing Shareholder agrees to unconditionally guarantee to the other parties hereto the due performance by the acquirer of all obligations imposed upon it hereunder. The guarantee of the disposing Shareholder is unconditional and may be enforced against him without requiring the other parties hereto to first proceed against the acquirer or to proceed against or exhaust any security held or to pursue any other remedy whatsoever. The disposing Shareholder hereby authorizes the other parties hereto to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations or to otherwise amend any provision hereof and hereby waives presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this guarantee by the other parties hereto; provided, however, that notwithstanding anything to the contrary contained in this Agreement, Shares shall not be transferred if such transfer would not be in compliance with applicable securities legislation or, if regulatory approval is required, until all such approvals are received.

3.10 Access to Information

In connection with the exercise of any rights of first refusal or any other rights granted to the parties hereto to sell or purchase shares of the Corporation, the Corporation will promptly give or cause to be given to any party proposing to sell or purchase or contemplating the purchase or sale of more than 5% of the Shares and that party's accountants, legal advisers and representatives full access to its premises, all the assets of the relevant entities, and the books and records relating thereto and to the relevant personnel and will promptly furnish them with all information relating to the relevant businesses and assets as the party may reasonably request; provided, however, that such activities will not unduly interfere with the business of the Corporation and the Corporation will not be obligated pursuant to this section 3.10 to provide access to any information that it reasonably considers to be a trade secret or similar confidential information or to share any information with a Shareholder or any other person which the Corporation determines, in its reasonable discretion, directly or indirectly is involved with, has a greater than 1% ownership in, or otherwise transacts business with, a business competitive to that of the Corporation. No Corporate Confidential Information shall be disclosed to a party who is not a Shareholder pursuant to this section except where the selling Shareholder and the Corporation require such party to enter into a confidentiality agreement with the selling Shareholder and the Corporation containing substantially the same provisions as those set out in Section 5.14, as well as a covenant of such party not

to use or allow the use, for any purpose, of the Corporate Confidential Information, or notes, summaries or other material derived from the review of the Corporate Confidential Information, except to determine whether to enter into a transaction with the selling Shareholder.

ARTICLE 4 GENERAL SALE PROVISIONS

4.1 Application of Provisions

The provisions of this Article 4 shall apply, with such changes in detail as may be necessary, to any sale of Shares between or among the parties made pursuant to sections 3.3, 3.4 and 3.5, as the case may be. All references in this Article 4 to the "Vendor" are to the party or parties entitled or obligated to sell their Shares (or their legal or other personal representatives) and all references in this Article 4 to the "Purchaser" are to the party or parties entitled or obligated to purchase such Shares. All references in this Article 4 to a "Sale Transaction" are to the transaction of purchase and sale between or among such Vendor and Purchaser and all references in this Article 4 to the "Purchase Price" and "Purchased Shares" are to the purchase monies payable on, and the Shares to be delivered in connection with the completion of, such Sale Transaction. All references in this Article 4 to a "Closing" are to the date upon which such Sale Transaction is to be completed as determined under Sections 3.3, 3.4 and 3.5, as the case may be.

4.2 Obligations of Vendor

At or prior to the Closing, the Vendor will:

4.2.1 assign and transfer to the Purchaser the Purchased Shares and deliver the share certificate(s) representing the Purchased Shares duly endorsed for transfer to the Purchaser or as directed by it;

4.2.2 do all other things required in order to deliver good and marketable title to the Purchased Shares to the Purchaser free and clear of any claims, liens and encumbrances whatsoever including, without limitation, the delivery of any governmental releases and declarations of transmission (provided that, if at the time of Closing, after diligent effort by the Vendor, the Purchased Shares are not free and clear of all claims, liens and encumbrances whatsoever, the Purchaser, may, without prejudice to any other rights which it may have, purchase the Purchased Shares subject to such claims, liens and encumbrances and, in that event, the Purchaser will, at the time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the Purchase Price payable by the Purchaser for the Purchased Shares will be satisfied, in whole or in part, as the case may be, by such assumption and the amount so assumed by the Purchaser will be deducted from the Purchase Price payable at the Closing); and

4.2.3 either (i) provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), (ii) provide the Purchaser with a certificate pursuant to Subsection 116(2) of the *Income Tax Act* (Canada) with a certificate limit in an amount not less than the Purchase Price for the Purchased Shares, or (iii) establish to the satisfaction of the Purchaser acting reasonably that either the Purchased Shares are not taxable Canadian property of the Vendor within the meaning of the *Income Tax Act* (Canada) or that subsection 116(5.01) of the *Income Tax Act* (Canada) applies to the acquisition of the Purchased Shares by the Purchaser, failing which the Purchaser will be entitled to make the payment of tax required under Section 116 of the *Income Tax Act* (Canada) and to deduct such payment from the Purchase Price for the Purchased Shares.

4.3 Repayment of Debts

If, at the time of Closing, the Vendor is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the accountant of the Corporation, the Vendor will repay such amount to

the Corporation at the time of Closing and, if the Vendor fails to make such repayment, the Purchaser will be entitled to pay the amount of such indebtedness to the Corporation from the Purchase Price and the amount of the Purchase Price payable to the Vendor will be reduced accordingly.

4.4 Non-Completion by Vendor

If, at the time of Closing, the Vendor fails to complete a sale transaction, the Purchaser will have the right, if not in default under this Agreement, without prejudice to any other rights which it may have, upon payment of the Purchase Price payable to the Vendor at the time of Closing to the credit of the Vendor in the main branch of the Corporation's bankers in the City of Calgary, to execute and deliver, on behalf of and in the name of the Vendor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to complete the Sale Transaction and each party, to the extent it may be a Vendor hereunder, hereby irrevocably appoints any party who becomes a Purchaser in a Sale Transaction its attorney in that behalf in accordance with the *Powers of Attorney Act* (Alberta) (which power coupled with an interest will not be revoked by the subsequent death, incapacity or bankruptcy of such party), with no restriction or limitation in that regard, each party declaring that this power of attorney may be exercised during any subsequent legal incapacity on its part. Upon such execution and delivery of such documents by the Purchaser, the Purchaser's name will be entered in the registers of the Corporation in exercise of the aforesaid power, and the validity of the proceeding will not be subject to question by any person. On such registration, the Vendor will cease to have any right to or in respect of the Shares to be sold except the right to receive, without interest, the purchase price for the Shares deposited with the Corporation's banker.

4.5 No Joint Liability

For greater certainty, the parties acknowledge and agree that where a Sale Transaction involves more than one Purchaser, the Purchasers in such Sale Transaction are not jointly liable for the payment of the Purchase Price for the Purchased Shares, but are only liable for their proportionate share thereof.

4.6 Consents

The parties acknowledge that the completion of any Sale Transaction will be subject, in any event, to the receipt of all necessary governmental and regulatory consents and approvals to the Transfer of Shares contemplated thereby.

This is **Exhibit "D"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

971DBB8B283D412...

Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG *ND*

Action No.: B201-979721

E-File No.: CVK242437799

Appeal No.: _____

IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437799 ALBERTA LTD.

AND:

Action No. B201-979725

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437801 ALBERTA LTD.

AND:

Action No. B201-979732

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437815 ALBERTA LTD.

AND:

Action No. B201-979735

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS OPERATION CORP.

AND:

Action No. B201-979736

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS HOLDING CORP.

AND:

Action No. B201-979737

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

AND:

Action No. B201-979738

IN THE MATTER OF THE BANKRUPTCY OF
SPICELO LIMITED

AND:

Action No. B201-979739

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
STELLION LIMITED

P R O C E E D I N G S
(Excerpt)

Calgary, Alberta
September 22, 2023

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1 Proceedings taken in the Court of King's Bench of Alberta, Courthouse, Calgary, Alberta

2

3

4 September 22, 2023

Morning Session

5

6 The Honourable

Court of King's Bench

7 Justice Johnston (remote appearance)

of Alberta

8

9 R. Van de Mosselaer(remote appearance)

For Griffon Partners Operation Corporation

10 E. Paplawski (remote appearance)

For Griffon Partners Operation Corporation

11 J. Treleaven (remote appearance)

For Griffon Partners Operation Corporation

12 J. Thom KC (remote appearance)

For 2437799 Alberta Ltd. and

13

2437801 Alberta Ltd.

14 D. Stethem (remote appearance)

For Harvest Operations Corp.

15 (Student-at-law)

16 K. Fellowes, KC (remote appearance)

For Trafigura Canada Limited and Signal Alpha

17 M. C. Lemmens (remote appearance)

For Tamarack Valley Energy Ltd.

18 P. Chiswell (remote appearance)

For Greenfire Resources

19 O. Konowalchuk (remote appearance)

For Proposal Trustee

20 K. Kashuba (remote appearance)

For Alvarez & Marsal Canada Inc.

21 S. Poitras (remote appearance)

For Alberta Energy Regulator

22 Z. Bodi

Court Clerk

23

24

25 Discussion

26

27 THE COURT:

All right, madam clerk. And I am -- I am not

28 seeing -- is my video on, madam clerk? I cannot actually see for some reason. There.

29 Okay. Can everybody hear me? Can you hear me okay?

30

31 MR. VAN DE MOSSELAER:

I can, My Lady.

32

33 THE COURT:

Okay. So back to you, Mr. Van de Mosselaer.

34

35 MR. VAN DE MOSSELAER:

Thank you, Madam Justice. I -- let me ask, I -- I

36 think we're in a bit of a transition between "My Lady" and "Madam Justice," and I'm a bit

37 older, so I sometimes will fall back into "Madam Justice," and I don't want to do that if --

38 if you have a preference either way.

39

40 THE COURT:

Well, I -- I am not offended if you call me

41 either. How is that?

1

2 MR. VAN DE MOSSELAER: Okay. That's good.

3

4 THE COURT: I still am used to the older system, but the -- you
5 know, it has changed, but I am -- I am happy either way.

6

7 MR. VAN DE MOSSELAER: Very good.

8

9 THE COURT: We will not fuss about it. Yes, thank you.

10

11 MR. VAN DE MOSSELAER: Let me begin then where I was a moment ago
12 which is with some instructions. I'm not going to be able to introduce everybody on the
13 call because I don't know who everybody is.

14

15 THE COURT: Yes. Okay.

16

17 MR. VAN DE MOSSELAER: But I'll give you the main players or the people
18 that I do know starting, again, with myself Van de Mosselaer, initials 'R.S.', counsel for
19 the applicants. I'm with Osler, Hoskin, and Harcourt. The applicants being Spicelo
20 Limited, Griffon Partners Operations Corp. and various related entities. With me are my
21 partner Emily Paplawski and my associate Julie Trehearn. Also on the call with us today
22 are Mr. Stepanic, who is the CEO of GPOC. That's Griffon Partners Operations Corp.
23 We'll call them GPOC just for the sake of brevity. And Mr. Jonathan Klesch, who is the
24 ultimate beneficial owner of Spicelo or Spicelo. I -- I might just refer to them as Spicelo
25 going forward, rather than Spicelo, fewer syllables.

26

27 THE COURT: Okay.

28

29 MR. VAN DE MOSSELAER: And also with us are Orest Konowalchuk and
30 Duncan MacRae from Alvarez & Marsal, the Proposal Trustee. And counsel to the
31 Proposal Trustee, Kyle Kashuba from the Torys firm. Also with us are Karen Fellowes
32 and Natasha Doelman from Stikeman Elliott, who are counsel to Trafigura and Signal
33 Alpha, the lenders in these proceedings who have a cross application for appointment of a
34 receiver over Spicelo's assets. I see that Mr. Poitras, Scott Poitras from the AER has
35 joined us, as has Mr. Chiswell, Paul Chiswell from the BD&P firm who is counsel to
36 Greenfire Resources, who we discovered just recently has an interest in these proceedings
37 and he will be speaking to that interest.

38

39 Finally -- well, not finally, but in addition, we have Daniel Strethem, who I think is with
40 Norton Rose Fulbright, who is representing Harvest Operations Corp., and I think he is
41 just here to observe. Jef Thom from McLeod Law, who is counsel to two of the GPOC

shareholder entities. And finally from my list, we have Trevor Murphy who is one of the shareholders of GPOC. I see Scott -- sorry, Scott Asplund from A&M Corporate Finance has also joined. And I think that is everybody that I can identify. Oh, I should point out that Neil Honess from KPMG, the proposed receiver is also present to observe.

There are some other names on the screen who I --

THE COURT: Observers I am not -- yes, I am not concerned about observers. I am concerned about parties who may wish to address the Court on this application.

MR. VAN DE MOSSELAER: Right. And I am not aware of there being anyone else. I don't know if I mentioned that Matti Lemmens from Stikeman Elliott is also on the call. She is counsel to Tamarack Valley Energy. She may have some comments. I don't know.

THE COURT: Pardon me. Who -- who was the last person from Tamarack from Stikeman's, another Stikeman's person?

MR. VAN DE MOSSELAER: Matti Lemmens.

THE COURT: L-E -- I do not see their name.

MR. VAN DE MOSSELAER: L-E-M-M-E-N-S.

THE COURT: And is that a Ms. Lemmens?

MR. VAN DE MOSSELAER: It's a Ms. Lemmens, yes.

THE COURT: From Tamarack, and she is at Stikeman's. All right. Thank you. I think you did a very good job.

Is there anybody that we have missed who will want to address the Court on the substance of these applications? No. Okay.

All right. So I will start off by saying this: Ordinarily, I would have liked a lot more time to prepare. I have quickly reviewed many of the materials. Some of them have come in quite late. I was tied up in a very contested matter yesterday that went late, and so I have not had the opportunity to read as deeply as I normally -- is my style. So you can assume I have familiarity with materials. I have reviewed them, but I certainly, as I said, do not have the detailed knowledge that I normally like to have under the circumstances.

1
2 So with that, I would ask you to go ahead with your submissions.

3
4 **Submissions by Mr. Van de Mosselaer**

5
6 MR. VAN DE MOSSELAER: Sure. Thank you. And understood.

7
8 Let me begin -- and I haven't had a chance to circle up with my friends in terms of the
9 order of speaking, but what I'm going to propose, and what I think makes sense, is that I
10 will go first, being the applicant. If there are other parties who are supporting our
11 position, and it would make sense for them to go second. I know what Mr. Chiswell is
12 going to say on behalf of Greenfire Resources. I think it would make sense for him to go
13 next, and then Ms. Fellowes in opposition to our application and in support of her
14 application for the appointment of a receiver followed by any parties who are supporting
15 her client's position with the Proposal Trustee going last as the (WEBEX AUDIO
16 INTERRUPTED) officer. So if that's -- if that's acceptable to the Court, then I think that
17 would make some sense.

18
19 THE COURT: That works fine with me. Does anybody have
20 any concerns? I assume if no one says anything that that is acceptable.

21
22 All right. Having heard no concerns, let us proceed in that manner.

23
24 MR. VAN DE MOSSELAER: Very good. Thank you. Let me run through
25 some of the materials. And as you noted, some of the stuff has been coming in sort of
26 fairly late in the day, so I don't know if this list is even complete, but what we have
27 provided and what I think the Court should have would be, firstly, our amended
28 application for the debtors first stay extension under section 50.4(9) of the BIA and
29 various related relief. In support of that application, we have filed an affidavit sworn by
30 Mr. Daryl Stepanic, which was sworn on September the 14th. We provided a brief of
31 argument which was filed and served on September the 19th or 20th, earlier this week.
32 And the Proposal Trustee provided its first report and a confidential supplement along
33 with an application for a restricted court access order in respect of that confidential
34 supplement. And finally, the lenders provided an application and an affidavit of Dave
35 Gallagher which we received late in the day on Tuesday, this past Tuesday. And then
36 yesterday afternoon at about 2 -- quarter after 2:00, we received an amended application
37 from the lenders and their brief of argument. So hopefully, at least, you have that material
38 available to you.

39
40 THE COURT: Yes, I do have all e-mails that may have come
41 in today at the eleventh hour. I have not had a chance to see them. I think one of them

1 was maybe just an affidavit of service, but insofar as anyone else has additional materials,
2 please make sure that I am aware of them. But the ones that you have outlined, I have
3 copies of.

4
5 MR. VAN DE MOSSELAER: Right. Let me address service if I might.

6
7 THE COURT: Yes.

8
9 MR. VAN DE MOSSELAER: Our application materials were served by e-mail
10 on the service list on the afternoon of Thursday, September the 14th. The service list at
11 the time included all of the known interested parties. It's expanded since then and to the
12 extent anybody put their hand up they have received the materials. But in the
13 circumstances, I would suggest that the materials were served in a timely matter and it
14 would be appropriate to deem service of this application good and sufficient, and our brief
15 was served on the service list on maybe afternoon of September the 19th.

16
17 We received -- as I mentioned earlier, we received the unfilled application from the
18 lenders for appointment of a receiver and their supporting affidavit at 4 PM this past
19 Tuesday, less than three days before today's application. We have barely had an
20 opportunity to fully digest the contents of their affidavit and their brief of argument, let
21 alone had a chance to challenge the evidence submitted suffice to say for the time being
22 that we take issue with much of what's contained in their affidavit, which I think can
23 fairly be called an affidavit/brief of argument. But I will address some of those points
24 through the course of my submissions.

25
26 THE COURT: Yes. And I guess in light of that, is there -- are
27 you requesting anything -- what do you want to do in light of that? I mean, I obviously
28 also got the materials late in the day, but it is even more challenging for you when you get
29 them late in the day, and is there anything that you think we should do in light of that?
30 And what I am saying is, are you prepared to go ahead with the substance of all of this
31 application thinking that we should go ahead on an interim basis and address it in
32 substance on a subsequent date? I mean, those are the things, I think, out of fairness we
33 should probably talk about. And I am not going to make any decision on that by the way
34 without hearing from the parties as I suspect Stikemans may say they have concerns with
35 that. But I did want to give you an opportunity to address that.

36
37 MR. VAN DE MOSSELAER: Sure. And I think we can proceed, My Lady --

38
39 THE COURT: Okay.

40
41 MR. VAN DE MOSSELAER: -- for reasons that will become apparent. I think

1 the issues that I intend to take with the lender's application and their evidence will
2 become clear, and I think that -- frankly, their application is fatally flawed for reasons I
3 will get to and I think that -- to answer your question directly, I think what we ought to do
4 is grant our application and dismiss their application, but that's my job to --

5
6 THE COURT: Okay. Okay, and fair. I just wanted to make
7 sure you were not asking for an adjournment.

8
9 MR. VAN DE MOSSELAER: No.

10
11 THE COURT: You seemed to perhaps be heading down that
12 pathway, and those are always the things I like to address at the front end, so --

13
14 MR. VAN DE MOSSELAER: Right.

15
16 THE COURT: -- fair.

17
18 MR. VAN DE MOSSELAER: And, of course, the problem -- the problem
19 we've got is we can't -- we can't -- we can't have an adjournment. We -- we -- our stay
20 expires on Sunday, so we need to proceed with our application. The only --

21
22 THE COURT: Oh, Sunday. I thought it was the 25th. Did I
23 mistake that?

24
25 MR. VAN DE MOSSELAER: It -- it's Sunday.

26
27 THE COURT: When does it actually expire? Sunday, that is
28 the 24th?

29
30 MR. VAN DE MOSSELAER: Yes.

31
32 THE COURT: Okay. So it is only -- so you are saying by
33 Monday it is -- we are out of time.

34
35 MR. VAN DE MOSSELAER: Right.

36
37 THE COURT: Okay.

38
39 MR. VAN DE MOSSELAER: So, you know, an adjournment isn't a realistic
40 option, and, quite honestly, to do an interim -- I guess the only other option would be to
41 grant an interim extension of the stay and we come back in a couple weeks and argue this

whole thing again which just seems to be a bit of a waste of everybody's time.

THE COURT: Okay.

MR. VAN DE MOSSELAER: So with that by way of background, let me -- let me begin with some introductory comments.

This is an application by debtors who filed a Notice of Intention to Make a Proposal under section 50.4 of the BIA on August 25th. The application is to extend the initial 30-day stay of proceedings for the 45 days permitted by the BIA so that the debtors can work with A&M Corporate Finance to develop a sales and investment solicitation process and seek approval of that from this Court, and, of course, the application also seeks various other related relief. This application is supported by this Court's officer appointed under the BIA.

Unfortunately, the application is opposed -- at least the application by Spicelo is opposed by the senior lenders who simply want to appoint a receiver to liquidate Spicelo's assets so that they -- they, the lenders, can be repaid regardless of the destruction of value that would result from that liquidation and regardless of prejudice that would accrue to other stakeholders by such a course of action. The lender's position, I submit, Madam Justice, can be summarized as follows:

We are over-secured, but we don't care if we're over-secured. We don't care how much damage or how much value destruction our actions might cause. We just want our money back and we want it back right now. We don't care about the interest of other stakeholders. We care about ourselves. And the simple reality of this case, My Lady, is that the senior lenders are fully secured. In fact, over-secured, and as a result by their own admission, they bear little to no risk as a result of a stay of extension. And given that they have little to no risk and are hugely over-collateralized, this is precisely the type of case that the proposal process in the BIA and the process in the CCAA are intended to address. It is a case where the protection of the rights and interest of all stakeholders must be considered and weighed in the balance so that value is not needlessly destroyed by the greed and avarice of one interested party. So for this reason, and for a number of other reasons that I will canvas, the stakes mentioned and associated relief in my respectful submission ought to be granted.

So let's start at the beginning, which to quote Julie Andrews "is a very good place to start." From the affidavit of Daryl Stepanic filed in support of our application, I'll just run you through at a high level who the debtors are and how we got here, and if you can have a -- if you can take a look at that affidavit, My Lady, paragraph 10.

1 THE COURT: Okay. You can start -- for some reason my
2 computer is very slow to open, even though it is up. But you go ahead.

3
4 MR. VAN DE MOSSELAER: Paragraph 10 is the corporate structure for the
5 debtors.

6
7 THE COURT: Right.

8
9 MR. VAN DE MOSSELAER: And you will know that there are eight
10 applicants, eight separate corporations that have filed Notices of Intention and eight
11 applicants in today's application. The chart at -- or the org chart, the structure at
12 paragraph 10 of Mr. Stepanic's affidavit lists seven of them. And you will note -- do you
13 have that in front of you now?

14
15 THE COURT: Unfortunately, I have the affidavit, but my copy
16 is not opening, but I have looked at it --

17
18 MR. VAN DE MOSSELAER: Okay.

19
20 THE COURT: -- so, yes, hopefully it will load.

21
22 MR. VAN DE MOSSELAER: All right. The important point I want to make is
23 that GPOC, the operating corporation, that holds the assets is the bottom of that chart.
24 And then its shares are owned by holding company whose shares are, in turn, owned by a
25 holding company, whose shares are, in turn, owned by four separate shareholders --

26
27 THE COURT: Right.

28
29 MR. VAN DE MOSSELAER: -- holding companies.

30
31 THE COURT: Right. Yes.

32
33 MR. VAN DE MOSSELAER: And throughout that entire structure, there are
34 guarantees and share pledges to the lenders as part of the credit agreement. So all seven
35 of these companies are necessarily wrapped up in this loan and in this filing and in these
36 proceedings.

37
38 THE COURT: Okay. And I think you are sort of getting,
39 actually, to the heart of the question I have, is -- and is a concern raised by Stikeman is
40 how does Spicelo fit into this?

41

1 MR. VAN DE MOSSELAER: Yeah.

2

3 THE COURT: And I am probably not saying the name right,
4 because they seem to say, well, it is not really going to impact -- let us call them the
5 GPOC entities, or however you define them, the -- I know GPOC is a stand-alone
6 company, but let us call them the GPOC entities or whatever. How does that impact -- so
7 your argument is you are going to adversely impact the value, your -- you know, there is
8 going to be this ripple effect, but how is -- if I grant the relief Stikeman is seeking, how is
9 that going to impact Spicelo --

10

11 MR. VAN DE MOSSELAER: Yeah.

12

13 THE COURT: -- and how is -- what is the impact on the other
14 entities as it relates to that?

15

16 MR. VAN DE MOSSELAER: That is -- that is where I was going to next
17 exactly.

18

19 THE COURT: Okay. Good. I assumed you were, but, you
20 know, I sort of, you know, like to get to the point sometimes quicker than maybe I should,
21 so thank you.

22

23 MR. VAN DE MOSSELAER: That's fine. And whether we call them Spicelo
24 or Spicelo or Spicelo, I don't actually know.

25

26 THE COURT: All right.

27

28 MR. VAN DE MOSSELAER: But in --

29

30 THE COURT: Okay. Well, we know we are talking about the
31 same entity anyways.

32

33 MR. VAN DE MOSSELAER: Right. Right. So the -- so Spicelo is not on the
34 org chart at paragraph 10.

35

36 THE COURT: Okay.

37

38 MR. VAN DE MOSSELAER: They are kind of off to the side, and they are a
39 related company. One of the shareholders -- do you happen to have the chart in front of
40 you yet?

41

1 THE COURT: Unfortunately, I do not, but as I said, I have
2 looked at it --

3
4 MR. VAN DE MOSSELAER: Yeah, okay.

5
6 THE COURT: -- so if you tell me, I -- yes.

7
8 MR. VAN DE MOSSELAER: You'll know there are four ultimate shareholders
9 at the top of this chart. One of those shareholders is a company called Stellion. Jonathan
10 Klesch is the ultimate beneficial owner of the shareholder of Stellion. Spicelo is a related
11 company to Stellion. And the relationship between the GPOC group of companies and
12 Spicelo is that Spicelo granted a guarantee and a share pledge in respect of the GPOC
13 debt.

14
15 THE COURT: Right. Right.

16
17 MR. VAN DE MOSSELAER: So these companies are all part of the same
18 facility. Operationally, they're separate. Spicelo is not involved in the oil and gas play
19 that GPOC is involved in. But in terms this financing, they're all in the same boat.
20 Because the GPOC companies are the borrowers and guarantors of the credit agreement
21 and Spicelo is a guarantor of that same credit agreement.

22
23 THE COURT: Right. And I think what Stikemans is saying,
24 well, just let us go after the -- you know, these Greenfire shares and then everybody else
25 can go about their business.

26
27 MR. VAN DE MOSSELAER: Yeah. Well, it's not quite that simple, because
28 that will bring down the whole GPOC operation.

29
30 THE COURT: And that -- that is I think what I am trying to
31 understand and that is what you are trying to get at, so maybe understanding that sort of,
32 you know -- of great interest to me. I will let you continue so that I am not taking you off
33 your flow.

34
35 MR. VAN DE MOSSELAER: Understood. But let me -- and I will get there --

36
37 THE COURT: Yes.

38
39 MR. VAN DE MOSSELAER: -- because I appreciate that's going to be the nub
40 of the issue.

41

1 THE COURT: Right. Okay.

2

3 MR. VAN DE MOSSELAER: Let me -- let me just run through a bit more of
4 the history, if I might, which -- which I think might be helpful. So paragraphs 13 to 35 of
5 his affidavit, Mr. Stepanic deposes that GPOC is oil and gas production company,
6 produces light oil and natural gas and natural gas liquids out of the Viking formation in
7 Alberta and Saskatchewan, and marketing of its production is provided by Trafigura,
8 which interestingly is one of the lenders --

9

10 THE COURT: Right.

11

12 MR. VAN DE MOSSELAER: -- in these proceedings, but they have provided
13 assurances that they will continue to provide the proceeds of the sales on the 25th of each
14 month notwithstanding the indebtedness. And as a result, you will notice that one of the
15 things we're not seeking in this application is interim financing because it's not necessary
16 provided Trafigero continues to provide us with the sales proceeds.

17

18 GPOC provides -- or employs 13 full-time consultants and three part-time consultants. So
19 it's -- the way that it has structured its operations, doesn't have any employees. All of its
20 "employees" are consultants, but the livelihoods of 16 people are impacted by these
21 proceedings and are wrapped up in the GPOC operations. And the GPOC producing
22 assets were purchased by GPOC in 2022 from Tamarack and they were purchased -- but
23 the purchase was funded, in part, by the loan from the lenders under the credit agreement
24 and a subordinated \$20 million note from GPOC to --

25

26 THE COURT: Tamarack, okay. Yes.

27

28 MR. VAN DE MOSSELAER: So the lenders -- and this is important to your
29 question, and this is why I wanted to outline this -- the lenders have first charge security
30 over all of GPOC's assets with the Tamarack noted second place, but the lenders also
31 have a guarantee and share pledge from Spicelo, which --

32

33 THE COURT: Which is about 60 million US right now.

34

35 MR. VAN DE MOSSELAER: The value is a little bit unclear, but what the
36 lenders have said in their affidavit is that they expect that they will be paid out
37 100 percent just from those Greenfire shares.

38

39 THE COURT: Right. I have got that. Okay.

40

41 MR. VAN DE MOSSELAER: And I'll come back to that, because that's a

1 critical point in this whole application this morning.

2

3 THE COURT: M-hm. And I have the affidavit open now, just
4 so you know. I can --

5

6 MR. VAN DE MOSSELAER: Okay. Great.

7

8 THE COURT: (INDISCERNIBLE)

9

10 MR. VAN DE MOSSELAER: At paragraph 36 to 43 of this affidavit,
11 Mr. Stepanic explains that the causes -- he explains the causes of the debtor's insolvency,
12 and they were driven largely by unforeseeable problems with the completion of two wells
13 which were drilled late last year, and unforeseeable cost increases associated with the
14 drilling program due to global supply chain issues and unprecedented weather events.

15

16 THE COURT: Weather, yes.

17

18 MR. VAN DE MOSSELAER: And those two things combined created
19 significant challenges for what was really a start-up operation, and that led to a credit
20 default under the credit agreement in late 2022.

21

22 And in early 2023, the debtors undertook a process to attempt to secure additional
23 equity (sic). But what's really important and -- because the lenders are doing their
24 utmost to ignore this evidence and to ignore this reality, what is really important is that
25 those efforts to raise financing earlier in the year did not include an effort to the raise
26 take-out financing to pay out the lenders. It was an effort to find other sources of -- of --
27 of capital, and this was actually part of the problem because no one wanted to come in
28 behind the lenders. And since you have the affidavit open, I want to take you, if I could,
29 to paragraph 45 where Mr. --

30

31 THE COURT: Okay.

32

33 MR. VAN DE MOSSELAER: -- Stepanic makes this point very, very clearly.

34

35 THE COURT: Go ahead.

36

37 MR. VAN DE MOSSELAER: So he -- at paragraph 44, first of all, he talks
38 about the efforts with Imperial and ARCO to find a solution to the debt and cash flow, the
39 challenges that the GPOC company were facing, but at paragraph 45 he says this: (as
40 read)

41

1 the stay should be extended and the lenders -- over all the companies and the lender's
2 application should be dismissed.

3
4 You have our brief and --

5
6 THE COURT: I -- I have your brief, yes.

7
8 MR. VAN DE MOSSELAER: If I could ask you to turn to paragraph 45.

9
10 THE COURT: Okay.

11
12 MR. VAN DE MOSSELAER: And there we set out --

13
14 THE COURT: One moment. Okay.

15
16 MR. VAN DE MOSSELAER: Okay. And there we set out section 50.4(9) of
17 the BIA which establishes the test for when a debtor that has filed an NOI comes to court
18 and seeks an extension of the stay with a three part test for when the Court should grant
19 the stay extension. And we're going to go through this test in some detail, but before
20 walking you through that test and the evidence before this Court to show that this test is
21 met in this case, I want to spend a few minutes discussing the main issue that will factor
22 into this test. And that issue is that the lenders are, by their own admission, on the
23 evidence before this Court, massively over-collateralized, and therefore, they have no risk
24 associated with the stay of extension. One of the main issues here are the value of the
25 Greenfire shares which you touched on a moment ago and the Greenfire business
26 combination an IPO which are discussed at paragraphs 55 to 70 of the Stepanic affidavit.
27 It's worth noting because these are late breaking developments.

28
29 THE COURT: Listed on the New York Stock Exchange as of, I
30 think, yesterday; right?

31
32 MR. VAN DE MOSSELAER: Exactly right. The business combination --

33
34 THE COURT: Yeah.

35
36 MR. VAN DE MOSSELAER: -- closed on Wednesday. The shares started
37 trading on the New York Stock Exchange yesterday. Now, I -- I'll just add this -- this is
38 not in evidence, but I can tell you and you may be familiar with this: When these sorts of
39 transactions (WEBEX AUDIO INTERRUPTED) transaction, it takes a couple of weeks
40 to sort of plush (sic) through some old warrants, old securities that others are -- so there's
41 a lot of volatility and very thin volumes yesterday and today. So it's going to take a

1 couple of weeks before values sort of stabilize. So to --

2

3 THE COURT: Well, I think which is one of your friends'
4 concerns, if I read their materials properly.

5

6 MR. VAN DE MOSSELAER: Well -- but we're talking a couple of weeks.

7

8 THE COURT: Along with a lock-up agreement which --

9

10 MR. VAN DE MOSSELAER: Yeah, we'll come back to that.

11

12 THE COURT: -- (INDISCERNIBLE) referred to. But, yes, I
13 assume we will, but yes.

14

15 MR. VAN DE MOSSELAER: So my point -- my point is we can't really take
16 anything from the -- yesterday there were fewer than 300,000 shares traded. The number
17 of shares that Spicelo has or is entitled to have in Greenfire is 5.5 million. So we can't
18 take anything from the -- the values where the stock is trading yesterday and today. What
19 we need to look at, and I think what the Court needs to have cognizance of is the evidence
20 before it today. And from the evidence before the Court on this application, both the
21 debtors and the lenders agree on at least one thing: that the lenders are massively
22 over-collateralized. Bear in mind that the lenders are owed, in round numbers,
23 \$38 million US.

24

25 THE COURT: US, yes. Okay.

26

27 MR. VAN DE MOSSELAER: Now, if I can ask you to turn to the Stepanic
28 affidavit, if you still have that open, at paragraph 69.

29

30 THE COURT: Okay.

31

32 MR. VAN DE MOSSELAER: Okay. Mr. Stepanic says, and I don't think this
33 is disputed, that the -- Spicelo is entitled to receive \$6.6 million.

34

35 THE COURT: Right. That -- yes.

36

37 MR. VAN DE MOSSELAER: US.

38

39 THE COURT: That is on the listing; right?

40

41 MR. VAN DE MOSSELAER: Right.

1
2 THE COURT: For their -- yes.
3
4 MR. VAN DE MOSSELAER: Plus 5.5 million Greenfire shares.
5
6 THE COURT: M-hm.
7
8 MR. VAN DE MOSSELAER: It says that at paragraph 69. At paragraph 51, he
9 notes that ARCO, who was part of the refinancing or capital raise efforts earlier this year,
10 valued the GPOC assets at between 23 and \$30 million Canadian. So 5.5 million shares,
11 according to the lender's evidence, 62 million US.
12
13 THE COURT: Yes, right, I did read that.
14
15 MR. VAN DE MOSSELAER: Plus 25 to 35 million Canadian GPOC on top of
16 that.
17
18 THE COURT: Right.
19
20 MR. VAN DE MOSSELAER: And if you can find Exhibit V, as in Victor, to
21 Mr. Stepanic's affidavit.
22
23 THE COURT: Yes, I am there.
24
25 MR. VAN DE MOSSELAER: This is an e-mail dated August 11th. Now, the
26 date's important, because this is a Friday. This is the Friday before the lenders demanded
27 and issued their 244 notices, and this is from Mr. Gallagher who happened to have sworn
28 the lender's affidavit. And you will note a couple things from this e-mail. This is an
29 e-mail from Jonathan Klesch, who is -- we mentioned earlier, he's on this call and he's the
30 ultimate beneficial owner of Spicelo and one of the shareholders of the GPOC companies.
31
32 THE COURT: Right. Right. Okay. M-hm.
33
34 MR. VAN DE MOSSELAER: First of all, a couple things --
35
36 THE COURT: Did you say 'V' like Victor?
37
38 MR. VAN DE MOSSELAER: Exhibit V like Victor, yes.
39
40 THE COURT: Okay. I am not sure I am on the right one. I
41 seem to have an 'A' and 'M' letter.

1
2 MR. VAN DE MOSSELAER: Maybe you're not looking at --
3
4 THE COURT: Stepanic September 14th affidavit?
5
6 MR. VAN DE MOSSELAER: Yes. Exhibit V.
7
8 THE COURT: Ah, okay. Yes, I am with you.
9
10 MR. VAN DE MOSSELAER: Okay. Great. So this is the August 11th, 2023,
11 e-mail from Mr. Gallagher to Mr. Klesch.
12
13 THE COURT: M-hm.
14
15 MR. VAN DE MOSSELAER: And a couple things to note. First of all, you'll
16 note at the beginning of this he refers to a proposal. So this -- this -- this e-mail is in
17 response to a proposal that Mr. Klesch had provided to Mr. Gallagher as part of the
18 ongoing discussions, and the proposal was just rejected out of hand. And the reason the
19 proposal was rejected out of hand, you'll see there's three numbered paragraphs, one, two,
20 three. The second numbered paragraph is entitled "20 Million -- 20 Million Greenfire
21 Shares." Do you see that heading?
22
23 THE COURT: Yes.
24
25 MR. VAN DE MOSSELAER: And Mr. Gallagher says in the second
26 sentence: (as read)
27
28 We bear very limited market risk on the value of these shares because of
29 the over-collateralized nature of the security pledge.
30
31 He's absolutely right. So he sends that e-mail and five days later the lenders demand.
32 The lender's own evidence supports that very point. And I'd like to take you to
33 Mr. Gallagher's affidavit, if you have that handy.
34
35 THE COURT: Yes. What paragraph?
36
37 MR. VAN DE MOSSELAER: So I'd like to take you to paragraphs 59 and 61.
38
39 THE COURT: Okay.
40
41 MR. VAN DE MOSSELAER: This is the lender's own evidence.

1
2 THE COURT: They -- they -- I am not there yet, but I recall
3 they say the same thing.
4
5 MR. VAN DE MOSSELAER: They say the same thing. In fact, they say it
6 more clearly.
7
8 THE COURT: Yes. Yes.
9
10 MR. VAN DE MOSSELAER: I'll wait until you get there, because it's pretty
11 incredible actually.
12
13 THE COURT: I am there, yes.
14
15 MR. VAN DE MOSSELAER: Paragraph 59 Mr. Gallagher says -- I won't read
16 the whole paragraph, but the first sentence he says: (as read)
17
18 The aggregate gross value of the consideration that Spicelo is to receive
19 at closing of the transaction by virtue of the special dividend and new
20 Greenfire securities is US dollars 62.2 million.
21
22 And then at paragraph 61 in the second sentence, he says: (as read)
23
24 The value of the Greenfire securities should be sufficient to see the
25 lenders paid out in full.
26
27 THE COURT: Right. Which I think is their point. Let us at
28 this -- let us at them and that is done.
29
30 MR. VAN DE MOSSELAER: Yeah. Well, except to the prejudice of all other
31 stakeholders.
32
33 THE COURT: Right. And that is the piece that I need to
34 understand really clearly.
35
36 MR. VAN DE MOSSELAER: Sure.
37
38 THE COURT: Yes. And I know you are getting there.
39
40 MR. VAN DE MOSSELAER: So they admit the lenders admit they are fully
41 secured. In fact, they're over-secured. They're going to get 38 million out of the

1 Greenfire shares. That doesn't even take into account the value of the GPOC assets,
2 which are valued on the evidence before this Court at an additional 25 to \$30 million.
3 The timing of these demands, My Lady, on the eve of the Greenfire IPO is not
4 coincidental.

5

6 THE COURT: Well, I think -- yes. And I am sure you will say
7 that -- I think they say the flip side, though. They say the opposite, but -- but okay. I will
8 hear you out on that.

9

10 MR. VAN DE MOSSELAER: I submit it's not coincidental. I don't think they
11 say the opposite, but happy to be corrected. It's clear -- it is clear that what the lenders
12 had initially intended was to simply foreclose on the Greenfire shares before they went
13 public in order to get the uptick that was anticipated to occur following the closing of the
14 IPO. And the reason we believe that to be true is because that's what they told us. And,
15 again --

16

17 THE COURT: Is that in evidence?

18

19 MR. VAN DE MOSSELAER: It is. It's Mr. Stepanic's affidavit. Exhibit W.

20

21 THE COURT: 'W', okay.

22

23 MR. VAN DE MOSSELAER: I'll wait until you have that in front of you.

24

25 THE COURT: I am having trouble finding a 'W' in his
26 affidavit. I do not know it is -- if they are mis-marked. They seem to all say Exhibit K
27 and then 'L'. What is it entitled?

28

29 MR. VAN DE MOSSELAER: It's an e-mail. It's an August 11th -- sorry,
30 August 31st, 2023, e-mail from Karen Fellowes at Stikeman to Alvarez & Marsal.

31

32 THE COURT: Okay. This is in the Gallagher affidavit?

33

34 MR. VAN DE MOSSELAER: Yes. Exhibit W.

35

36 THE COURT: 'W'.

37

38 MR. VAN DE MOSSELAER: Sorry. Sorry. Not the Gallagher affidavit. The
39 Stepanic affidavit.

40

41 THE COURT: No wonder. I was not seeing a 'W' there. Okay.

1 Let me go to that one. Yes, there is an Exhibit W there. Okay. I am now with you,
2 Exhibit W.

3
4 MR. VAN DE MOSSELAER: All right. So this is Ms. Fellowes, who is
5 counsel to the lenders, and you'll see in the last paragraph of that e-mail she says: (as
6 read)

7
8 I would note that the Greenfire shares held by Spicelo have been
9 specifically pledged to my client and the - this is the important point -
10 the obligation to my clients can be fully satisfied by transfer of those
11 shares. There is no need for them to be liquidated in order to respond to
12 my client's demands.

13
14 Well, that is just astonishing. These shares are worth multiples of what the lenders are
15 owed by their own admission. What they are -- what they were proposing, what they
16 clearly were intending was to foreclose on shares that were worth far more than --

17
18 THE COURT: You say "multiples". I take your point on the
19 value, but I thought that the amount -- oh, it is 35 million US.

20
21 MR. VAN DE MOSSELAER: Yes.

22
23 THE COURT: About 50 Canadian, and the Spicelo shares are
24 about 60 some million US. So now I understand your point. Okay. It just took me a sec.
25 Thanks.

26
27 MR. VAN DE MOSSELAER: So really what they -- you know, this is the raw
28 equivalent of a -- of a bank foreclosing on a house, you know. If they have a million
29 dollar mortgage, they want to foreclose on a \$10 million house. Well, you don't -- you
30 don't get to do that. And so the filing of these NOIs, in our submission, put a real stick in
31 the lender's spokes. And to grant the stay extension today will allow the debtors to do a
32 number of things. It will allow them to undertake SISP that is described in our materials
33 to pay the lenders out and the lenders will get paid out every penny they are owed. Every
34 penny. And they will get paid out every penny they are owed before the maturity date
35 under the credit agreement. Under the credit agreement, they wouldn't get paid out until
36 2025. That's the first thing.

37
38 THE COURT: Is that somewhat speculative or -- I mean, that --
39 I think they are saying, yeah, we have heard that story before, and I take it -- but how do
40 we know they are going to get paid out before the 2025 date?
41

1 MR. VAN DE MOSSELAER: Well, because there's only one of two things that
2 will happen. Either the SISP will be successful and they will get paid out every penny on
3 the dollar, or the SISP isn't successful in which case this whole thing goes into liquidation
4 and they get paid out based on their over-collateralized position. Under either scenario,
5 they get paid out. It's just a question of how much damage they do to the interest of other
6 stakeholders in the process, but they will get paid out and they know that. They've said
7 that.

8
9 So we will -- the stay of extension will allow the companies to complete the SISP and pay
10 the lenders out or at least be given the opportunity to give it a try. It will allow the lend --
11 the GPOC companies to complete the acquisition transaction described in Mr. Stepanic's
12 affidavit, all the while --

13
14 THE COURT: And that is the one waiting for the ARC
15 approval?

16
17 MR. VAN DE MOSSELAER: Right. AER, yeah.

18
19 THE COURT: AER. Sorry, yes.

20
21 MR. VAN DE MOSSELAER: And it will allow the companies an opportunity
22 to do those things all while the lenders have no risk because of their over-collateralized
23 position. On the contrary, liquidating the debtors now would be hugely destructive of
24 value which would otherwise accrue to other stakeholders. As I say, the lenders get
25 repaid either way, but liquidation would be enormously prejudicial to other stakeholders.
26 Importantly, one of those stakeholders is Greenfire Resources who, as we discussed, just
27 had their IPO yesterday. And we all learned on Tuesday of this week that the lenders
28 intend to liquidate 5.5 Greenfire shares days after Greenfire has finalized its IPO, which
29 not surprisingly caught Greenfire's attention.

30
31 It is our view, My Lady, that the lock-up period prevents that from happening, and I'll
32 have more to say on that in a moment. But surely Greenfire should have been given an
33 opportunity to speak to such a massive liquidation of their stock, of their capital, and the
34 negative impact that such a liquidation would have on its share price days after its IPO,
35 yet the lenders didn't bother giving Greenfire notice of their application.

36
37 In the less than 30 days that have passed since the debtors filed of their NOIs, the debtors
38 have made massive strides towards addressing their financial challenges, including the
39 following: They have engaged the refinancing advisor to work towards the preparation of
40 a SISP which will see the lenders paid out, or at least give the companies an opportunity
41 to pay the lenders out; they've worked with the Proposal Trustee to prepare the necessary

1 cash flows, creditor listings, and other required materials, and they prepared for this
2 application which has been, I'm sure you can appreciate, a massive undertaking. The
3 companies now require the stay extension to continue their work, especially the SISP and
4 the acquisition transaction which will allow the companies to pay out the lenders and
5 present a proposal to other stakeholders.

6
7 Now, let me -- let me address head on before we move to section -- sorry. Can I just take
8 a moment?

9
10 I just want to the address directly now the point that you've asked about a couple of times
11 which is, what's the harm? What's the harm in simply letting the lenders take the
12 Greenfire shares and liquidate them? Well, there's massive harm. First of all, let's set
13 GPOC aside for one moment, and, you know, we'll certainly come back to them. But the
14 harm in doing that is really twofold. Number one, it's going to be harmful to Greenfire on
15 the eve -- or not on the eve. You know, on the days after --

16
17 THE COURT: Have they said they are going to -- I think they
18 have. I think they have, but just confirm, have they said they are going to liquidate them
19 or they are just going to take the shares? I know they say we -- we do not think the
20 lock-up -- and again, I have looked at their materials in a very cursory fashion, so I am
21 probably doing them a disservice, but -- now I think what they are saying is we do not
22 think the lock-up agreement is valid --

23
24 MR. VAN DE MOSSELAER: Well --

25
26 THE COURT: -- so I do not know if they are suggesting then
27 that means they can go ahead and liquidate them. But are they saying we are going to
28 liquidate them, or are they going to take the shares?

29
30 MR. VAN DE MOSSELAER: Well, they want to appoint a receiver.

31
32 THE COURT: They are going --

33
34 MR. VAN DE MOSSELAER: They want to appoint a receiver who has the
35 power of sale.

36
37 THE COURT: Has the power?

38
39 MR. VAN DE MOSSELAER: Right.

40
41 THE COURT: But that does not mean that the receiver will not

1 do it in an appropriate manner that -- because obviously with that number of shares if it is,
2 no pun intended, a fire sale, that does not do anyone any good --

3

4 MR. VAN DE MOSSELAER: Well, that's --

5

6 THE COURT: -- including the lenders.

7

8 MR. VAN DE MOSSELAER: That's -- no, that's exactly right. That's exactly
9 right. I mean, I hope -- the short answer is I don't know. We might be interested to hear
10 from the lenders what their --

11

12 THE COURT: But that is all I am saying, is are you presuming
13 that that is what they are going to do? I take your point they can -- that they could, but I
14 do not know that -- correct me if I am wrong. The evidence was not clear that that is, in
15 fact, what they intend to do.

16

17 MR. VAN DE MOSSELAER: I thought it was clear, but maybe
18 I'm (INDISCERNIBLE)

19

20 THE COURT: Okay. And, as I said -- that is why I am asking
21 you because, as I said, I have read the materials (WEBEX AUDIO INTERRUPTED) and
22 not in the detail I normally would have.

23

24 MR. VAN DE MOSSELAER: Yeah. I'm -- without sifting -- spending time
25 sifting through their brief, I thought it --

26

27 THE COURT: That is okay. You are --

28

29 MR. VAN DE MOSSELAER: -- was pretty clear.

30

31 THE COURT: Okay. And your friend, I am sure, will speak to
32 that.

33

34 MR. VAN DE MOSSELAER: Yeah.

35

36 THE COURT: Okay. I will take your word at that.

37

38 MR. VAN DE MOSSELAER: So that's a problem. That's a problem for
39 Greenfire, who is clearly a stakeholder in these proceedings. It's a problem for
40 Mr. Klesch, who is clearly a stakeholder in the Spicelo proceedings. But perhaps more
41 importantly, it's a huge problem for GPOC. It will lead to a -- it will lead clearly to a

1 liquidation of the GPOC assets, because if the lenders are allowed to enforce their
2 security against Spicelo and claim under the guarantee, what that does is it simply -- it
3 doesn't get rid of that debt. It may get rid of it as far as the lenders are concerned, but as a
4 matter of law, Spicelo then becomes subrogated to the lender's claim under the guarantee
5 and then has that claim against GPOC. Except now the Greenfire shares are gone.

6
7 THE COURT: Is not the principal a shareholder directly or
8 indirectly in GPOC?

9
10 MR. VAN DE MOSSELAER: Yes. But he's still the -- Spicelo would have a
11 claim against GPOC.

12
13 THE COURT: Fair. I -- I -- I absolutely take your point on
14 that, but --

15
16 MR. VAN DE MOSSELAER: And the only way to recover is to enforce.

17
18 THE COURT: Okay.

19
20 MR. VAN DE MOSSELAER: The whole -- the whole ball of yarn unravels at
21 that point. There's no ability -- the GPOC -- what GPOC is proposing, what the debtors
22 are proposing as part of this SISP is to go to market and see what lenders might be
23 interested in providing take-out financing; and as part of that, the Greenfire shares in
24 Spicelo are an important part of the collateral basket. A critical part of the collateral
25 basket, just as they were for the lenders.

26
27 THE COURT: I think what you were saying is they are so
28 over-collateralized because of those shares are they necessary.

29
30 MR. VAN DE MOSSELAER: Well, the lender -- I can tell you this, and I
31 frankly don't know if this is in evidence, but the reason the Greenfire shares were put on
32 the table as part of the collateral packages because the lenders weren't prepared to lend
33 just on the basis of the GPOC assets.

34
35 THE COURT: Which I think you said were 20 to 25 million,
36 and I think we are talking about 30 million US in financing, so I -- I understand to a
37 certain degree what you are saying.

38
39 MR. VAN DE MOSSELAER: Yeah, 25 to 35 million. So we need those
40 Greenfire shares if we're going to have any hope of refinancing GPOC. And obviously if
41 the receiver's appointed, the GPOC -- the Greenfire shares are gone. So the whole -- as I

1 say, the whole ball of yarn unravels at that point. That's -- that's the problem and that
2 creates issues for all -- the whole GPOC structure and all of the GPOC stakeholders,
3 including Tamarack, including the employees, including all of the shareholders and other
4 stakeholders in that structure. It's not -- it's not anywhere -- you know, it is simply not the
5 case that we can simply grant a receivership order over Spicelo and GPOC carries on with
6 its life. That's not -- that's not an option. That's -- that's fantasy land.

7
8 So let's go back to the test under 50.4(9), which is the test for why this Court should grant
9 the stay extension, and we looked a moment ago at paragraph 45.

10
11 THE COURT: Right. In your brief on there, I am there. Yes.

12
13 MR. VAN DE MOSSELAER: Of our brief. Thank you.

14
15 THE COURT: Yes. Yes.

16
17 MR. VAN DE MOSSELAER: So it's a three-part test. The insolvent person
18 has acted or is acting in good faith and with due diligence, that's part 1. Part 2, the
19 insolvent person would likely be able to make a viable proposal of the extension being
20 applied for where granted; and thirdly, no creditor would be materially prejudiced if the
21 extension applied for were granted.

22
23 So let's go through those one at a time. First of all, good faith and due diligence.
24 Paragraph 78 of Mr. Stepanic's affidavit lays out concrete examples of what the debtors --
25 the steps the debtors have taken since applying or since filing the NOIs, and as I say, I
26 mean it's a -- it's a short period of time, but the steps taken to date frankly have required a
27 lot of work. There's been a ton of work that has happened over the last few weeks. Those
28 steps as set out in his affidavit at paragraph 78 are preparing and analyzing list of
29 creditors, providing the Proposal Trustee with access to books and records, engaging the
30 refinancing advisor, and so on.

31
32 THE COURT: Can you slow down just a tiny bit for me there?

33
34 MR. VAN DE MOSSELAER: I'm sorry.

35
36 THE COURT: It is okay. I am trying to keep up with you.

37
38 MR. VAN DE MOSSELAER: I -- I -- I --

39
40 THE COURT: Prepare and analyze the creditors and then?

41

1 MR. VAN DE MOSSELAER: Yeah, prepare and analyze a list of creditors,
2 identified issues with any specific creditors, provide the Proposal Trustee with access to
3 books and records, engaged the refinancing advisor, worked with the Proposal Trustee on
4 the preparation of cash flows and weekly monitoring, communicated with stakeholders
5 regarding this process, getting to develop a proposal in consultation with advisors and
6 reviewed operating expense pursued collection of accounts receivable and ensured that
7 the applicants can remain financially viable through this proposal.
8

9 The court officer at paragraph 85 of its first report confirms that the debtors have been
10 acting in good faith and with due diligence. In response, Mr. Gallagher at paragraph 45 of
11 his affidavit takes issue with the suggestion that the debtors have been acting in good faith
12 and with due diligence. And what does he say in that regard? Do you have that in front
13 of you, My Lady?
14

15 THE COURT: Not at the moment, but I will take that -- I will
16 note the reference.
17

18 MR. VAN DE MOSSELAER: All right. What he says -- and it's brief. I'll just
19 read it to you. He says: (as read)
20

21 It is the lender's belief --
22

23 So let me pause there. This is an affidavit, and he's talking about what the lenders
24 believe. (as read)
25

26 It is the lender's belief that the filing of NOIs by GPOC and the
27 guarantors and specifically Spicelo is purely a delay tactic designed to
28 restrict the lender's ability to enforce the right of repayment, and as a
29 result, each have failed to act in good faith.
30

31 Let me paraphrase what is, in my submission, an absurd comment. He's saying that
32 the debtors filed the NOIs to get the stay so that the lenders couldn't enforce, and that's
33 bad faith. That's -- it couldn't be more ridiculous. Of course the debtors filed the
34 NOIs to get the stay. That's the whole point. And they did that, as Mr. Stepanic says
35 in his affidavit, they got the stay to perceive value for all effected stakeholders. But it
36 is ridiculous to suggest, as Mr. Gallagher does in paragraph 45 of his affidavit, that the
37 act of filing an NOI is an act of bad faith. If that were true, no one could ever file an
38 NOI because it would be an act of bad faith to seek the stay.
39

40 And while we're on the subject of low hanging fruit and Mr. Gallagher's affidavit, you
41 will have seen, I'm sure, in the lender's materials, and specifically at -- from

1 paragraphs 51 to 61 of his affidavit, the -- the argument that Spicelo is not insolvent
2 and, therefore, the filing of the NOI by Spicelo was improper. And the lenders rely on
3 that claim as the basis for much of what they are seeking today. And that is, frankly,
4 just a misunderstanding of what is meant to be insolvent, what the definition of
5 insolvent is under the BIA. And it is simply wrong as a matter of law. And if you --
6 sorry. Do you have Mr. Gallagher's affidavit or not? If you do --

7
8 THE COURT: I -- I can, yes. Just give me a second.

9
10 MR. VAN DE MOSSELAER: Okay.

11
12 THE COURT: What paragraph?

13
14 MR. VAN DE MOSSELAER: Paragraph 60.

15
16 THE COURT: Okay. I am right there. The list of creditors
17 contained?

18
19 MR. VAN DE MOSSELAER: Right.

20
21 THE COURT: Okay.

22
23 MR. VAN DE MOSSELAER: And in the third line, this is the whole basis for
24 their assertion that Spicelo is not insolvent. Spicelo's assets -- I'm quoting from paragraph
25 60: (as read)

26
27 Spicelo's assets are evidently worth far in excess of its liabilities to the
28 lenders and other creditors. Based on the value of the Greenfire
29 securities and the total claims listed in Spicelo's NOI, it is clear that
30 Spicelo is not truly insolvent.

31
32 That is just a legally incorrect statement. We address this point at paragraph 60 of our
33 brief, My Lady.

34
35 THE COURT: All right.

36
37 MR. VAN DE MOSSELAER: At paragraph 60 of our brief, we reproduce the
38 definition of "insolvent person" from section 2 of *The Bankruptcy and Insolvency Act*.

39
40 THE COURT: Okay. Can you just repeat where it is? I
41 apologize, because your brief is not coming up again.

1
2 MR. VAN DE MOSSELAER: It's paragraph 60 of --

3
4 THE COURT: Paragraph 60 of your brief? Okay. Yes.

5
6 MR. VAN DE MOSSELAER: Yeah. And Spicelo meets this definition of
7 "insolvent person," simple as that. And the Proposal Trustee has confirmed that that's the
8 case, and the problem that the lenders have gotten themselves into is conflating different
9 types of insolvency under the definition of "insolvent person" under the BIA. There are
10 two types, as I'm sure you're aware, there's two types of insolvency. There's cash flow
11 insolvency and there's balance sheet insolvency. Cash flow insolvency being an inability
12 to pay debts as they come due. That's cash flow insolvency, sometimes referred to as cash
13 flow insolvency. The other type of insolvency, which is set out in 2(c) paragraph 60 of
14 our brief, is what is sometimes called balance sheet insolvency, which is the fair market
15 value of the debtor's assets are greater than the value of the debtor's liabilities. And the
16 lender's argument addresses only balance sheet insolvency in 2(c) of the definition of
17 "insolvent person." They completely ignore the definition of "insolvent person" in 2(a)
18 and 2(b), which is cash flow insolvency.

19
20 And these are alternatives. These are -- you don't have to be all of them. You can be
21 insolvent under any of them. There's an "or." So you can be insolvent by A, B, or C, and
22 what the lenders are saying is Spicelo is not insolvent under 'C', and therefore, it's not
23 insolvent. Well, they completely ignore the fact that Spicelo is insolvent under 'A' and
24 'B'.

25
26 THE COURT: Okay.

27
28 MR. VAN DE MOSSELAER: The most obvious way to show this is that the
29 lenders, by their own admission, confirm that Spicelo does not have \$38 million US with
30 which to repay the lenders, and therefore, it is insolvent on a cash flow basis. It's
31 insolvent under 2(a) and (b) of the definition of "insolvent person" under the BIA. It's
32 frankly --

33
34 THE COURT: So you are saying because they do not have the
35 cash, they just have the assets?

36
37 MR. VAN DE MOSSELAER: Right. They are asset rich and cash poor, which
38 is one way a person can be insolvent. It's frankly absurd to suggest that Spicelo is not
39 insolvent, and I know this is in the brief that I received from lender's counsel yesterday.
40 At paragraph 64, they -- they double down on this assertion that Spicelo is not insolvent,
41 but they cite absolutely no authority for that proposition. It's paragraph 64. They just say

1 Spicelo is not insolvent, and they don't -- they actually cite -- incredibly, they cite the
2 BIA, but they continue to ignore the definition under 2(a) and 2 (b). So they just simply --
3 they're just wrong. Simple as that. Plain wrong that Spicelo is not insolvent. Spicelo is
4 insolvent. The Proposal Trustee confirms that Spicelo is insolvent. And the evidence
5 before this Court makes clear that the companies are acting with good faith and with due
6 diligence. And accordingly, the first branch of section 50.4(9) is met.

7
8 With respect to the second test, the second test is that the company would be able to make
9 a viable proposal, and this is a low threshold. All that we need to establish is that it might
10 happen. It could happen, and I submit on the evidence before this Court, we've
11 established that.

12
13 I'm going to refer you to, My Lady -- I'm not going to take you to it just because of the
14 time concerns, but I'm going to take you to -- I'll refer to you tab 12 and tab 7 of our brief
15 of argument, the tab --

16
17 THE COURT: 12 and 7?

18
19 MR. VAN DE MOSSELAER: 12 and 7. Tab 12 is the Inigri Group (phonetic)
20 case.

21
22 THE COURT: Inigri Group v. Endover (phonetic), yes.

23
24 MR. VAN DE MOSSELAER: And tab 7 is Cantril (phonetic).

25
26 THE COURT: Cantril, yeah.

27
28 MR. VAN DE MOSSELAER: And in the Inigri Group case, the -- very
29 instructive case. The creditor in that case was owed over 80 percent of the unsecured
30 debt, and they objected to the extension of the stay. They wanted a trustee appointed.
31 And I'll refer you, in particular, to paragraphs 66, 74, and 75, of that case where the Court
32 was very clear that this was a low threshold, that the debtor simply needs to establish that
33 they have a path forward, and that all they have to establish is that it might happen, and I
34 submit we've certainly done that. The only way the lenders avoid that is by ignoring the
35 evidence of Mr. Stepanic in paragraph 45 of his affidavit. They keep saying they tried it
36 and it failed, choosing to ignore the evidence before the Court that what we're proposing
37 now is something different.

38
39 And the Cantril case at tab 7 of our brief is also instructive. That was an application for a
40 stay of extension which was opposed by a secure creditor. And I'll refer to you
41 paragraphs 11, 12, 15, and 16 of that case.

1
2 THE COURT: 11, 12, 15, and 16?
3
4 MR. VAN DE MOSSELAER: 15 and 16.
5
6 THE COURT: Yes, okay.
7
8 MR. VAN DE MOSSELAER: Which again made clear that it's a low threshold
9 and that a creditor or a -- sorry -- a debtor should be given an opportunity to see whether
10 they can put together a viable proposal where they've got some indication of what their
11 intentions are, and certainly we've done that.
12
13 You have our brief in front of you, My Lady? Just a couple of things I want to --
14
15 THE COURT: Just one moment. Can you just give me a
16 moment to catch up.
17
18 MR. VAN DE MOSSELAER: Yeah.
19
20 THE COURT: Okay. Sorry. I am at your brief.
21
22 MR. VAN DE MOSSELAER: Yes.
23
24 THE COURT: Is that what you are looking -- okay.
25 Paragraph?
26
27 MR. VAN DE MOSSELAER: Paragraph 53 and 54. I'm sorry.
28
29 THE COURT: Yes, I am there.
30
31 MR. VAN DE MOSSELAER: Okay.
32
33 THE COURT: Yes.
34
35 MR. VAN DE MOSSELAER: So I just want to take you to the simple points.
36 Paragraph 53 we make the point that Courts have emphasized that a loan objecting
37 secured creditor cannot be permitted to hamstring a potentially viable proposal
38 proceeding. That's our situation.
39
40 THE COURT: A loan -- yes, but they are pretty -- they are the
41 secured --

1
2 MR. VAN DE MOSSELAER: They are the loan secured. They are the loan
3 secured.
4

5 THE COURT: Yes.
6

7 MR. VAN DE MOSSELAER: That's what -- that's what they're trying to do.
8 That's exactly our situation. And at paragraph 54, we refer to the Rizzo (phonetic) case
9 which stands for the proposition that a creditor may not pre-reject an as yet nonexistent
10 proposal, which again seems to me to be what they're doing. They're saying: We will not
11 agree to any proposal that the debtors put forward. And the cases make clear that's not
12 permitted because there's no proposal yet. And what I have told the Court is that they will
13 get paid every penny on the dollar and it is ridiculous to think that they should be entitled
14 to reject a process where they get paid 100 cents on the dollar.
15

16 So in our submission, they should wait to see what the proposal is. They can't pre-reject a
17 nonexistent proposal. They're in -- our intention is to pay the lenders in full, and the --
18 Mr. -- the evidence from Mr. Stepanic, the evidence before this Court is that the mandate
19 of the refinancing advisor is different from what was previously attempted, and the
20 lenders are simply choosing to ignore that evidence. So on the basis of the evidence
21 before the Court, I submit that the debtors have met this test that they would likely be able
22 to make a viable proposal if an extension were granted.
23

24 The final test is that no creditor will be maturely prejudice, and this involves, again, cases
25 in our brief. This involves the weighing of the harm to the creditor against the harm to
26 the objecting -- or, sorry -- the harm to the debtor against the harm to the objecting
27 creditor and the test is not mere prejudice. The test is material prejudice. The authorities,
28 which we cite at paragraphs 68 to 72 of our brief, make clear that what is necessary for a
29 creditor to establish -- or a creditor to establish under this is that there would be
30 substantial -- it would be substantially or considerably prejudice.
31

32 I'll just read to you very briefly, My Lady, paragraph 71 of our brief, which relies on the
33 Nortech Colour Graphics (phonetic) case from Ontario, which stands for the following
34 proposition: (as read)
35

36 A creditor alleging material prejudice must put forward particulars of
37 this prejudice, including quantifying the extent of the losses it will
38 suffer, as a result of the extension sought by debtors.
39

40 The lenders in this case have not done that. They have not done that. This relates, of
41 course, to the earlier discussion that we had about the lenders being

1 over-collateralized. In fact, this test, the material prejudice test we passed based on
2 the lender's own evidence. We've already looked at the fact that in Mr. Gallagher's
3 affidavit he says that in paragraph 61 that the debt -- the lenders are fully secured by
4 Greenfire shares, and even without considering the value of the GPOC assets, they're
5 going to get paid. He says that in his own evidence. And the value of the GPOC
6 assets is set out in paragraph 51 of Mr. Stepanic's affidavit, which is 25 to 30 million
7 Canadian.

8
9 So on the evidence before this Court, the lenders cannot -- have not and cannot
10 establish material prejudice. And so on that basis, we submit that the test under
11 50.4(9) is met and the extension ought to be granted.

12
13 Now, unless you have any questions about any of that, My Lady.

14
15 THE COURT: No.

16
17 MR. VAN DE MOSSELAER: I do want to spend a couple minutes talking
18 about the argument on the lock-up agreement, which we take significant exception to.

19
20 THE COURT: Sorry, I do not know if you were waiting for me.

21
22 MR. VAN DE MOSSELAER: I was.

23
24 THE COURT: You can go ahead. I have no further -- I
25 apologize.

26
27 MR. VAN DE MOSSELAER: Okay.

28
29 THE COURT: I have been asking my questions as I have gone
30 along. Sorry about that.

31
32 MR. VAN DE MOSSELAER: Very good.

33
34 THE COURT: I was making a note and realized you were
35 waiting for me. Go ahead. I am good.

36
37 MR. VAN DE MOSSELAER: Let me address some of the concerns around the
38 lock-up period, the lock-up agreement. First of all, we first learned of this argument when
39 we received the affidavit of David Gallagher at 4:00 this past Tuesday. Greenfire's
40 counsel, Mr. Chiswell from BDP, is on this call and he is going to speak to this issue as
41 well. But suffice to say from my part that Mr. Gallagher is simply not correct, and this is

1 actually another compelling reason to extend the stay.

2
3 Their intention, as we discussed earlier, is to seize the Greenfire shares and sell them on
4 the market days after Greenfire's IPO. And they rely -- I think we are going to need to go
5 to Mr. Gallagher's affidavit, I'm afraid. I think you're on mute, My Lady.

6
7 THE COURT: Pardon me.

8
9 MR. VAN DE MOSSELAER: Paragraph 66.

10
11 THE COURT: All right. I am with you.

12
13 MR. VAN DE MOSSELAER: And you'll see that the reason -- I mean, there's
14 really two reasons why they say that they're not bound by this lock-up period, and the first
15 is is because there's an exception in the lock-up agreement that applies to financial
16 institutions, and then they set out -- interestingly at paragraphs 66 and 68, they set out
17 their position.

18
19 Now, just as an aside, I would have thought that positions are bad things to include in
20 briefs of argument, they're worse things to include in affidavits. It's not a statement of
21 fact. It's a statement of position. But in any event, they set out their position for whatever
22 that's worth.

23
24 But the really important thing to note is that there's simply no evidence whatsoever that
25 the lenders are a "financial institution". They don't say that anywhere in their affidavit.
26 Mr. Gallagher could have said anything he wanted in his affidavit, he didn't say that. In
27 fact, Mr. Gallagher at paragraph 4 does describe who the lenders are. He doesn't say
28 they're a financial institution. And if we go to the actual form --

29
30 THE COURT: I -- I guess what is the impact on this
31 application of that point? And is that something this Court needs to grapple with?

32
33 MR. VAN DE MOSSELAER: Well, it depends. I suppose it depends on -- if --
34 I'll say this. If you see fit to grant our application and extend the stay, then no, I don't
35 think you do.

36
37 THE COURT: Right. Right, but let us say -- not presupposing
38 anything, but let us say I do grant their application, do I have to decide whether or not --

39
40 MR. VAN DE MOSSELAER: No, I don't think you do.

1 THE COURT: That is tomorrow's problem? Okay. Yes, but I
2 take your point.
3
4 MR. VAN DE MOSSELAER: I -- I -- I completely agree.
5
6 THE COURT: Yes.
7
8 MR. VAN DE MOSSELAER: The other point that -- I just want to --
9
10 THE COURT: Yes, I just did not want to go deep down if it
11 was not necessary, but I take your point.
12
13 MR. VAN DE MOSSELAER: I just want to make one other point. And the --
14 sorry, I just need to find where the form of lock-up agreement is. I'm going to go back to
15 paragraph 61.
16
17 THE COURT: And I have not -- I can tell you I have not
18 looked at the agreement.
19
20 MR. VAN DE MOSSELAER: That's fine.
21
22 THE COURT: It is one of things I have not had time to look at.
23
24 MR. VAN DE MOSSELAER: This actually goes to the issue of prejudice,
25 though. I mean, again, if you agree to grant our application and extend the stay, you don't
26 have to worry about any of this. But it does go to the question of prejudice because I'm
27 sure the lenders are going to argue, well, we should be allowed to seize and sell right now
28 because we can, and my point is, no, you can't.
29
30 THE COURT: But that is not before this Court; right? I do not
31 think there is an application -- there is an application to -- to take control of things, so to
32 speak, but I do not think there is an application to --
33
34 MR. VAN DE MOSSELAER: Well --
35
36 THE COURT: -- to say we are going to sell them and that I
37 have to direct that they can.
38
39 MR. VAN DE MOSSELAER: No, that's a fair question.
40
41 THE COURT: Is that not up to the receiver if they are

1 appointed?

2

3 MR. VAN DE MOSSELAER: I'll let -- I'll let my friend speak to that question.

4

5 THE COURT: Okay. All right. I just -- I do not know, and
6 maybe I am just missing the point you are making. I think what you are saying is it is not
7 so straight forward.

8

9 MR. VAN DE MOSSELAER: It's not at all straight forward, and not only is it
10 not -- first of all, I think -- I think Mr. -- I'm addressing a point made by Mr. Gallagher in
11 his affidavit, that's all I'm doing.

12

13 THE COURT: Okay.

14

15 MR. VAN DE MOSSELAER: And he's saying we should be allowed to seize
16 and sell these shares right now because we're not bound by the lock-up agreement.

17

18 THE COURT: Right.

19

20 MR. VAN DE MOSSELAER: My response to that is --

21

22 THE COURT: Right.

23

24 MR. VAN DE MOSSELAER: -- yes, you are. You're not a financial
25 institution. There's no evidence that you're a financial institution. You are caught by the
26 lock-up agreement, and more importantly, the lock-up agreement is governed by the law
27 of the State of Delaware, so really what he's saying without any evidence -- without any
28 evidence, he's saying we are -- not only are we a financial institution, we're a financial
29 institution within the meaning of this agreement which is governed by the State of -- the
30 laws of the State of Delaware. And you're going to hear that, I'm sure, as --

31

32 THE COURT: Well, he said they are not parties to it, but --

33

34 MR. VAN DE MOSSELAER: Well --

35

36 THE COURT: Anyways, okay, I -- I hear you.

37

38 MR. VAN DE MOSSELAER: They also -- they also say that.

39

40 THE COURT: Yes.

41

1 MR. VAN DE MOSSELAER: They also say that. That's a different issue. And
2 that doesn't matter, because under 2(c) of the lock-up agreement, the company can issue a
3 seize trade. So my point is I expect you're going to hear from my friend that one of the
4 ways they're being prejudiced is because they're being forced to wait until they can
5 liquidate these shares. My only point is they have to wait anyway because they are bound
6 by the lock-up agreement.

7
8 THE COURT: Can you remind me how long that lock-up was?

9
10 MR. VAN DE MOSSELAER: Six months.

11
12 THE COURT: I do not --

13
14 MR. VAN DE MOSSELAER: It's a test, but it's a maximum of six months.

15
16 THE COURT: Yes.

17
18 MR. VAN DE MOSSELAER: It may be shorter.

19
20 So, look, I probably used more time than I should. There are other housekeeping matters
21 that are sort of secondary. What I would propose to do, subject to Your Ladyship's
22 direction, is, you know, there are other housekeeping matters including procedural
23 consultation, admin and DNO charges, refinancing, advisor engagement letter, and a
24 restricted court access order, and I can just advise that we have provided the necessary
25 notice to the media. Those are all covered in our brief, and unless you have any specific
26 questions, I would proposal to stand down and let others speak at this point.

27
28 THE COURT: Yes, I think it is important that you do. I did -- I
29 did note your friends concerns about a number of those residual applications, as I would
30 call them, and in particular, I think the -- I think the one thing I did want to ask you about
31 is I think there is a request on the nunc pro tunc basis to pay about a million dollars to --
32 to folks that provide goods and service prior to your application. And I think your friends
33 are saying -- if I looked, I think you had about 2.4 in unsecured total, but you want to pay
34 out one million to -- to those folks, then you -- there is about 500,000 in -- so I just want
35 your -- I guess your thoughts on -- your comments on the -- how large those amounts are?

36
37 MR. VAN DE MOSSELAER: Well, first of all, the admin charge based on
38 current cash flows, we don't expect that's going to be even necessary use, so it's there as a
39 -- as security for the professionals involved in the file.

40
41 THE COURT: It us a big one, though. It is 500,000. I am not

1 saying that professionals are not expensive or worth it, but it is a big number.
2
3 MR. VAN DE MOSSELAER: I -- I -- I will respectfully disagree. It's pretty --
4 it's pretty --
5
6 THE COURT: Okay.
7
8 MR. VAN DE MOSSELAER: It's pretty typical.
9
10 THE COURT: All right.
11
12 MR. VAN DE MOSSELAER: And I think the Proposal Trustee can advise on
13 that as well. It's very --
14
15 THE COURT: Okay.
16
17 MR. VAN DE MOSSELAER: It's typical, as is the DNO charge.
18
19 THE COURT: M-hm.
20
21 MR. VAN DE MOSSELAER: And as I say, based on current cash flows, we
22 don't expect that the admin charge will need to be utilized, but it's there as a -- as security
23 in case.
24
25 I think in terms of the -- the critical vendor payments, I think it's a cap.
26
27 THE COURT: M-hm.
28
29 MR. VAN DE MOSSELAER: Frankly, I have to go back and refresh my
30 memory on that.
31
32 THE COURT: Wait. I do not know that I saw in the affidavit
33 why it was a million.
34
35 MR. VAN DE MOSSELAER: I think it's --
36
37 THE COURT: Is it an arbitrary number, or was there some
38 delineation as to why it was a million?
39
40 MR. VAN DE MOSSELAER: I think -- well, the Proposal Trustee is closer to
41 the numbers than I am.

1
2 THE COURT: Okay.

3
4 MR. VAN DE MOSSELAER: So maybe that's an issue that the Proposal
5 Trustee can -- can address as to where the number comes from.

6
7 THE COURT: Okay. And then in terms of the sealing order, I
8 think your friend may have some things to say about that and maybe I will hear from you
9 in reply on that.

10
11 MR. VAN DE MOSSELAER: I -- I don't think -- actually, I think Ms. Fellowes
12 took issue with the -- or the Proposal Trustee's (WEBEX AUDIO INTERRUPTED)
13 sealing order.

14
15 THE COURT: Yes.

16
17 MR. VAN DE MOSSELAER: I don't think they're taking issue with our
18 request for the sealing order, although I could be mistaken. All we're seeking to have
19 sealed are the rates in the -- in the engagement letter, nothing further.

20
21 THE COURT: Yes, okay. All right. I think that -- I see it is
22 11:30, so yes, I think it is appropriate that we now hear from other folks, but that was very
23 helpful. Thank you.

24
25 MR. VAN DE MOSSELAER: Thank you.

26
27 THE COURT: I think we were going to hear from -- was it
28 Mr. Chiswell? Is that who wanted to speak next?

29
30 MR. VAN DE MOSSELAER: Yes, I believe that's -- well, I think anybody
31 else -- I don't know if there is anybody who wanted to speak in support of my position, but
32 either that or Mr. Chiswell.

33
34 THE COURT: Okay. Okay. So before -- yes, that is perhaps a
35 good thing. Before we hear from Mr. Chiswell, is there anyone else who wanted to speak
36 in support of the application?

37
38 Okay. Mr. Chiswell.

39
40 **Submissions by Mr. Chiswell**

41

1 MR. CHISWELL: Good morning, Justice Johnston. It's Chiswell,
2 first initial 'P', from BD&P on behalf of Greenfire Resources.

3
4 I apologize to the extent that any of my submissions repeat those of my friend. I'll try to
5 keep them brief and distinct. The first thing I'd like to highlight from the outset is that
6 Greenfire Resources did not receive proper notice of the lender's application.

7
8 THE COURT: So what do we do in light of that?

9
10 MR. CHISWELL: Well, I'm not -- I want you to know that I just
11 got the material yesterday --

12
13 THE COURT: Yes.

14
15 MR. CHISWELL: -- afternoon.

16
17 THE COURT: I -- I understand, and as I said, I -- I did raise
18 concerns with that at the -- at the outset, but what do you want me to do in light of that?
19 That is always the question. I get that that is really challenging, but in light of that, what
20 do you want this Court to do, if anything?

21
22 MR. CHISWELL: Well, in light of Mr. Mosselaer's statement that
23 he wants to proceed, I'm not going to -- I'm not going to object --

24
25 THE COURT: Okay.

26
27 MR. CHISWELL: -- or interrupt with that, but I would at least like
28 the opportunity to reply to any submissions my friends will make in response. I received
29 their brief when I asked for it this morning at 10:24. So I've -- I've had the chance to
30 quickly look over it while -- while my other friend was speaking. And so I would like the
31 chance to review that -- or to respond, if I can.

32
33 THE COURT: All right.

34
35 MR. CHISWELL: My client gave me instructions yesterday to
36 respond because they have certain concerns about what the lenders are seeking to do, and
37 I think that goes to the point that you had asked Mr. Mosselaer is whether -- Van de
38 Mosselaer about whether they would enforce their security by attempting to liquidate, and
39 the best evidence we have from that is Mr. Gallagher's affidavit at paragraph 68 that
40 says --
41

1 THE COURT: Yes, I --

2

3 MR. CHISWELL: -- the lenders may enforce their security by
4 liquidating the new Greenfire shares immediately.

5

6 THE COURT: Right. And I did see that when I was just there,
7 yes.

8

9 MR. CHISWELL: And again at paragraph 84 --

10

11 THE COURT: It may though, but -- but there.

12

13 MR. CHISWELL: And again at paragraph 84, there is no evidence
14 that the Greenfire securities will not drive value if realized on immediately, and so it's not
15 just a suggestion that they would take possession of the -- of the securities and -- and vote
16 and -- and take other benefits and rights and privileges attributable to a shareholder, but
17 that they would sell them and do so immediately.

18

19 And while -- and that statement is again repeated at paragraph 92 of my friend's brief, that
20 they may enforce their security by liquidating the shares immediately. Of course, the
21 concern at paragraph 84 that Mr. Gallagher was attempting to address, he was addressing
22 the statement of the Proposal Trustee that the liquidation of the Greenfire's securities
23 would likely result in significant unnecessary discount to value, says that's entirely
24 speculative, and there's no evidence that they will not derive value if realized on
25 immediately. And my client's concern is not so much whether they would derive value if
26 realized on immediately, but what impact that will have on the value of the shares
27 themselves, on the corporation's ability to maintain the confidence of the public markets,
28 and what impact it will have on the share price. So the share price could go down and
29 that could still -- the receiver could still be acting appropriately and it could still be
30 maximizing value for -- for the lenders, notwithstanding causing the share price to go
31 down significantly. At the same time, it would remove the economic consequences of
32 having an insider in a company without having their -- their shares locked up and their
33 economic interest aligned. And so those are the concerns that my clients have and wanted
34 you to be aware of, Justice Johnston.

35

36 I do want to take you -- okay. I want to point out a few facts because I appreciate you
37 haven't had a lot of time with the materials as well. And one of those is the Exhibit G of
38 Mr. Gallagher's affidavit. And you don't need to go there, but I do want to point
39 something out. The last page of that exhibit shows that what we're talking about is 8
40 percent of the outstanding shares of Greenfire. Pardon me, Justice Johnston. I don't know
41 if you're speaking, but I can't hear you.

1
2 THE COURT: Sorry. I was on mute.
3
4 MR. CHISWELL: Okay.
5
6 THE COURT: I am trying not to get feedback. Can you repeat
7 the number? That was actually one of the questions I had. I was going to ask you.
8
9 MR. CHISWELL: So it's 8 percent, and you'll see that a couple of
10 spots on -- in Exhibit G. It's the last page.
11
12 THE COURT: So 8 percent. Okay. And where is that on
13 Exhibit G? I am there right now.
14
15 MR. CHISWELL: It's the last page, and it's listed --
16
17 THE COURT: Yes.
18
19 MR. CHISWELL: The best place to look is in the last column, and
20 all the way to the bottom it lists a number of 8 percent for Jonathan Klesch, and there's
21 a --
22
23 THE COURT: Sorry. What page am I at in Exhibit G or where
24 am I looking?
25
26 MR. CHISWELL: It's -- it's the last one.
27
28 THE COURT: Okay. So I am on five. How many pages is
29 there?
30
31 MR. CHISWELL: Well, it's -- it's listed as page 351 of the proxy
32 statement.
33
34 THE COURT: Okay. That is not helping me. I do not know
35 where that is. Okay. So, sorry, tell me -- okay. So 8 -- I may have found it.
36
37 MR. VAN DE MOSSELAER: My Lady, that exhibit -- if I could help, Exhibit
38 G is 10 pages long, it appears.
39
40 THE COURT: Yes, that -- that is what I thought, and so -- and I
41 am right now on -- okay. It says three five one. Is that the page?

1
2 MR. CHISWELL: Correct.
3
4 MR. VAN DE MOSSELAER: Yes.
5
6 THE COURT: Okay. I am on that.
7
8 MR. CHISWELL: It's the table of (WEBEX AUDIO
9 INTERRUPTED)
10
11 THE COURT: Okay. And it is Jonathan Klesch.
12
13 MR. CHISWELL: Jonathan Klesch, and the footnote 16 --
14
15 THE COURT: Okay. I see it now.
16
17 MR. CHISWELL: -- will say that those shares are held through
18 Spicelo.
19
20 THE COURT: (WEBEX AUDIO INTERRUPTED) Greenfire;
21 is that right?
22
23 MR. CHISWELL: Correct. So it's a significant number.
24
25 THE COURT: Of the public -- of the public market shares?
26
27 MR. CHISWELL: Correct.
28
29 THE COURT: Postcompletion of the IPO in other words.
30
31 MR. CHISWELL: Correct. And you see that --
32
33 THE COURT: Because I think he had a million or something,
34 and then they converted it to 5-point-something million, if I --
35
36 MR. CHISWELL: Correct. I'm reading --
37
38 THE COURT: Okay.
39
40 MR. CHISWELL: -- from (INDISCERNIBLE) directors and
41 executive officers of new Greenfire after the business combination.

1
2 THE COURT: Okay. That is just what I wanted, so that is after
3 the combination. Thank you.
4
5 MR. CHISWELL: It could be -- that may not include the exercise
6 of warrants, but of course that hasn't happened yet (INDISCERNIBLE)
7
8 THE COURT: And am I right -- am I right that sort of a change
9 of control public market threshold is about 20 percent?
10
11 MR. CHISWELL: No. I believe in -- so it's the United States
12 where you have to give early warnings.
13
14 THE COURT: Oh, it is the US.
15
16 MR. CHISWELL: And it's --
17
18 THE COURT: Yes.
19
20 MR. CHISWELL: -- traded on the New York US Stock Exchange,
21 and my understanding -- I mean, I'm not an expert on that, but it's 5 percent is an
22 early warning --
23
24 THE COURT: 5 percent. Okay. Okay.
25
26 MR. CHISWELL: So we're passed that number.
27
28 THE COURT: Yes, okay. I am with you now. I take your
29 point. Okay. Thank you. Yes.
30
31 MR. CHISWELL: So 8 percent is a large number by security
32 standards and -- and anything over 5 percent is -- is significant.
33
34 And the other thing I want to the highlight, the company being listed on the New York
35 Stock Exchange just yesterday puts the company in (WEBEX AUDIO INTERRUPTED)
36 sort of a vulnerable position, and it is certainly a particularly sensitive market situation it
37 being so soon, and of course, you know that's not lost on the lenders, I'm sure.
38
39 I do want to address the lock-up agreement. You know I've had less than 24 hours with
40 this, but it seems to me that the lock-up period should apply to the Greenfire shares even
41 if they're held by the lenders if they enforce their pledge. You know, my friend already

1 addressed --

2

3 THE COURT: But, again -- again, do I need to deal with that
4 today? Is that not if I dismiss -- or if I allow the extension, it is a nonissue. If I grant
5 Stikeman's application, then is that not an issue between you and -- and do I -- I do not
6 know that that is before me today and that I need to determine that.

7

8 MR. CHISWELL: Well, it's -- it --

9

10 THE COURT: Or I can.

11

12 MR. CHISWELL: I agree, you don't have to.

13

14 THE COURT: M-hm.

15

16 MR. CHISWELL: My concern is that the lenders will take an order
17 that you grant them as permission to immediately sell and liquidate all 8 percent of these
18 Greenfire shares immediately because that's what they have put in their materials --

19

20 THE COURT: Okay.

21

22 MR. CHISWELL: -- so that would be my concern.

23

24 THE COURT: Well, I mean, to be fair, I do not have argument
25 on -- I have some suggestion as to why they are not bound by the lock-up, but that is --
26 that is about all I have. I do not have Supra application or submissions on that issue, but
27 anyways, I will listen to you on that point, so ...

28

29 MR. CHISWELL: I'll -- I guess on the -- on the -- on the lock-up, I
30 really have three submissions.

31

32 THE COURT: Okay.

33

34 MR. CHISWELL: And -- and so the first one is if you read the
35 terms of the lock-up itself, it says that it applies to pledges. There is an exception that
36 Mr. Gallagher points out and that --

37

38 THE COURT: Financial institutions.

39

40 MR. CHISWELL: That it applies --

41

1 THE COURT: Yes.

2

3 MR. CHISWELL: You know, if there is a pledge or an
4 enforcement of a pledge to a financial institution. And I don't see any evidence that the
5 lenders are a financial institution. They're certainly sophisticated. They're certainly
6 lenders, but I don't think that's the same as a financial institution. And there is no positive
7 statement to that effect in their materials.

8

9 The similar argument that I'll make in terms of financial institution that I think you
10 already heard of was that the agreement itself is governed by Delaware Law. Not only is
11 it governed by Delaware Law, any sort of claim related to the agreement, including its
12 enforcements, needs to be dealt with by Court of Chancery in the State of Delaware.

13

14 THE COURT: Well, again, there in lies part of the problem
15 with me addressing it if you are asking me your point on that, yes.

16

17 MR. CHISWELL: I agree. I mean, I don't think it's -- I don't think
18 it's appropriate for -- for today for there to be an order that the lenders can start selling
19 these shares.

20

21 THE COURT: M-hm. Okay.

22

23 MR. CHISWELL: I want to address the argument that there are --
24 the lenders would not be bound by the lock-up agreement. It seems to me that the shares
25 themselves would be bound by the lock-up agreement. You know, Spicelo is the
26 registered shareholder, and under the *Business Corporations Act*, while there are
27 provisions in *The Securities Transfers Act* and other provisions and other statutes about
28 when you can transfer shares and how you do that, it seems to me vis-à-vis the
29 corporation issue or the shares you're allowed to treat the registered shareholder as the
30 party who is entitled to exercise the rights and powers of the owner of a security, and I
31 read that from section 50 of the *Business Corporations Act*.

32

33 The other --

34

35 THE COURT: Well, is this not governed by Delaware Law,
36 though?

37

38 MR. CHISWELL: Well, it would be -- the agreement would be
39 governed by Delaware Law, but the relationship vis-à-vis the corporation, which is an
40 Alberta business corporation, correct, that's the distinction --

41

1 THE COURT: All right. That is a fair point.

2

3 MR. CHISWELL: -- I am trying to make.

4

5 THE COURT: Okay. Fair.

6

7 MR. CHISWELL: And so it's an Alberta statute.

8

9 I also want to highlight, my -- the lender's counsel, so my friends from lender's counsel
10 make a point that, you know, on the -- on the combination agreement happening, the
11 shareholder's agreement terminates and new shares are issued, but the lock-up agreement
12 is part and parcel of that deal. It's not just that the shareholder's agreement ends and
13 there's no other agreement. It's -- the lock-up agreement is effectively part of that deal.
14 It's -- it's traditional when you go public to (WEBEX AUDIO INTERRUPTED)
15 shareholder's agreement, but it's also traditional to get lock-ups, and there's good public
16 reasons for that. And those reasons are set out themselves in the -- I think it can be
17 inferred from not just the fact that lock-ups are standard, but if you were to read the
18 lock-up agreement, it explains the different types of transfers to which applies and it's not
19 just the sale or the pledging of shares, but it's entering into any sort of arrangement that
20 would effectively create economic consequences for the ownership of the security that
21 would divorce the economic consequences from the person who previously held them,
22 and -- and so that's why there's a lock-up. And that's why they're retained, and then not
23 only that, but public announcement of any intention to effect any transaction that is
24 prohibited. And, of course, there's -- there's a public market component to this that if
25 somebody were to transfer the shares from somebody who was expected to have them,
26 that would affect the public market. It's made obvious in -- in -- in Gallagher's affidavit
27 that the proxy statement was made public and that the form of lock-up was made public,
28 and once the shares started trading yesterday, of course people purchased the shares and
29 traded the shares on the public information that these shares would be subject to a
30 lock-up.

31

32 And so what you're -- what the lenders are effectively trying to do, Justice Johnston, is --
33 is take the benefit of this increase liquidity by the trade-in on the public market, but not
34 sort of take any sort of burdens that got the shares there. And that's the real consequence,
35 is what impact it's going to have on public market and the prejudice to the public market.

36

37 My Lady, I believe I made all the submissions I intended to make on that in terms of
38 Greenfire's concerns. Unless you have any questions, I'll stand down.

39

40 THE COURT: No, I do not. That was all very clear. I
41 understood your arguments very well. Thank you very much.

1
2 All right. Is there anyone who wishes to speak in favour of the application before I hear
3 from Stikeman?

4
5 Okay. Ms. Fellowes, are you making submissions? Is that you?

6
7 MS. FELLOWES: Yes, good morning. Good morning, Justice.

8
9 THE COURT: I wonder -- I just want to check in before I start
10 your submission is maybe we should just take a short break. But how long do you
11 anticipate being in your submissions? I am concerned that we are not going to get done
12 by 12:30.

13
14 MS. FELLOWES: Yeah.

15
16 THE COURT: And I also do not want to not give you sufficient
17 time. So I just want to get a sense of how long you think you will be and then maybe we
18 can talk about a schedule in light of that.

19
20 MS. FELLOWES: Yes. No. Absolutely. And thank you for that
21 because that was going to be the beginning of my submissions, as well, is to sort of
22 wonder what -- how we're doing for time. Does the Court have any availability to go
23 passed the lunch break today --

24
25 THE COURT: Well --

26
27 MS. FELLOWES: -- because I do worry that we're going to run out
28 of time.

29
30 THE COURT: -- it is -- it is tricky to go passed the lunch break,
31 but it could be that we could come back after the lunch break.

32
33 Madam clerk, I think this line is open? Is it still after lunch?

34
35 THE COURT CLERK: That is correct. And I am free, too, and the
36 courtroom is free, too, so I can stay here and --

37
38 THE COURT: Okay.

39
40 THE COURT CLERK: -- be with you if you need me.

41

1 THE COURT: Okay. All right. So what I -- what I -- I just do
2 not want to take the court clerk through the lunch hour --

3
4 MS. FELLOWES: Of course.

5
6 THE COURT: -- particularly if we are going to go through the
7 lunch hour and beyond the lunch hour. Why do we not do this: Let us take a five-minute
8 break right now, then we will come back. We will go to 12:30, and then if need be, we
9 have a bit of flexibility at 2:00 to perhaps -- I do not -- we are not going to go the whole
10 day, but I certainly want to make sure that you have an opportunity to make your
11 submissions and I did not want to cut off Mr. Van de Mosselaer either.

12
13 MS. FELLOWES: Right. I appreciate that.

14
15 THE COURT: Okay.

16
17 MS. FELLOWES: Thank you.

18
19 THE COURT: So let us stand adjourned for five minutes. All
20 right --

21
22 MS. FELLOWES: Thank you.

23
24 THE COURT: -- madam clerk.

25
26 THE COURT CLERK: Yes. The Court has adjourned.

27
28 (ADJOURNMENT)

29
30 THE COURT CLERK: The recording is back on. We can start any
31 time.

32
33 THE COURT: All right. I just want to make sure Ms. Fellowes
34 is back --

35
36 MS. FELLOWES: I'm back.

37
38 THE COURT: Mr. Van de Mosselaer and -- are you ready to
39 proceed?

40
41 THE COURT CLERK: I'm ready.

1
2 MR. VAN DE MOSSELAER: I'm ready.

3
4 THE COURT: Okay. All right. All right. Ms. Fellowes, so let
5 us -- let us (WEBEX AUDIO INTERRUPTED) 12:30 and then we will talk about what
6 break, if any, we should take, all right, at that time.

7
8 **Submissions by Ms. Fellowes**

9
10 MS. FELLOWES: Thank you very much, Justice Johnston.

11
12 All right. Well, thank you, and thank you for being cognisant of the time restrictions. I'm
13 hopeful that we will -- I will get through my submissions before 12:30, but we will just do
14 our best and recalibrate at that time.

15
16 I wonder if -- I have -- you know, I have my submissions, but I wonder if I could first
17 address some of the issues that you have brought up in response to some of the
18 submissions --

19
20 THE COURT: Sure.

21
22 MS. FELLOWES: -- by Mr. Van de Mosselaer just to clarify my
23 client's position. I think that might be helpful.

24
25 THE COURT: Yes, that is wonderful. I was hoping you would
26 do so.

27
28 MS. FELLOWES: Yeah. And then I'll go into the substance of my
29 submissions.

30
31 Okay. One of the first questions was whether my client is opposing the stay extension
32 with respect to Spicelo only or with respect to all the entities, and I think the short answer
33 to that is my clients has some issues with some of the charges and some of the request for
34 relief being made on behalf of some of the other GPOC entity -- GPOC and its related
35 entities, but its main concern is to oppose the stay extension for Spicelo itself. And I
36 think there's -- I think there's very good reason for that.

37
38 THE COURT: So just -- I just want to pin you down on that.

39
40 MS. FELLOWES: Yes.

41

1 THE COURT: So you are not opposing the stay application
2 per se of the GPOC entities, and I am using -- and I cannot remember if that is how they
3 are defined, but everybody, except for Spicelo, but you have concerns with the other
4 aspects of the relief they seek; is that fair?
5

6 MS. FELLOWES: Yeah.
7

8 THE COURT: So we can say you are content with this Court
9 granting the stay as it relates to the other entities with the -- with the -- with the proviso
10 that you are going to tell me what is wrong with the other relief?
11

12 MS. FELLOWES: Yes. Well, maybe contentious is an
13 overstatement, but my client recognizes --
14

15 THE COURT: Not opposing.
16

17 MS. FELLOWES: Correct. Not opposing.
18

19 THE COURT: Okay. That -- that is helpful.
20

21 MS. FELLOWES: My client recognizes --
22

23 THE COURT: Okay.
24

25 MS. FELLOWES: Right. You know, with respect, although
26 Mr. Van de Mosselaer, you know, paints lenders in a certain way, we're cognisant that
27 there are a lot of stakeholders in any insolvency proceeding, and while each case rests on
28 its own facts, it's important for the Court to balance the rights and obligations of all the
29 parties. Obviously, we are the elephant in the room. We are the largest secured creditor,
30 and I -- we, in effect, have, in essence, if any proposal were to be made to the general
31 body of creditors, a veto power as a result of the size and extent of our priority security
32 position.
33

34 That being said, we are trying to focus today's application on what we think is the most
35 relevant matter, and -- and, in fact, would be the best solution, not just for my client, but
36 for all the parties, and that's to basically remove the elephant from this party, get my client
37 paid out through recourse through a solvent guarantor, who should never be in these NOI
38 proceedings in the first place, and then let the other stakeholders within the priority stack,
39 including Tamarack Valley who are owed in excess of 22 million.
40

41 THE COURT: 20 million, yes.

1
2 MS. FELLOWES: So that's not a small creditor. To basically
3 make way with respect to the GPOC assets themselves, remove the largest creditor and
4 the priority stack changes.
5

6 THE COURT: Well -- and fair. I take that point. I think that --
7 I take that point, but -- and I know you are going to get to this. Your friend is saying, yes,
8 but it is not that straight forward because if you take them out of the equation, the whole
9 house of cards, so to speak, tumbles down, because without those Greenfire shares and
10 without that backing, they do not have the opportunity to get replacement financing --
11

12 MS. FELLOWES: Yeah, I --
13

14 THE COURT: -- et cetera.
15

16 MS. FELLOWES: I -- I understood that is what he's saying, but the
17 point is that we are the only creditor who has recourse to those Greenfire shares. None of
18 the other creditors have the ability to access those Greenfire shares, so to say this is part
19 of the general collateral pool that will be available to all the creditors on this refinancing
20 advisor, I don't really understand how that flows. Those shares were specifically pledged
21 to my client only. They are not part of the general collateral pool of GPOC. Only, I
22 suppose, in that Mr. Klesch who voluntarily pledged his personal wealth through his
23 personal holding company.
24

25 THE COURT: Right. And I get that, but I think what they are
26 saying -- and I am not accepting it. I am just trying to put it to you so I get your
27 opportunity to respond, and I will let you go into your argument as you see fit shortly.
28

29 MS. FELLOWES: Sure.
30

31 THE COURT: But I think this is a very important point, at least
32 from my perspective, is what they are saying is without -- they want to pay out your
33 client, and without the ability to re-pledge those shares, they are not -- they are not going
34 to be able to refinance.
35

36 MS. FELLOWES: Well, they've had the ability, I suppose, to
37 re-pledge those shares for the last almost year that they've been in default with my client.
38

39 THE COURT: Okay.
40

41 MS. FELLOWES: So I don't know how their sudden assertion that

1 this is going to change the playing field because they've hired yet another refinancing
2 advisor when previous attempts have failed, so I -- I don't really see how that changes
3 things in any way.

4

5 THE COURT: Which begs the point what is the prejudice to
6 your client for -- of a 45-day extension.

7

8 MS. FELLOWES: Right.

9

10 THE COURT: But I am going to step back and I am going to
11 let you make your submission because I have no doubt that these are top of your mind and
12 you are going to address exactly what is on this Court's mind (WEBEX AUDIO
13 INTERRUPTED) huge one, I will ask.

14

15 MS. FELLOWES: I hope that's the case, and please redirect me if I
16 start to get off tangent because I certainly don't want to squander any of the valuable
17 Court's time.

18

19 I wonder if I could also just briefly speak to the last point that Mr. Chiswell made on
20 behalf of Greenfire. He noted two things. Number one, that he wasn't served with a copy
21 of the receivership application; and number two, that they have concerns, of course, as a
22 publicly traded company that the shares are somehow going to get dumped on the market
23 and that would be -- that would be dangerous or -- or to the detriment to the share value.

24

25 My first response is this: It's common when you serve an application for the appointment
26 of receiver not to serve everybody who might be affected by a receivership. You serve
27 the debtor, which is what we did. The fact that the debtor company happens to own some
28 shares in Greenfire doesn't mean necessarily that you'd have to serve all -- it would be
29 impossible for any receivership application to serve all the parties who might have assets
30 within the defaulting corporation.

31

32 THE COURT: Which I -- I get your point, but Greenfire is not
33 sort of a extraneous party here. They are pretty direct. They are pretty --

34

35 MS. FELLOWES: They are.

36

37 THE COURT: -- involved, and your client's affidavit, indeed,
38 focuses to a large degree on the Greenfire shares, so --

39

40 MS. FELLOWES: They are. I -- I -- if Mr. --

41

1 THE COURT: -- so I think it is a little bit not as nuanced --
2
3 MS. FELLOWES: Yeah.
4
5 THE COURT: -- as you are suggesting perhaps.
6
7 MS. FELLOWES: Correct. But, you know -- and I don't have any
8 evidence of this, but I understand, you know, Oslers, who is counsel for the applicants,
9 is -- has been, you know, part of these -- this Greenfire IPO as well. So I -- I don't think
10 it's -- I don't -- I doubt -- very much doubt that Greenfire was unaware of the proceedings
11 until Tuesday when the receivership application was made.
12
13 The other --
14
15 THE COURT: I do not want to belabor the point --
16
17 MS. FELLOWES: Yeah.
18
19 THE COURT: -- but I do not actually think that is the test, but
20 in any event --
21
22 MS. FELLOWES: In any event --
23
24 THE COURT: -- I take your point. And -- and --
25
26 MS. FELLOWES: Yes, okay.
27
28 THE COURT: -- their submissions and --
29
30 MS. FELLOWES: Yes.
31
32 THE COURT: -- onwards and upwards, so to speak.
33
34 MS. FELLOWES: Right. And then my only other point with
35 respect -- in response to Mr. Chiswell's submissions, and I think the Court is cognisant of
36 this, is with respect to, you know, concerns that somehow my client is going to
37 immediate -- oh, sorry. There is something happening on my screen. Okay -- my client is
38 going to immediately liquidate the shares and, you know, is going to potentially be in
39 violation of some lock-up agreement. The Court is, in my submission, absolutely right.
40 That's not before the Court today.
41

1 What my client is seeking today is not an order to immediately liquidate the shares. It's
2 an order to appoint a Court-appointed receiver. And if you look at the form of
3 receivership order that we put before the Court, it is, generally speaking, the template
4 order that the courts here in Alberta have accepted, which gives the receiver the right to
5 take control and possession of the assets and sell under certain circumstances. And I
6 believe the term we put in the draft order was they could sell up to \$500,000 worth of
7 assets without Court approval, but otherwise they would have to seek Court approval with
8 respect to any sale. So Mr. Chiswell and any other interested parties will have their
9 chance at another application when the Court-appointed receiver seeks to sell these shares
10 to make these arguments that perhaps they are encumbered by some lock-up agreements
11 or some other restrictions, but that's not before the Court today. KPMG is a well-known
12 and a trustworthy Court-appointed receiver and, of course, will only take actions subject
13 to Court approval.

14
15 The other housekeeping matter I suppose that I wanted to address for the Court is, firstly,
16 to acknowledge that our materials were only delivered recently, but to acknowledge as
17 well that this is a rapidly developing situation, especially in terms of the IPO which
18 successfully closed on Wednesday. It wasn't necessarily clear whether that would or
19 wouldn't happen, and it definitely affects the terms of the type of relief our client was
20 seeking with respect to the appointment of a receiver. So apologies to the Court for the
21 lateness of my materials.

22
23 I should note, as well, that there is an amended application that we filed and served
24 yesterday, and the only amendment to that application is to reference another section of
25 the *Bankruptcy and Insolvency Act*, which is 50.4(11), and this is simply a timing aspect,
26 Justice Johnston. As you asserted at the beginning, there's a 30-day initial stay of
27 proceedings. The NOI was filed on August 25th, and because there was 31 days in
28 August, that means that the 30 days expire on the Sunday. So we didn't feel it was
29 necessary originally to bring an application under 50.4(11), which is, in essence, an
30 application for early termination of a stay because the expiration of the initial stay was
31 sort of happening on the same day or a few days following the natural expiration.
32 However, we do want to note that section 50.4(11) of the BIA is a slightly different test
33 than section 50.4(9). And in my submissions, I will speak to that difference -- the
34 difference of the tests, but --

35
36 THE COURT: So you are saying we are not governed by
37 50.4(9) (WEBEX AUDIO INTERRUPTED) your friend?

38
39 MS. FELLOWES: Well, there's -- there's sort of competing
40 provisions in some ways, right, and sometimes you see them as -- with cross applications
41 and there's some consideration by the Court of how they work together. 50.4(9) is an

1 application for an extension of time, and 50.4(11) is an application for early termination
2 of the stay. But because of the timing here, we're actually hearing --

3
4 THE COURT: You are not seeking that, though?

5
6 MS. FELLOWES: -- both matters on the same day.

7
8 THE COURT: Well -- but -- an early -- I do not see that that is
9 happening when the stay is expiring effectively by virtue of this application, or in
10 conjunction with this application (WEBEX AUDIO INTERRUPTED)

11
12 MS. FELLOWES: I agree, My Lady --

13
14 THE COURT: Okay.

15
16 MS. FELLOWES: -- the only reason we put it in our amended
17 materials is I just wanted to draw to the Court's attention --

18
19 THE COURT: Okay.

20
21 MS. FELLOWES: -- that it's a slightly different legal test --

22
23 THE COURT: Okay.

24
25 MS. FELLOWES: -- under those two different provisions. All
26 right.

27
28 THE COURT: No, I appreciate that, and I think if I take your
29 submissions, you -- you did not bring your application or that provision because you
30 acknowledged it was expiring?

31
32 MS. FELLOWES: Correct.

33
34 THE COURT: Okay. Fine. I am -- I am good with that
35 explanation. I understand what you are saying now.

36
37 MS. FELLOWES: Right. Okay. Thank you. Well, with your
38 permission then, I'll -- I'll go into the bulk of my submissions.

39
40 THE COURT: You may proceed.

41

1 MS. FELLOWES: All right. Thank you. The applicants paint a
2 picture here that this is restructuring of an oil and gas company, but with respect, this case
3 is really anything but routine. We have eight different NOIs filed here, and although
4 GPOC might be an oil and gas company experiencing financial difficulties, it is cash
5 flowing and it's actually able to operate and pay all its professional fees and its operating
6 costs without any resort to dip financing, which, in my submission, is actually an unusual
7 situation. Most insolvent companies do need dip financing to keep the lights on or at least
8 keep the lights on and the lawyers working. But there's good reason for this unusual
9 situation, and that is because the only financial difficulty is with respect to their largest
10 creditor who are my clients. My clients are owed over \$51 million Canadian as a result of
11 the loan advanced in July of 2022, which has been in default since November of 2022. So
12 just a couple of months --
13

14 THE COURT: Almost immediately after.
15

16 MS. FELLOWES: Yeah. Just a couple months after it was
17 advanced, it had went into default.
18

19 THE COURT: But I had understood -- not that that is what the
20 loan is requiring, but they were paying interest until I think August; is that right? They --
21

22 MS. FELLOWES: Yeah.
23

24 THE COURT: -- they initially paid principal and interest, and
25 then it was interest only, and now it has been nothing --
26

27 MS. FELLOWES: Correct.
28

29 THE COURT: -- is that fair? Okay.
30

31 MS. FELLOWES: Well, it may not have been nothing, but it was
32 maybe a portion (INDISCERNIBLE)
33

34 THE COURT: Yes, half of the interest or something?
35

36 MS. FELLOWES: Yeah, exactly.
37

38 THE COURT: Yes, okay, I did read that. Yes.
39

40 MS. FELLOWES: Yeah, yeah.
41

1 Okay. So naturally my client's want to get paid and they state that there is an easy
2 solution to this issue. As part of the original loan agreement and in recognition of the fact
3 that there was essentially no equity or no money down, this was a fully-financed
4 transaction by the debtor, parties agreed that the primary lenders could have extra
5 assurance of their security in the form of a limited recourse guarantee and share pledge
6 from Spicelo -- Spicelo, a personal holding company owned by one of GPOC's directors
7 Jonathan Klesch. Now, I think this is an important point. This is not your standard
8 corporate guarantee. This is a limited recourse guarantee. What that means is the only
9 recourse the lenders have is against the specifically pledged shares. They can't go and get
10 a judgment for debt against Spicelo. Their only recourse is to take those shares and that's
11 exactly what they're trying to do.

12
13 Taking the shares --

14
15 THE COURT: And how do -- how does the fact that the shares
16 that were pledged are now the 1-point whatever is now 5-point whatever million public
17 market shares; does that change at all anything?

18
19 MS. FELLOWES: No, that doesn't change because the terms of the
20 share pledge extend it to any subsequent forms.

21
22 THE COURT: Okay. I -- I thought so. I just wanted to verify
23 that. Okay. Thanks.

24
25 MS. FELLOWES: Sure, yeah. So that is the only recourse our
26 clients have against Spicelo, is to take control of those shares. And taking control of
27 those shares means simply transferring the ownership from Spicelo to my clients, or in
28 this case, if our application is granted into the hands of a Court-appointed receiver. What
29 this really does is not -- is to put control back into the hands of my clients. Right now my
30 clients are naturally frustrated that they have no control over this situation. These shares
31 are now being publicly traded and are subject to the vagaries of the stock market. I think
32 there were some submissions that, you know, the price is going to fluctuate after it is
33 initially listed. Just prior to the hearing, I actually had my associate look up the stock
34 price this morning and I did fax over a very short secretary's affidavit just attaching a copy
35 of the share price, and it looks like it is now \$6.10, or it was any way two hours ago
36 trading on the New York Stock Exchange.

37
38 THE COURT: I am not sure I know what the IPO price was. I
39 do not know if that is (WEBEX AUDIO INTERRUPTED)

40
41 MS. FELLOWES: Yeah, the IPO price was 10.10.

1
2 THE COURT: Okay. Thank you.

3
4 MS. FELLOWES: So, you know, not saying that that's -- that's
5 necessarily indicative of the value, but it's indicative of the fact that there's some real
6 volatility in the market right now, and my clients, if this stay is extended to 45 days, are
7 being parked on the sidelines. They have no control over when or how these shares can
8 be best realized upon.

9
10 THE COURT: But it seems to me there is also an argument
11 that, again, is not -- I am not going to make a decision on whether it applies or not, but
12 that is not properly before me, but your friend is saying there is this lock-up agreement
13 that you have to live by. You say we do not have to and here is my reason. They say we
14 have to, but that kind of could have potentially handcuff you -- your client for six months,
15 could it not?

16
17 MS. FELLOWES: If you --

18
19 THE COURT: If it is applicable.

20
21 MS. FELLOWES: It's possible. It's possible, My Lady. But at
22 least we would be off this NOI train, this restructuring train. You know, the applicants
23 are seeking a 45-day extension right now, but 45 days later they could apply for another
24 extension. The point is my clients have no sense of control over the process right now,
25 and even if there is some sort of restrictions that apply, they say they don't apply, it will be
26 in the hands of a Court-appointed receiver, and a Court-appointed receiver can then
27 schedule some court time and everyone who wants to make an argument about the legal
28 effect of the lock-up agreement can --

29
30 THE COURT: I agree 100 percent with you on that, and I think
31 that is what I have been trying to say to the folks is I am not deciding that today, but there
32 is the argument that there is a six-month lock-up that potentially handcuffs you. And
33 again, I think you are probably going to get there, but what about the fact that you -- your
34 clients in their own words say that they are over-collateralized, that they -- you know, the
35 assets of GPOC are 25 to 30 million, granted they are not the -- or sorry -- 20 to -- or is it
36 25 to 30 million, and I think their security is 35 million, so -- so maybe it is not -- not
37 sufficient on its own, but what about this notion that they are very over-collateralized?

38
39 MS. FELLOWES: Well, I'm -- I'm glad you raised that, and
40 certainly Mr. Van de Mosselaer made that point very strongly that somehow the fact that
41 we are over-collateralized means that we have no rights to complain about being dragged

1 along in this process. The only way we can be considered over-collateralized is the fact
2 we have a solvent guarantor who is perfectly capable of paying us, or handing over the
3 shares that they pledged to us as security for this debt. In that sense, we're
4 over-collateralized because, in our submission, Spicelo isn't truly insolvent. Mr. Van de
5 Mosselaer talks about, you know, the tests under the *Bankruptcy and Insolvency Act* on
6 the balance sheet basis or a cash flow basis. That whole argument about illiquidity of the
7 shares is a red herring. The point is this is a share pledge. All they have to do is hand
8 over the shares to us, or in the alternative, to the Court-appointed receiver or the collateral
9 agent or whoever we designate.

10
11 So Mr. Van de Mosselaer makes broad statements like I promise you the secured lenders
12 will get paid out in full. Well, I'd love to take Mr. Van de Mosselaer's promises, but my
13 clients have some significant concerns here. Back in August when Mr. Gallagher wrote
14 that e-mail, it was his belief that we were over-collateralized in the sense that there was a
15 solvent guarantor who owned shares notionally valued at \$60 million who could pay us
16 out. But we're in a different boat right now. Now we're in a boat where the shares are
17 being publicly traded, and subject to the vagaries of the stock market. We're also in a
18 boat where we are being dragged along involuntarily into the insolvency proceeding
19 where we're seeing our priorities secured position (WEBEX AUDIO INTERRUPTED)
20 by, in our submission, unnecessary charges and excessive charges.

21
22 THE COURT: Well, what if this Court -- and I am not saying I
23 am going to, but what if this Court said, you know, fine, I will give the stay, but I am
24 (WEBEX AUDIO INTERRUPTED) these charges because I do not see a basis for doing
25 so at this time.

26
27 MS. FELLOWES: Yeah. Well, it's not just the charges, though,
28 My Lady.

29
30 THE COURT: Okay.

31
32 MS. FELLOWES: If you look at the cash flow forecasts that the
33 trustee did 10 days after the initial NOI filing, they're forecasting \$1.2 million in
34 professional fees over a 13-week period. \$1.2 million in professional fees over a 13-week
35 period. So they have the cash to pay their professional fees, their lawyers, and they are
36 also proposing to pay up to a million of pre-filing unsecured creditors, but they are not
37 paying the secured creditors anything? In my submissions, that upends the whole priority
38 paradigm under insolvency proceeding which is that secured creditors should get paid
39 first.

40
41 My -- Mr. Van de Mosselaer also speaks of the test which refers to good faith, and with

1 respect, my clients do feel that -- especially as it relates to Spicelo or Spicelo filing their
2 NOI proceedings that deliberately filing a solvent guarantor into an NOI proceeding when
3 it is not insolvent is a misuse of the *Bankruptcy and Insolvency Act*, and I understand
4 there are arguments with respect to liquidity, et cetera, but, again, I draw the Court's
5 attention to the nature of this guarantee and share pledge. It's a limited recourse
6 guarantee. All they had to do in order to comply was hand over the shares. They, instead,
7 filed an NOI which basically forced my client into a 30-day waiting period so that -- my
8 client's belief it was so that they could get to the IPO date without interference from my
9 client. Well, mission accomplished, I suppose, because they got to that point. But my
10 submission is that has now introduced an element of uncertainty into my client's collateral
11 that they never wanted to have there in the first place, and if the stay extension is granted
12 with respect to Spicelo, it will, as I say, take away that element of control from my client,
13 which they so, you know, ardently bargained for as part of the original deal.

14
15 I, again, simply want to emphasize the fact of Spicelo's unique position here. It is a
16 personal holding company for a trust associated with Jonathan Klesch. It's incorporated
17 in Cypress, although it is extra provincially registered here in Alberta. It is a personal
18 holding company that is separate and apart from the GPOC entities. Mr. Van de
19 Mosselaer drew your attention to the corporate org chart in the materials and quite rightly
20 noted that Spicelo isn't on the corporate org chart because it's an island unto itself. I
21 would analogize this as the rich uncle who agrees to personally guarantee a business's
22 loan. The rich uncle might want to help out their niece or nephew, but they shouldn't be
23 dragged into a restructuring proceeding if there's an underlying need for that in the
24 business. It's an island unto itself.

25
26 All right. So let's -- in the time I have left, if you don't mind, I would just like to drill
27 down into some of the legal tests and all responses to same.

28
29 THE COURT:

Yes. Great. Yes.

30
31 MS. FELLOWES:

Okay. So any extension of the NOI proceedings
32 as it relates to Spicelo does not benefit the estate and creditors, and here Mr. Van de
33 Mosselaer and I are simply opposite ends of the spectrum here. Mr. Van de Mosselaer
34 says that if we have recourse to the Greenfire shares it will somehow negatively impact
35 the other creditors, but I don't see any evidence of that other than some rather bald
36 statements in both the trustee's report and in the applicant's agreements -- sorry --
37 applicant's materials. I take a slightly different view -- well, erratically different view, I
38 suppose. The removal of the largest priority creditor against the assets of GPOC can only
39 be to the benefit of the subordinate creditors. In essence, we believe the application that
40 we've made to appoint a receiver over Spicelo is actually going to help out all the parties.
41 It's going to provide some security with respect to the sales process which will be

1 commenced for the Greenfire assets and it's going to remove this large priority claim over
2 the assets.

3
4 If the GPOC assets are in effect worth 25 to \$30 million and we don't know exactly what
5 they're worth, there is a confidential supplement to the trustee's report which has been
6 filed, which we haven't seen, which apparently has some valuation evidence, but that's
7 good news, I think, for the subordinate creditors to GPOC because they may have
8 recourse then to the assets without my clients being in that top position.

9
10 Mr. Van de Mosselaer said, well, maybe Spicelo -- or Spicelo could step into the shoes
11 and assume that position. I'm not sure that's clear. It's an indemnity from a guarantor, but
12 in any event, my client will be out of the picture.

13
14 I also would like to comment on a few items with respect to the relief requested, and I
15 think most importantly in the Court's mind is the material prejudice to my client. In our
16 view, just being in these proceedings is prejudicial to our clients, but I note, for instance,
17 there is a request to consolidate all eight estates. As previously stated, there's seven
18 entities and there's an island, and that island is Spicelo. And while it makes some sense to
19 consolidate the other seven entities, in our submission, it does not make sense to
20 consolidate Spicelo into that group. I understand this is administrative consolidation, not
21 substantive consolidation, but the natural result of a consolidation of estates would mean
22 that there's one proposal on a consolidated estate put forward to all the creditors. Now,
23 we don't have a proposal in front of us yet. My client isn't -- states that it has lost faith in
24 the management of GPOC and won't be willing to vote yes to any proposal, but to be fair
25 there is no proposal yet.

26
27 THE COURT: Is that before me, that that is their position in
28 the evidence?

29
30 MS. FELLOWES: I believe that's in their affidavit that they've lost
31 faith that -- especially with respect to these refinancing reports.

32
33 THE COURT: So if you -- when we take a break, if you could
34 just give me the reference tab.

35
36 MS. FELLOWES: I will. I'll get those, yeah.

37
38 So there is reference to my client's position with respect to the likelihood of GPOC
39 making a successful proposal. GPOC is --

40
41 THE COURT: Yes, I think you say that --

1
2 MS. FELLOWES: Yeah.
3
4 THE COURT: -- that ship has sailed, and they are saying, yes,
5 but it has not because it is in a different context, so give us some time.
6
7 MS. FELLOWES: Yeah, that's fair.
8
9 THE COURT: Give us a break.
10
11 MS. FELLOWES: Yeah, they also reference the fact that they have
12 some pending transactions in the works that's subject to AER approval.
13
14 THE COURT: Right. Well -- and it sounds like that
15 transaction really is completed but for that approval.
16
17 MS. FELLOWES: Well, if you look at my client's affidavit, they
18 say that that transaction has been -- they've been trying to complete that for a very long
19 time now and that it may not be looking very good as of August that that was going to be
20 completed. And I'll only say this. I don't have any evidence on this point, but the fact --
21 the likelihood that the AER is going to approve a transfer into an insolvent corporation, I
22 think, it probably slim, but we don't have any --
23
24 THE COURT: Well -- and, again, I -- you will correct me, but I
25 thought I read in their materials that they are in pretty good shape as it relates to
26 liabilities, et cetera, that they are -- on that front, so they -- they may indeed look quite
27 good to the AER from what they are suggesting. I am reading between the lines, but --
28
29 MS. FELLOWES: Yeah, I think that's right, but they are admittedly
30 insolvent right now and in insolvency proceedings.
31
32 THE COURT: Good point.
33
34 MS. FELLOWES: The DNO charges, I have addressed this point in
35 my brief. There's no employees. There's no pension liabilities. It's hard to see what
36 liabilities the directors could possibly accrue that they would need to be shielded from.
37
38 THE COURT: I thought they said safety and environmental.
39 Did they not say that in their affidavit? Am I wrong?
40
41 MS. FELLOWES: Well, I guess any oil and gas company always

1 has safety and environmental concerns, but my understanding is they delegated all of the
2 operational stuff to Sproule or to a contractor. In any event, the company is cash flowing
3 and has enough to pay its operating cost, its lawyers, and apparently its trade creditors, so
4 surely they could also cover directors' liabilities.

5
6 The admin charge, which includes the fees of the refinancing advisor. I did look at
7 Exhibit X to Mr. Stepanic's affidavit, which is a copy of the contract with Alvarez &
8 Marsal, and I should say at this point we have no concerns with respect to the sealing
9 order with respect to the fees of Alvarez & Marsal. That's fine and perfectly in keeping
10 with our understanding. But I looked at that contract, and you know, it's your standard
11 sort of restructuring advice contract, including, you know, developing a SISP, going out
12 and seeking potential buyers, seeking potential refinancing. There's nothing that leaped
13 out at me as being anything different from the other attempts that have been made in the
14 past. Granted, I haven't seen the actual contracts with the previous advisors. But there's
15 nothing in that contract that says our mandate is specifically to find replacement financing
16 to take out the secured lenders, which was my sort of impression after hearing Mr. Van de
17 Mosselaer's submissions.

18
19 With respect to the request to pay the unsecured creditors, I won't be laborer that but
20 merely note that there's no real evidence these are critical suppliers. There's no statutory
21 provisions in the BIA for payment out of critical suppliers, but there is under section 11.4
22 of the CCAA, and there's a specific test that has to be met and evidence that has to be led,
23 including the fact that there's some evidence that the suppliers might refuse to continue
24 working if their pre-filing amounts hadn't been paid.

25
26 There's not a lot of unsecured debt here. 2.3 million in --

27
28 THE COURT: 2.3 million, yeah, I saw that.

29
30 MS. FELLOWES: Yeah.

31
32 THE COURT: 2.3, and then want -- that was my question
33 because there is 2.3 and then they want 500 for admin fees, 250 for DNO, and 1 million
34 for goods and services.

35
36 MS. FELLOWES: Well, to be fair, I think the 500 admin charge
37 and the DNO charge are simply that, charges on the assets.

38
39 THE COURT: Yeah, fair. They are just charges.

40
41 MS. FELLOWES: Right. Yeah. But --

1
2 THE COURT: And then they have the 2.4.
3
4 MS. FELLOWES: -- but the million dollars is an actual payout --
5
6 THE COURT: Yeah.
7
8 MS. FELLOWES: -- so that's money going out of the company.
9
10 THE COURT: Well, it says "up to", but still, it is up to a
11 million, so I take your point, yes.
12
13 MS. FELLOWES: Right. And I -- and I note that in the materials
14 of that 2.3 in unsecured debt, about 600K of that is just intercompany loans and related
15 company loans, so we're really looking at about 1.7 in unsecured trade creditors, and my
16 client has a concern that they get paid before my client does. That money is just going out
17 the door and it won't come back.
18
19 THE COURT: So I am not saying I am going to, but what if I
20 say I am granting the stay, what -- in the context of their (WEBEX AUDIO
21 INTERRUPTED), what do you suggest I do? Just say -- not suggest. What are you
22 asking this Court to do? Just say, sorry, too bad, so sad, you can afford it? Or are you just
23 saying no or a lesser amount? Because presumably if I gave the stay, which I am not
24 saying I am or I am not, you would want them to be able to continue as a going concern
25 because that would obviously be beneficial, I would assume. Maybe it would not be. But
26 what -- what are you suggesting I do vis-à-vis their application for a stay if I grant it?
27
28 MS. FELLOWES: The stay should -- should -- could go.
29
30 THE COURT: I am not asking you about the stay. I am saying
31 if I gave the stay.
32
33 MS. FELLOWES: Oh, I see. Okay.
34
35 THE COURT: What do you want me to do about this one
36 million?
37
38 MS. FELLOWES: Well, I would say that I don't think the Court
39 should allow any of those payments without better evidence that these are actually critical
40 suppliers.
41

1 THE COURT:

Okay. Okay.

2

3 MS. FELLOWES:

Okay. And in the brief time I left, I do want to

4 discuss the issue of material prejudice.

5

6 THE COURT:

Okay. And that -- good. Because I was just

7 going to ask you. I know you have touched on it and danced around it a bit, but that was

8 exactly my question is if you could just please address it head on so we are on the same

9 page.

10

11 MS. FELLOWES:

Right. So it would be great if I could put

12 evidence before you to say, you know, here's what's going to happen in 45 days to the

13 value of our collateral, and here's how, you know -- this is -- this is not a case where the

14 collateral is a depreciating asset like it's some crops that are, you know, going to rot in a

15 granary bin. It's not a case where it's an appreciating asset like a piece of real estate or

16 something that's going to, you know --

17

18 THE COURT:

Well, it could be.

19

20 MS. FELLOWES:

It could be.

21

22 THE COURT:

We do not know.

23

24 MS. FELLOWES:

We don't know.

25

26 THE COURT:

I mean, as it relates to the shares, the price

27 might go up, but it also might go down.

28

29 MS. FELLOWES:

Exactly. Right.

30

31 THE COURT:

Yes.

32

33 MS. FELLOWES:

This is an intangible asset. It's not similar to

34 some of the other cases that might be in the brief where you talk about collateral, like, you

35 know, equipment or real estate where it's sort of easier to get your arms around, what the

36 value could look like 45 days from now. That is the real prejudice to my client. It's not a

37 dollar amount necessarily; it's that lack of control, and that's what my clients want. They

38 want to control the process. That's what they bargained for when they agreed to give over

39 \$35 million to this company. They specifically said, we're not going to do this unless we

40 have this share pledge, and the share pledge says, when we call on that pledge those

41 shares get handed over to us. It doesn't mean we're immediately going to foreclose, or we

1 are going to ignore any of the PPSA rules, or we are going to ignore any of the share --
2 you know, sales restrictions that may or may not apply to it. It means that we now have a
3 receiver in place; we control the process. Right now, the material prejudice that my client
4 is suffering is a lack of control. And it's greater than the type of prejudice that always
5 happens in any insolvency proceeding. You would say, well, every creditor complains in
6 an insolvency proceeding that their contractual rights are parked and they have to wait.

7
8 This is something different. My client is now subject to a roller coaster ride of the stock
9 market, and that was not contemplated --

10
11 THE COURT: Okay. Okay. But that is not their only security.
12 That is definitely their easiest security, but -- and maybe I am not articulating this very
13 well, but it might be the easiest to just scoop the shares, take the -- what was 60 million,
14 who knows what it is now, who knows what it is tomorrow, who knows what it is the day
15 after, but on top of that, if they need it, they have these other -- they have got the security
16 over GPOC --

17
18 MS. FELLOWES: Yeah, that's --

19
20 THE COURT: So, I mean, it is not like you are without -- so --
21 I mean, let us say for the sake of argument the shares go down, the shares go up, I do not
22 know, and there is a void, that void can still be filled elsewhere, can it not?

23
24 MS. FELLOWES: It can, My Lady, but --

25
26 THE COURT: How does that -- I guess I do not -- sorry. And I
27 apologize because I am sort of speaking a little bit freely here, but how -- how is your
28 client then materially prejudiced in -- I think that the -- your -- you seem to be coming at
29 it from a fairly narrow lens of we have -- and I take your point, you know. They pledged
30 those shares. You do have -- you know, that was the agreement, but in terms of the test
31 that I am dealing with, it is a material prejudice test. So -- so if the shares go down, there
32 is this other security. How does that fit into the material prejudiced argument in the -- in
33 the context of the whole of what I am looking at as opposed to just to the (WEBEX
34 AUDIO INTERRUPTED)

35
36 MS. FELLOWES: Yeah. Okay. Thank you. And that is -- that is a
37 very fair question, but I will say two things about that. Number one, the evidence that is
38 before the Court -- and I think it is in my client's affidavit -- is that production has been
39 decreasing on this -- on GPOC. They cited in their materials that they had a failed drilling
40 program and they have suffered challenges with respect to weather, et cetera, and it looks
41 like there is declining production as well. You know, in July and August, their revenue

1 was so low that they couldn't even make the interest-only payments to my clients and also
2 keep current on their trade creditor obligations, so we do think -- we have some real
3 concerns that GPOC's value is deteriorating in the circumstances. And then again, we just
4 say the fact that they have invoked these insolvency proceedings for a company that, you
5 know, can keep the lights on. They can -- they can -- they're cash flowing, but they are
6 now adding 1.2 million in professional fees as a result of invoking these proceedings and
7 that's a direct drain on the viability of this company. If they really are struggling so much
8 financially that they need this creditor protection, why aren't they seeking dip financing or
9 why are they spending so much money on lawyers just to stave us off? We are -- we are
10 the problem, I suppose, from the applicant's perspective because we demanded. If we get
11 paid out, maybe they don't need these proceedings any more at all.

12
13 THE COURT: Okay. So if I take your argument, your
14 argument is notwithstanding their argument that you are over-collateralized. There is --
15 you have -- there is real prejudice because of the lack of control over the shares, and the
16 security as it relates to GPOC is declining and the value is deteriorating. Is that
17 essentially your argument?

18
19 MS. FELLOWES: That's it.

20
21 THE COURT: Okay. I have your argument.

22
23 MS. FELLOWES: All right. I see it's now 12:30. I do have some
24 submissions to make just on the appointment of a receiver, but maybe we could break.

25
26 THE COURT: I think let us just -- how long will you be?

27
28 MS. FELLOWES: That will be very short.

29
30 THE COURT: Okay. Let us just deal with it then. I think we
31 can --

32
33 MS. FELLOWES: Okay.

34
35 THE COURT: I think we can deal with your short submissions.

36
37 MS. FELLOWES: Right.

38
39 THE COURT: Yes.

40
41 MS. FELLOWES: Thank you. So we have a cross application for

1 the appointment of a receiver of Spicelo should their application for an extension be
2 denied or should the stay be terminated. Now under section 50.4(8), there is an automatic
3 deemed bankruptcy if the stay is not extended or if the stay is terminated. Right. So if
4 you decide not to extend the stay with respect to Spicelo or if you decide to terminate it
5 today with respect to Spicelo, that means they are automatically deemed bankrupt which
6 means that Alvarez & Marsal will be appointed as bankruptcy trustee over Spicelo.

7
8 Our position is if that happens, it is appropriate to instead appoint a receiver over
9 Spicelo. And that is because a bankruptcy trustee has certain roles and obligations within
10 the *Bankruptcy and Insolvency Act* but is generally there to deal with a liquidation for the
11 benefit of unsecured creditors. And it's not unusual to have both a trustee in bankruptcy
12 and a receiver appointed over the same assets, and that's because a receiver has the
13 flexibility under the terms of a receivership order that a trustee does not to deal with
14 secured assets.

15
16 So in paragraph 78 to 81 of our brief, we outline what we believe is the test in Alberta for
17 the appointment of a receiver. Generally speaking, the Courts will look at whether there
18 is a contractual right to appoint a receiver and this --

19
20 THE COURT: (WEBEX AUDIO INTERRUPTED) here?

21
22 MS. FELLOWES: There is, yes. I can --

23
24 THE COURT: Yes.

25
26 MS. FELLOWES: It's right in the share pledge agreement.

27
28 THE COURT: Okay. Share pledge. Normally there is, but I
29 just --

30
31 MS. FELLOWES: Yeah.

32
33 THE COURT: That is the one thing I have not focussed on in
34 your argument.

35
36 MS. FELLOWES: Yeah.

37
38 THE COURT: Okay. I assumed you would say that, yes.

39
40 MS. FELLOWES: Yes. So we have that contractual right, but
41 that's -- that's not the end of the Court's inquiry, of course.

1
2 THE COURT: No, m-hm.

3
4 MS. FELLOWES: They also have to determine if it's, you know,
5 just and -- and -- and convenient or fair and reasonable, and the various considerations the
6 Court has to consider are set out, as I say, in our brief. We point to a few salient
7 considerations. Number one is that a trustee is ill-equipped to conduct a sale with respect
8 to these types of assets. A Court-appointed receiver has more flexibility and ability to go
9 to the Court and get whatever orders are necessary, and the Court then has a full
10 opportunity to hear from all interested parties as part of a court receivership because a
11 Court-appointed receiver acts on behalf of all creditors.

12
13 We also note that a failure by a trustee in bankruptcy would be subject to the 5 percent
14 levy under the *Bankruptcy and Insolvency Act*, while a receivership sale would not be
15 subject to that same levy. So that's to the benefit of the creditors, as well, is to conduct
16 the sale through a receivership process rather than through a trustee.

17
18 And finally, we say that KPMG is fully qualified to act as receiver and has filed a consent
19 to act which is an exhibit to the our materials.

20
21 And those are my submissions.

22
23 **Discussion**

24
25 THE COURT: All right. Thank you very much. Now, before
26 we break, I just want to have a sense of who else wishes to address the Court and how
27 much time that might take.

28
29 MR. KASHUBA: My Lady, Kashuba, initial 'K', counsel to the
30 Proposal Trustee. I think that Mr. Van de Mosselaer mentioned that we would be the last
31 party making submissions, and I think that we'll be about 30 minutes.

32
33 THE COURT: Thirty, okay.

34
35 MR. KASHUBA: Yes, My Lady.

36
37 MS. LEMMENS: Good afternoon, Justice. Matti Lemmens
38 acting on behalf of Tamarack, another secured lender in this matter. I expect that our
39 submissions would be as little as five minutes.

40
41 THE COURT: Okay. Just -- you do not have to -- but are you

1 speaking in favour of Mr. Van de Mosselaer's --
2
3 MS. LEMMENS: Opposing, in part.
4
5 THE COURT: Or neither? Opposing. Okay. Fair. In part.
6 Okay. Fair. All right. Anybody else?
7
8 MR. VAN DE MOSSELAER: Madam Justice, I will have some comments in
9 reply, should be --
10
11 THE COURT: In reply, yes. And how long do you think you
12 will be?
13
14 MR. VAN DE MOSSELAER: Maybe 15 or 20 minutes at this point.
15
16 THE COURT: Okay. Anybody else? Okay. So it looks to me
17 like we need about an hour. I was just trying to get a sense. Mr. Van de Mosselaer, I just
18 have a question for you.
19
20 MR. VAN DE MOSSELAER: Yes.
21
22 THE COURT: I may be able to give a decision today. I may
23 not. If I cannot give a decision until Monday, I gather I would have the ability to extend
24 the stay until Monday?
25
26 MR. VAN DE MOSSELAER: You certainly could. You could do anything
27 that you would like. We need to get -- we would need to get an order signed, but yes.
28
29 THE COURT: Fair enough. But -- okay. And I am not saying
30 that is going to happen. I may or may not be able to give a decision. There is just a lot
31 that I am contending with here. So why do we not do this: Given that we still have a
32 good hour to go, let us adjourn for the lunch hour, but why do not -- madam clerk, are you
33 all right -- well, let us just come back at 2:00 seeing it is already 20 to, all right. So we
34 will stand adjourned until 2:00.
35
36 THE COURT CLERK: Back at 2:00.
37
38 THE COURT: Okay.
39
40 THE COURT CLERK: This is the clerk. Okay. The court is adjourned.
41

1 THE COURT: Yes. Is that -- is that okay with you, madam
2 clerk?

3
4 THE COURT CLERK: Absolutely. It's really up to you. We can come
5 back earlier, too, as you wish.

6
7 THE COURT: Yes. Okay. Does that work for counsel?

8
9 MR. VAN DE MOSSELAER: Good here.

10
11 THE COURT: All right. So we will be back at 2:00.

12
13 MS. FELLOWES: That's fine.

14
15 MR. VAN DE MOSSELAER: Very good. Thank you. Thank you, My Lady.

16
17
18 PROCEEDINGS ADJOURNED UNTIL 2:00 PM
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1 **Certificate of Record**

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3 I, Zsuzsa Bodi, certify that this audio is the record made during the proceeding heard in
4 courtroom 1702 at the Court of King's Bench in Calgary, Alberta, on the 22nd of
5 September, 2023, and that I was the court official in charge of the sound-recording
6 machine during the proceedings.

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1 **Certificate of Transcript**

2

3 I, Celine Erickson, certify that

4

5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the
6 best of my skill and ability and the foregoing pages are a complete and accurate transcript
7 of the contents of the record, and

8

9 (b) the Certificate of Record for these proceedings was included orally on the record and
10 is transcribed in this transcript.

11

12 Metro Reporting Services

13 Order: TDS-1048200

14 Dated: January 11, 2024

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1 Proceedings taken in the Court of King's Bench of Alberta, Courthouse, Calgary, Alberta.

2

3

4 September 22, 2023

Afternoon Session

5

6 The Honourable

Court of King's Bench

7 Justice Johnston (remote appearance)

of Alberta

8

9 R. Van de Mosselaer(remote appearance)

For Griffon Partners Operation Corporation

10 E. Paplawski (remote appearance)

For Griffon Partners Operation Corporation

11 J. Treleaven (remote appearance)

For Griffon Partners Operation Corporation

12 J. Thom, KC (remote appearance)

For 2437799 Alberta Ltd. and

13

2437801 Alberta Ltd

14 D. Stethem (remote appearance)

For Harvest Operations Corp.

15 (Student-at-law)

16 K. Fellowes, KC (remote appearance)

For Trafigura Canada Limited and Signal Alpha

17 M. C. Lemmens (remote appearance)

For Tamarack Valley Energy Ltd.

18 P. Chiswell (remote appearance)

For Greenfire Resources

19 O. Konowalchuk (remote appearance)

For Proposal Trustee

20 K. Kashuba (remote appearance)

For Alvarez & Marsal Canada Inc.

21 S. Poitras (remote appearance)

For Alberta Energy Regulator

22 Z. Bodi

Court Clerk

23

24

25 THE COURT CLERK:

Good afternoon. The recording is on. The

26 Court reconvenes. Could you hear me?

27

28 THE COURT:

Parties present? I can hear you. Can you hear

29 me?

30

31 THE COURT CLERK:

Perfect, yes. I can hear everyone.

32

33 THE COURT:

Okay. And I think we were going to hear from

34 Mr. Kashuba. All right. So who -- Mr. Kashuba or -- no. You wanted to go last, did you

35 not?

36

37 UNKNOWN SPEAKER:

(WEBEX AUDIO INTERRUPTED)

38

39 THE COURT:

Okay. So go ahead. Okay.

40

41 **Submissions by Ms. Lemmens**

1
2 MS. LEMMENS: Good afternoon, Justice. So I'm acting on
3 behalf of Tamarack, who is the junior secured lender in this scenario. We don't
4 necessarily oppose all of the aspects of the application, but we do oppose aspects -- other
5 aspects of it. So with respect to the -- maybe I should start with the receivership first. I
6 want to make it clear that we are a junior secured lender. We do not have access to the
7 Greenfire shares as we do not have the guarantee that uses as collateral the Greenfire
8 shares, so we do not object to the receivership application, and, in fact, frankly, it benefits
9 us to the extent that it removes senior secured debt in our way.

10
11 THE COURT: Got it.

12
13 MS. LEMMENS: I just want to make that clear.

14
15 THE COURT: Yes.

16
17 MS. LEMMENS: With respect to the administration charge and
18 the DNO charge, we had similar comments that were made by my friend Ms. Fellowes,
19 just that they seem particularly high in these circumstances. We didn't have --

20
21 THE COURT: Well --

22
23 MS. LEMMENS: -- enough evidence as to why they were --

24
25 THE COURT: Yes.

26
27 MS. LEMMENS: -- set at the amounts that they were, and I just
28 wish to note that the evidence does indicate that there is about \$300,000 in retainers for
29 the professionals at this time that was in the affidavit of Mr. Stepanic. And so if there
30 are --

31
32 THE COURT: It is just a charge, though; is it not?

33
34 MS. LEMMENS: It's a charge.

35
36 THE COURT: Yes.

37
38 MS. LEMMENS: But they incur the fees generally as they keep
39 going and they will be billing as they keep going, and they have \$300,000 in retainers at
40 this time, so we do think that it would be appropriate to reduce at least the administration
41 charge. And with respect to the DNO charge, I just don't think that there was sufficient

1 evidence as to why \$250,000 was requested. We have less --

2

3 THE COURT: Well, what do you --

4

5 MS. LEMMENS: -- about that, though.

6

7 THE COURT: What is your suggestion around what the proper
8 amount for the admin fee would be in light of the evidence that you have?

9

10 MS. LEMMENS: The admin fee? I think the admin fee should be
11 at about 250,000, about half.

12

13 THE COURT: Okay. All right.

14

15 MS. LEMMENS: Then with respect to the million dollars that
16 they have requested to pay out to suppliers, we share similar comments to Ms. Fellowes
17 which are just that we don't really have sufficient evidence to indicate that those are
18 critical suppliers, and that's the closest test that we can come to for an NOI request like
19 that.

20

21 And then finally with respect to the stay period, they have requested the longest period
22 possible for NOI proceedings, the 45 days. We would suggest that it should be shorter at
23 30 days as we do see significant incurrence of professional fees occurring, and that's just
24 eroding value for the lenders at this time. And so, you know, we've already seen about
25 nine months of marketing efforts --

26

27 THE COURT: Well, what about -- I mean, I guess it is -- I take
28 your point on that, but if I -- so I understand you are saying 30 days, not 45 days, but if I
29 give 30 days and they come back and they say, Well, you know, really it should have
30 been -- it should have been 45 days and we're just shy, is that not going to rack up the
31 administrative fees, bringing them back on a shorter period of time? I mean, it sort of
32 cuts both ways, does it not?

33

34 MS. LEMMENS: Perhaps, but we don't necessarily think that they
35 should also be allowed to potentially flounder for 45 days without a check-in.

36

37 THE COURT: Okay.

38

39 MS. LEMMENS: Because they have had nine months of
40 marketing efforts and nothing has come to fruition, so it should be pretty clear quickly
41 here whether there's going to be a viable proposal or not. It shouldn't take that long.

1 There should already be teasers ready to go, there should already be a list of potential
2 interested parties, either to invest or to refinance, and, frankly, the market has been
3 canvassed in that respect and we just think that this is an attempt to just delay an obvious
4 gate (phonetic). So that is our concern.
5

6 THE COURT: Okay. And -- and I am sure you are going to get
7 there, but I think you said that you were not opposed to Stikeman's, the cross applicant's
8 request for a receiver, but are you opposed to the stay? I am not sure that that has been
9 articulated clearly for me.
10

11 MS. LEMMENS: So we're not opposed to an additional stay but
12 only with respect to the other entities, because we don't detect --
13

14 THE COURT: Okay. So you are supporting Stikeman's -- or
15 the applicant -- cross applicants as it relates to Spicelo?
16

17 MS. LEMMENS: Yes.
18

19 THE COURT: Right?
20

21 MS. LEMMENS: Spicelo or however you phrase it.
22

23 THE COURT: I think you have frozen. Have you frozen or are
24 you still -- oh, okay. No. You are back.
25

26 MS. LEMMENS: Okay. Sorry about that. I didn't say anything --
27

28 THE COURT: Oh, no, it was not just that you did not say
29 anything. You -- also, your -- it was also your screen, but thankfully you are still there,
30 so...
31

32 MS. LEMMENS: I don't have any further submissions at this time.
33

34 THE COURT: Wonderful. Okay. So I got your position pretty
35 clearly then.
36

37 All right. Are we going to hear from Mr. Kashuba, or is there anyone else who wish to
38 speak? Then we are going to hear reply. Is that the plan? Okay.
39

40 MR. KASHUBA: Exactly, My Lady.
41

1 THE COURT: So anybody else who wishes to (WEBEX
2 AUDIO INTERRUPTED) except for Mr. Van de Mosselaer in reply? Okay. Go ahead.
3

4 **Submissions by Mr. Kashuba**
5

6 MR. KASHUBA: Thank you, My Lady. As advised, my client in
7 this matter is Alvarez & Marsal Canada Inc. They're the Proposal Trustee in these
8 proceedings, and I've had the benefit of hearing from all the other parties, all the
9 submissions throughout the morning and the afternoon, and as such, I portion off to tailer
10 my submissions to focus on what I think are the key issues and what I think that the Judge
11 wants to hear from the Proposal Trustee on. So I have seven points to make, My Lady:
12

13 (1) will be on the stay of extension request;
14

15 (2) on Spicelo and their insolvency;
16

17 (3) the approval of the financial advisor;
18

19 (4) critical suppliers charge or payment of it, that is;
20

21 (5) the administration charge and the DNO charge;
22

23 (6) the administrative consolidation; and
24

25 (7) is the Proposal Trustee's restricted court access order.
26

27 Of course --
28

29 THE COURT: And I think just -- sorry. Go ahead. You were
30 going to say there was -- of seven. On the restricted access, I do not think anyone is
31 opposing it, and I think you are only seeking to limit it as it relates to the fees; right?
32

33 MR. KASHUBA: No. That was Mr. Van de Mosselaer's restricted
34 court access court application.
35

36 THE COURT: Oh, pardon me.
37

38 MR. KASHUBA: (WEBEX AUDIO INTERRUPTED) fees, it has
39 to do with confidential appendix number 1.
40

41 THE COURT: Appendix 1. And remind me just generally

1 what Appendix 1 contains. What is the contents, just in general?

2

3 MR. KASHUBA: It contains the --

4

5 THE COURT: It is the valuation; right?

6

7 MR. KASHUBA: Exactly --

8

9 THE COURT: Valuation of the assets.

10

11 MR. KASHUBA: -- valuation of the assets being the GPOC --

12

13 THE COURT: Yes.

14

15 MR. KASHUBA: -- assets and then the Spicelo --

16

17 THE COURT: Yes.

18

19 MR. KASHUBA: Shares.

20

21 THE COURT: Okay. I am with you now. Thank you for
22 reminding me that there was two of them, yes.

23

24 MR. KASHUBA: Yes. And then, of course, any questions or
25 anything that the Court would like to hear further on, I'm happy to speak to.

26

27 THE COURT: Okay.

28

29 MR. KASHUBA: So, My Lady, I'll list a little bit of background.
30 None of this should be too surprising, but there are some pertinent facts that I think are
31 important from the Proposal Trustee's point of view. My friend Mr. Van de Mosselaer
32 took you through some pertinent history of the companies, especially the recent
33 developments that have taken place since the filing of the NOI on August 25th.

34

35 Now, as a first point, the whole point of the NOI proceedings is precisely this: to give a
36 debtor or debtors the opportunity to restructure their affairs and make a proposal to their
37 creditors. The restructuring that is being proposed here is being advanced with the goal of
38 paying all creditors in full. Now, that's not only the hope and the goal, but it's also what
39 the evidence supports. Now, it goes without saying, My Lady, my client -- the Proposal
40 Trustee is an officer of the Court. They've been tasked with the oversight of these
41 proposal proceedings; and in the course of their mandate, they work closely with the

1 companies management since prior to the filing. They've worked to identify and notify all
2 creditors, all known creditors of the company, and they've helped prepare the initial cash
3 flow statement. Our office was engaged as counsel of the Proposal Trustee. In that
4 capacity, we've been in contact with numerous stakeholders and contractual
5 counterparties through the Proposal Trustee and independently, and that includes
6 meetings with the AAR and the Saskatchewan Ministry of Energy and Resources. The
7 companies are seeking to engage the financial advisor A&M Corporate Finance. There's
8 a large cast of parties, and the Proposal Trustee has been in continual contact with them
9 all. They are the eyes and ears of the Court. That's the typical one sentence explanation
10 of what the Proposal Trustee does, and that's what we are reporting on today and through
11 our first report.

12
13 So, firstly, the stay extension request.

14
15 With the introduction out of the way, the Proposal Trustee has considered the stay
16 extinction request of the companies, and in all the circumstances that they're facing, we
17 are supportive of a 45-day extension to November 8th. We are of the mind that that will
18 be sufficient time to allow the companies with some space, some breathing room to
19 develop a proposal and allow the companies to come back to the Court with a real plan in
20 how the structuring of the affairs is going to work. 30 days is difficult, and I appreciate
21 Ms. Lemmens's suggestion that, yes, 45 days is the longer end, 30 days is less, but without
22 45 days, especially the initial stay extension application, it's going to be very difficult to
23 really get the ball rolling as far as a plan coming into place. And that plan is already in
24 the development stages, but 45 days is what we view as appropriate.

25
26 The Proposal Trustee considered these factors, and this is in paragraph 84 and 85 of the
27 first report, and it's the Proposal Trustee's view that the companies are acting in good faith
28 and with due diligence. We've heard from Mr. Van de Mosselaer on much of what the
29 companies have done since the filing and that the Proposal Trustee has been a part of
30 those discussions. They have commented to the Court that they believe there's good faith
31 and due diligence. The Proposal Trustee believes the company would likely be able to
32 make a viable proposal if the stay is extended. And thirdly, it's the position of the
33 Proposal Trustee that no creditor in the proceedings will be material prejudiced if the stay
34 is granted.

35
36 On that point, if GPOC and Spicelo assets had to be immediately liquidated, the Proposal
37 Trustee has significant concerns there would be a result in loss of jobs. And they're not
38 employees; they are contractors, but we are talking about 16 people.

39
40 THE COURT:

Okay. Can you I stop you there?

1 MR. KASHUBA: Yes.

2

3 THE COURT: What if it is just Spicelo, or however we are
4 saying them? Like, what if it is not GPOC? Because there does not seem to be
5 opposition from anybody to extend the stay as it relates to the GPOC entities.

6

7 MR. KASHUBA: M-hm. So Spicelo. I've heard Ms. Fellowes's
8 submissions on them being an independent entity and island in and of themselves. Well,
9 part of the problem and the law with that reasoning is the initial loan would not have been
10 put on but for the Spicelo guarantee, but for the Greenfire shares. So if that's how the
11 loan came to be, it's how the loan should be brought out. They are an important party
12 here, and they are an insolvent entity with common ownership and common interests.
13 They're part of the bundle of companies.

14

15 That gets me really into my second point of the Spicelo insolvency. So this is -- we're at
16 paragraph 29 and 30 of the first report of the trustee. Now, on the preliminary review of
17 Spicelo's financial information conducted by the Proposal Trustee, they are of the view
18 that they are insolvent by definition of the BIA. That's because of their inability to repay
19 the indebtedness with respect to the demand notice. There's issue by the secured lender
20 back in August. There is no immediate sources of revenue available. So Spicelo owns
21 Greenfire shares, which are currently a liquid and they are expected to remain a liquid for
22 six months, and that's the conclusion that the Proposal Trustee has arrived at from the
23 review of the relevant documents and consultation with the company. So liquidating
24 could be impractical and potentially not even possible. That would result in significant
25 value deterioration for the group of debtors. For all aid, it is part of the same -- the same
26 restructuring is an aid party restructuring. That's important to note that that -- when the
27 submission was made to the office of the superintendent of bankruptcy, it was also
28 accepted at that level. So the Proposal Trustee is of the view the company is insolvent
29 and is part of the -- part of the overall restructuring, and that was accepted by the
30 (INDISCERNIBLE).

31

32 The third point I have is on the approval of the financial advisor, and maybe not so much
33 time was spent on this particular heading, but there's a couple of points that I think are
34 very important for the Court to note. Now, the Proposal Trustee firstly submits this is an
35 appropriate timely and reasonable request in the circumstances. On the SISP -- in their
36 materials, it's -- the lenders seem to criticize the companies for their previous efforts. Ten
37 months they cannot get to a refinance. Here another potential take-out strategy. It's a bit
38 of a comment that there's a hopeless sort of SISP to be ran. It's a bit grim and not justified
39 on the evidence, My Lady.

40

41 I should (INDISCERNIBLE) ratify the appointment of the financial advisor agreement.

1 A&M Corporate Finance and the companies will develop -- they'll begin developing the
2 SISP to start off, and that would be brought back before the Court in a subsequent
3 application. Now, what's different this time? And that's been pointed out before. Well,
4 the company's production is up. Secondly --

5

6 THE COURT: So you are saying it is up?

7

8 MR. KASHUBA: Yes. And --

9

10 THE COURT: Okay. Because I know there was -- from
11 Stikeman that the value is eroding because production is down.

12

13 MR. KASHUBA: My understanding is the production, I think by
14 this point last year, was 1,400 barrels a day, and now it is just over 1,600, and I know
15 Mr. Van de Mosselaer will have some further direct evidence from the company on that
16 specific point, but it's our understanding as the Proposal Trustee that the production is, in
17 fact, up, and what else is up is current WTI pricing at over \$90. So it's a bit of a -- it's a
18 different financial picture today than it was last month or a year ago. And further -- and
19 this is critical -- the SISP is believed to be conducted under the auspices of the proposal
20 proceedings and under the oversight of the Proposal Trustee. Again, an independent,
21 impartial court officer who is going to be watching everything that the company does,
22 every step of the way as long as these proceedings persist.

23

24 So the critical suppliers is my fourth point here, Justice. And I'll give first --

25

26 THE COURT: There seems to be a possibility of evidence on
27 that point, unless you are -- you show me where --

28

29 MR. KASHUBA: I do have some -- some further information that
30 I think maybe hasn't been highlighted quite fulsomely, but I'll take the Court through that.
31 And also, I do have an update just from the last hour break that we were afforded, and we
32 had the -- we were fortunate to have a discussion amongst the Proposal Trustee, my
33 office, Mr. Van de Mosselaer and his clients, and we do have a potential reduction that
34 we've been able to identify, but -- so, firstly, that's a request by the company on a nunc pro
35 tunc basis to pay some pre-filing indebtedness.

36

37 Now, these are what the Proposal Trustee has identified as critical suppliers, and this
38 vendors service providers, and this is not a task that's undertaken lightly. It's to identify
39 these critical suppliers. The Proposal Trustee meets with the company, they take a look,
40 and the test is, well, if these parties are not paid any pre-filing amounts, are they going to
41 continue to supply their goods, services; and secondly, if they aren't willing to provide

1 those goods and services, is there somebody else who's going to be able to? And that's
2 where the specific counterparties were identified by the Proposal Trustee act and with the
3 company.

4
5 So -- just one moment here. I need to find my notes. Sorry. Just bear with me one
6 second, My Lady. I just had a glitch on my computer.

7
8 So the relevant section in the first report is paragraph 66. Now, again, we have to
9 determine whether these parties that are viewed as being critical on the first identification
10 by the company, if they're going to be reluctant to continue to provide services, how
11 important that service is and are there available alternate services. Now, these pre-filing
12 invoices were identified as necessary to be paid just to ensure the continuity of operations,
13 and this does include health, safety, and environmental aspects of the operating oil and
14 gas wells, facilities, and pipelines. Another Proposal Trustee did have the benefit of
15 enumerable other proceedings that they were involved in and also had identified as being
16 comparable. Well, who is important to be paid in an oil and gas operation? When you --
17 if you don't pay them, you could have a critical issue. You could have an environmental
18 or a health issue. So the number that was arrived at as an absolute maximum was the
19 million dollar number. Now, as I mentioned over the break through a meeting and a
20 consultation with the company and their counsel and their other advisors, here's what we
21 got to. Firstly, there's about \$370,000 that will be paid -- they're being asked to be paid to
22 Steel Reef.

23
24 THE COURT: Sorry. 370,000 to Steel Reef?

25
26 MR. KASHUBA: Yes. For pre-filing payment.

27
28 THE COURT: M-hm.

29
30 MR. KASHUBA: So --

31
32 THE COURT: And -- sorry. Is that in your -- is that in your
33 report (WEBEX AUDIO INTERRUPTED) come up with on the break that is not before
34 me?

35
36 MR. KASHUBA: There's a reference to the critical suppliers, and
37 I will identify that --

38
39 THE COURT: Okay.

40
41 MR. KASHUBA: -- as well.

1
2 THE COURT: Okay. All right. Yes. Okay. But Steel Reef,
3 you are saying, 370. Yes.
4

5 MR. KASHUBA: Yes. And so who is Steel Reef? They're the
6 company's processor of oil and gas, and these are from processing fees all prior to this
7 day. Steel Reef has told the company that they may not continue to process the gas if
8 they're not paid, and they won't be willing to accept post-filing payment terms. The issue
9 is Steel Reef is the only processor that the company is connected with. There's not an
10 alternative right now, unless there is a new pipeline built to get to another processor.
11 That's obviously a very huge capital expense and a time -- it would be a time intensive
12 matter as well. So that's the main payment, that 370.
13

14 Now, Sproule -- and you've heard some reference to Sproule, My Lady. You may be
15 familiar with them. They are a contract operator. They're running the company. That's
16 why there's no employees. Sproule is basically really running the company, and that's as
17 about critical as you get. They have demanded that pre-filing amounts be paid as well,
18 and I think they had a -- well, actually, I see Mr. Konowalchuk is on the screen, and
19 Mr. Konowalchuk might have this direct information if -- if you bear with us, and I think
20 our court officer may have a thing to say.
21

22 Orest, I think you are on mute.
23

24 THE COURT: He does not appear to be on mute, but I am not
25 hearing him. Madam clerk, is he muted?
26

27 THE COURT CLERK: That's correct, he is not muted. I see the little
28 microphone icon green, but I can't hear him either.
29

30 THE COURT: So, Mr. Konowalchuk -- I am probably not
31 saying your name right. I apologize -- if you mute yourself, there should be also a dial-in,
32 and so you can speak through your telephone, if we cannot hear you on Webex, but just
33 make sure you are muted on Webex when you dial in.
34

35 MR. KONOWALCHUK: Is it working now?
36

37 THE COURT: Oh, it is working now.
38

39 THE COURT CLERK: Yes.
40

41 **Submissions by Mr. Konowalchuk**

1
2 MR. KONOWALCHUK: Wrong button. Thank you. Sorry. I think I
3 have got this figured out. I apologize. And thank you, Mr. Kashuba.

4
5 Maybe I can sum it up in this way. At first, there were a variety of identified potential
6 critical suppliers that were identified by the company but -- and (WEBEX AUDIO
7 INTERRUPTED) the list again, and they've -- we've narrowed it down to effectively to
8 Sproule, as Mr. Kashuba mentioned, but they're owed about \$365,000, \$370,000.
9 Typically, in an oil and gas situation like this where you do have critical contractors in
10 place, and as Mr. Kashuba mentioned, these are individuals we need to make sure that are
11 paid. They are the lifeline in terms of the operations. So I would imagine various other
12 creditors such as Tamarack and all that could probably appreciate the importance of that.

13
14 And then, secondly, the other group is Steel Reef, and Mr. Kashuba mentioned that. That
15 -- actually, that number is closer to \$500,000. It's a -- they protest the gas for the
16 company, and these are amounts that are due and owed prior to the proceeding. We
17 have -- and there was an earlier comment and it was mentioned that the request is up to a
18 million dollars. We have identified that it is potential that those amounts to Steel could
19 be stayed, but we don't know the right of set-off, and -- and any of these payments to
20 Sproule and Steel, in particular, we would suggest that the Proposal Trustee would have
21 to be in agreement with and sign off on, and that is something that we're currently
22 working on and looking at just to make sure there is no right of set-off and there's no other
23 ability for them to stop their services. Clearly there's a stay of proceeding in place. They
24 shouldn't be able to stop their services. Yes, there's other parties in the area that could --
25 that could process their gas, but it's not practical because that would require a lot of new
26 capital (WEBEX AUDIO INTERRUPTED) building of pipelines, and there's just no
27 time.

28
29 So we get to -- we get to a figure of around \$700,000, and we would respectfully suggest
30 that the company have that ability to pay up to those amounts subject to our review and
31 approval, and confirming that those actual amounts in particular to Steel Reef should be
32 paid. If they are not payable and we view that as -- as an amount that should be stayed,
33 that will be our absolute recommendation and we won't -- we will not agree to those
34 amounts being paid. So hopefully that provides some clarification.

35
36 THE COURT: Okay. So you are saying 500 and 170, but at an
37 absolute minimum Steel Reef? That is kind of what I took from it. Is that --

38
39 MR. KONOWALCHUK: Yes. Sproule, we would suggest, is payable,
40 due and owing, and Steel for \$500,000. We -- we just want -- our suggestion and our
41 recommendation is the ability to pay, but we may not have to, and we just don't want to be

1 in a position where the company is -- if it is determined that they have some
2 (INDISCERNIBLE) set-off or there's an issue regarding they're facilitating the processing
3 of the gas, that -- that we are not -- the company is not jammed and going back to court to
4 try and get an emergency order and so forth. So we want that -- it would be, we believe,
5 prudent to have the ability to pay it, but we are certainly not agreeing to it at this point in
6 time until we have a further review of those amounts.

7
8 THE COURT: Okay. Thank you.

9
10 MR. KONOWALCHUK: Thank you.

11
12 **Submissions by Mr. Kashuba (Reply)**

13
14 MR. KASHUBA: And that's why it's helpful to have CPAs on files
15 such as this.

16
17 So, yeah, in summation, the amount would be reduced to \$700,000 and, as it stands, that
18 would still be subject to the Proposal Trustee's review before any amounts are paid out.
19 There's a potential, then, that it will be reduced even further.

20
21 So that brings me to the administration charge and the DNO charge. Now, this is at
22 paragraph 72 of the Proposal Trustee's report. And with regards to the company's request
23 for these charges, and given the adversarial somewhat nature of the proceedings and
24 correspondence from the lenders, there's some inherent uncertainty regarding collecting
25 production receipts on a timely basis. There's a heightened risk to the timely funding of
26 professional fees relating to these proceedings, even though there might appear to be
27 sufficient cash at the current day.

28
29 So it's not a surprise from anybody on this -- in this application. The NOI proceedings do
30 require the necessary involvement of professionals to guide and complete a successful
31 proposal, and it's the Proposal Trustee's respectful view that the admin charge in this case
32 is reasonable and appropriate to ensure the continued support of the respected
33 professionals and helping the company restructure its affairs.

34
35 THE COURT: What -- what about the point where (WEBEX
36 AUDIO INTERRUPTED) for Tamarack that there is already a repayment of \$300,000 in
37 professional fees?

38
39 MR. KASHUBA: And there is retainer amounts paid out to, yes, I
40 think it's to Proposal Trustee, the company's counsel, and the -- our office, as well as
41 Proposal Trustee's counsel. So there is some monies, and I'm not sure if those have been

deducted from already, but keeping -- you have to remember exactly what is the admin charge. It's not a -- it's not a cap. It is the ability to have a charge against the company's assets should the music stop. So hopefully fees are paid in the normal course, and they're always going to be reasonable, they're always going to be subject to the Court's review and inquiry, if needed. So the admin charge has also been reviewed by the Proposal Trustee. And in similar cases, this is not a high admin charge by any means. There's not a listing of every comparable file that Alvarez & Marsal has been involved in and the exact number of those charges, but the evidence from the report is that this is equivalent to comparable proceedings involving similar companies, similar debt loads. The Proposal Trustee is not pulling a number out of the air. They are relying on past experience and other files that they've reviewed.

THE COURT: You are saying it is fair and reasonable.

MR. KASHUBA: That's correct, My Lady.

THE COURT: Okay.

MR. KASHUBA: Yes. And justified by comparables and further review conducted by the Proposal Trustee.

Now, there's a point to be made on the DNO charge, and I'm not sure if it was clear. We've heard, well, it's too high. And that's often in these proceedings what the feedback is, especially anybody who might be potentially primed by the charges, but I can tell you based on the Proposal Trustee's review they are of the mind that the current -- the current insurance is not sufficient. Because of the NOI proceedings, the companies haven't been to -- they haven't been able to secure adequate ongoing directors and officers insurance companies -- or insurance coverage. So the amount that is chosen is, generally, two months of source deductions and GST payments owed by the company, and that's what any trustee would be using as their measuring stick. In this case --

THE COURT: So you are saying the 250 is two months of source deductions and -- but there would not be source deductions here.

MR. KASHUBA: That is my next point, My Lady, but --

THE COURT: Oh, okay.

MR. KASHUBA: -- there are no employees, so there are no source deductions, so this is simply two months of GST. The number, if there were employees, could potentially be quite a bit significantly higher. But here, just on the basis of the

1 GST, that's where this number came from.

2

3 THE COURT: Okay. And I do not get the link to the GST. I
4 mean, I do not totally understand how two times GST can equate to reasonable DNO
5 insurance. I find that to be a bit of a stretch, unless you tell me otherwise.

6

7 MR. KASHUBA: Yes. And I saw how Mr. Konowalchuk popped
8 back up on my video screen and -- Orest, did you want to handle that question?

9

10 MR. KONOWALCHUK: Sure. And I'm happy to. And I think there
11 might be just a little bit of confusion there, Mr. Kashuba, but the -- this all relates to
12 post-filing from a DNO perspective. So when we look to size it up, as Mr. Kashuba said,
13 we do look at -- we do look at source -- typically source deductions and GST, what
14 typically the directors would be on the hook for. In this case, the insurance will -- won't
15 come into play from that perspective, because that's relating to pre. But based on our
16 review of the company's records and over the course of various months and so forth, the --
17 the sizing of the DNO largely -- well, largely relates to two months of GST. And that's
18 typically what we would look at when we look to size up the DNO. It's actually source
19 deductions and GST. There is no source deductions because the contractors are there or
20 in place, and there's no employees. And so it is largely two months worth of GST, and
21 that's what that amount relates to.

22

23 THE COURT: Okay. Thanks. You are on mute, I think.

24

25 MR. KASHUBA: Yes. So I don't know if Orest can get any
26 more -- I get that it's two months of GST and that is the measuring stick. It's much used
27 in past cases. I'm not sure if there's a direct correlation. Apart from that is what the -- the
28 trustee's have determined is adequate and reasonable and the usual course.

29

30 Then just to tie a bow on the DNO portion, the companies do require the services with
31 directors and officer to (INDISCERNIBLE) operations. These companies, directors, and
32 officers obviously have technical --

33

34 THE COURT: Are these directors and officers guarantors? Is
35 it not in their interest to continue to provide services?

36

37 MR. KASHUBA: Absolutely. Their -- well, they have experience
38 in relationships that they are going to rely on and the company's going to rely on and all
39 stakeholders are going to rely upon. That's why DNO charges are granted the usuals -- as
40 usual course in the CCAA and NOI proceedings.

41

1 So I'll move then to administrative consolidation. Now, it is -- despite some of the
2 comments made earlier, it is administration consolidation. We're not -- this is not a
3 substantive consolidation case. It's not the Nygard proceedings - a recent decision that
4 was just released by the Manitoba Court of Appeal. But on the administrative
5 consolidation, it is a simple regular course request that occurs in most proposal
6 proceedings when there are multiple debtors. This allows the stays to be administered as
7 one. It should be more efficient, it should be less expensive, and it narrows administrative
8 filings. In this case, the consolidation makes sense as the -- there's the GPOC as the
9 borrower and the other seven entities are all guarantors of GPOC. So they are related by
10 common ownership and they have a common interest in the successful restructuring of the
11 company, and this ties back to Spicelo and their insolvent status and as part of the group
12 of entities through their common ownership and common interest.

13
14 Ms. Fellowes mentioned the possibility of the companies filing a joint plan. Well, that's
15 possible. And at the time a plan is filed, the companies will bring that before the Court.
16 Any party that takes issue will make submissions at that point, and the Proposal Trustee
17 will have an opinion on that, as well. So the administrative consolidation here is, and
18 through the evidence and the report of the Proposal Trustee, it is to make this more
19 efficient to have a filing and to reduce fees at any juncture possible.

20
21 Now, lastly, we have the Proposal Trustee's restricted court access order. So this is
22 with --

23
24 THE COURT: And I do not think I need to hear about that. I
25 think your -- I reviewed the submissions on that.

26
27 MR. KASHUBA: Okay.

28
29 THE COURT: You are saying there is confidential information
30 that is appropriately restricted. I do not know that anybody is opposing that, unless I am
31 wrong.

32
33 MR. KASHUBA: I am -- Ms. Fellowes --

34
35 THE COURT: Ms. Fellowes, are you opposing that? I do not
36 recall you dealing with that. Maybe you could just...

37
38 **Submissions by Ms. Fellowes (Reply)**

39
40 MS. FELLOWES: Thank you, Justice Johnston. And perhaps I
41 didn't have time to touch on that in my submissions. We are not opposing it with respect

1 to GPOC. We understand this is an operating oil and gas company and its valuation, if it's
2 intended to be marketed, is obviously going to be something that -- you don't want to taint
3 the market by releasing that prematurely, but I do note that there is reference in the
4 trustee's report to the fact that the confidential supplement contains valuation evidence on
5 Spicelo and, I guess, the Greenfire shares. Since they're publicly traded, I'm not really
6 sure what confidential information that could be. I mean, anyone can look up the price of
7 the shares. It's public -- publicly traded. But we do feel that as primary secured creditor
8 and, in fact, the only creditor who has security on the Greenfire shares and the Spicelo
9 estate that that particular information shouldn't -- I don't know what it says and what
10 confidential nature there could possibly be about publicly traded shares, but I do have
11 some concerns about the scope of the order.

12
13 THE COURT: Okay. Thank you for that clarification. So with
14 that, Mr. Kashuba, I guess I should hear from you, and at least we know it is a bit
15 narrower scope than --

16
17 MR. KASHUBA: Yeah. Yes, My Lady. And --

18
19 THE COURT: And that is a valid question, that these are now
20 publicly traded, so...

21
22 **Submissions by Mr. Kashuba (Reply)**

23
24 MR. KASHUBA: So there's a -- on a couple of fronts, we have to
25 take issue with the submissions of Trafigura and Signal in that regard.

26
27 Now, let's deal with this portion of the (INDISCERNIBLE) dealings with Spicelo. That
28 was prepared on a preliminary review basis by the Proposal Trustee at a time that these
29 shares were not trading publicly. Again, they didn't start trading publicly until yesterday
30 morning. So the --

31
32 THE COURT: Okay. But now that they are, does the -- does
33 the preliminary basis, is that confidential?

34
35 MR. KASHUBA: I would submit that the trustee's review, their
36 analysis, was intended to be confidential and for the Court's eyes only. I will note that
37 Ms. Fellowes contacted my office on Monday evening after receiving the report with a
38 reference to confidential appendices number 1. She asked that it be provided on the usual
39 terms. The next morning we said that's agreeable to the Proposal Trustee. We have an
40 NDA, the usual terms. The NDA was referenced in the Proposal Trustee's report.
41 Ms. Fellowes did not receive a copy of the confidential Appendix 1 or a redacted portion

THE COURT: Okay.

THE COURT: Okay. Fair. So -- but, Mr. Kashuba, what you are saying is you still think it should be confidential, and I guess I just want to understand why? In the face of the shares being publicly traded, what does -- what is so confidential about the pre-IPO value? Has that ship not sailed?

THE COURT: Okay. Fair. Okay. Thank you.

THE COURT: That is okay. It was extraordinarily helpful, and I really appreciate it, so...

THE COURT: Okay. Thank you. I just want to make a note, if you... is there (WEBEX AUDIO INTERRUPTED) can we just take maybe a 5-minute break? I just want to make note of a few things before -- while I still have an opportunity. So let us just take a 5-minute break, and then we will hear our final reply. All right.

THE COURT CLERK: Of course. The Court is adjourned.

1
2 (ADJOURNMENT)

3
4 MR. KASHUBA: (WEBEX AUDIO INTERRUPTED) over --
5 these breaks have been tremendously productive. I had a call just from Mr. Chiswell
6 since we broke last, and I -- he's going to have some submissions from Greenfire's
7 perspective, especially on how a potential preliminary valuation by the Proposal Trustee
8 could possibly have an impact on the public markets and the pricing. So if Mr. Chiswell
9 is available, I see his screen is up. I'll leave it to him.

10
11 **Submissions by Mr. Chiswell (Reply)**

12
13 MR. CHISWELL: Thank you. Justice Johnston, I just -- I didn't
14 appreciate that this was sort of up for grabs today, that this issue had been public.

15
16 THE COURT: Yes.

17
18 MR. CHISWELL: And to be honest, I haven't seen it, and my
19 concern though is that this information will become public and it's not information that
20 the company has vetted, but it would talk about the valuation of the shares and how it's
21 derived, and of course I want to make sure that if -- you know, I want to prevent the
22 information from being released in a way that wouldn't be compliant with market
23 regulations. You know, I think what's -- I think what Ms. Fellowes was trying to say,
24 well, it's mute now that the company is public. But I don't that's true. I think what's mute
25 is how the information was derived, but what's not mute is that that information remain
26 confidential because it could impact the market. In fact, it's the opposite. Those are my
27 submissions on that.

28
29 And the only other thing --

30
31 THE COURT: All right.

32
33 MR. CHISWELL: -- for us was my friend had suggested that they
34 weren't asking for the ability to sell the shares right away. They were just asking for the
35 ability to seize them and take them. But as she pointed out in the form of order, they are
36 asking for the ability to transact up to 5 hundred grand.

37
38 THE COURT: Yes.

39
40 MR. CHISWELL: And the only way to be able to do that would be
41 to sell the shares. So I wanted to point that out in case it wasn't clear.

1
2 THE COURT: Yes.

3
4 MR. CHISWELL: But those are the two (WEBEX AUDIO
5 INTERRUPTED) --

6
7 THE COURT: Okay.

8
9 MR. CHISWELL: -- in response.

10
11 THE COURT: Thank you, Mr. -- thank you, Mr. Chiswell. All
12 right. Back to you, counsel, for reply.

13
14 **Submissions by Mr. Van de Mosselaer (Reply)**

15
16 MR. VAN DE MOSSELAER: Thank you, My Lady. I have about eight or
17 nine points that I will make. Most of them will be pretty brief, but I want to start with I
18 think the most important point, which is that there appears to be a very serious
19 misunderstanding, certainly on Ms. Fellowes part and Ms. Lemmens part, on the
20 implications of the granting of the receivership order over Spicelo on GPOC. And let me
21 start by referring back to a comment that Ms. Fellowes made, which is Spicelo is an
22 island on its own, so we can just point a receiver over it and GPOC can carry on. None of
23 that is correct. First of all, as you quite rightly noted, there is a concern that if that were to
24 happen the whole house of cards would come tumbling down. And the reason for that, as
25 the lenders are well aware, they only agreed to advance this loan if they got the GPOC --
26 or the Greenfire share pledge from Spicelo. And if we're able to bring a new lender in to
27 provide take-out financing to pay those lenders, they are going to want the same collateral
28 package. It just stands to reason.

29
30 But the more important point is the one that Ms. Lemmens made. She suggested,
31 completely incorrectly, that if a receiver was appointed over Spicelo and the seize -- the
32 shares were seized that that would remove \$38 million of secured claim head of
33 Tamarack, and so somehow Tamarack would be improved in that situation. And that is
34 completely wrong, as a matter of law. It's -- Ms. Fellowes seems to be under a similar
35 misapprehension because she commented that if the shares are seized -- if the guarantee is
36 called on, the shares are seized. She referred to my submission in my comments this
37 morning about the fact that Spicelo would then have a subrogated claim, and she said,
38 well, there's no evidence in GPOC's materials about that. And it's not a matter of
39 evidence, My Lady. It's a matter of law. As a matter of law, where a guarantor is called
40 upon by the creditor and the guarantee makes -- or the guarantor makes good on that
41 guarantee, the guarantor steps into the creditor's shoes. So Spicelo would lose the

1 Greenfire shares, but then Spicelo would have a \$38 million -- \$38 million US claim
2 against GPOC. They would simply step into the lender's shoes. So the claim doesn't go
3 away. The claim simply gets transferred from the lenders to Spicelo.

4
5 So for Ms. Lemmens to suggest that Tamarack's position has somehow improved is
6 completely misguided. It's wrong as a matter of law. For Ms. Fellowes to suggest that we
7 didn't put anything in our evidence about this is not a matter of evidence. It's a matter of
8 guarantees law. So if we -- if that's -- that's why the whole house of cards would come
9 tumbling down, because the \$38 million US claim wouldn't go away. Yes, the lenders
10 would get paid. They'd be more than happy. They'd get their money back. But the
11 \$38 million claim against GPOC carries on. It's just that it gets transferred from the
12 lenders to Spicelo. Spicelo then has that claim against GPOC, and GPOC isn't able to
13 refinance its way out because it's lost the Greenfire's shares. That's the problem with
14 appointing the receiver over Spicelo. That's why the appointment of the receiver over
15 Spicelo would cause the house of cards to come crashing down, to quote Your Ladyship.

16
17 Any questions on that before I move on to the next point, My Lady?

18
19 THE COURT:

No. No. I have your point.

20
21 MR. VAN DE MOSSELAER:

Ms. Fellowes made a number of comments to
22 the effect that GPOC is cash flowing quite nicely. Well, sure. It's amazing how a
23 company can cash flow quite nicely when it stops its payables. That's generally the way it
24 works, and that's what's happened here. It was paying 18 percent interest to the lenders
25 prior to the filing, and it's amazing how much cash you can free up when you stop paying
26 your interest payments. So I'm not sure what her point was really, apart from trying to
27 suggest that the filing was somehow inappropriate. It wasn't inappropriate. They were
28 insolvent, and they are just cash flowing now because they don't have to make their
29 payables payments.

30
31 Ms. Fellowes's commented that because her clients are over-collateralized that I was
32 suggesting they shouldn't have any basis to complain. Well, no, I've never said that.
33 We've never said that in our materials. We've never said that in these proceedings. Of
34 course they have a right to complain, but what they don't have the right to do is claim that
35 they're prejudiced, because they're not. Ms. Fellowes said, well, yeah, Mr. Gallagher
36 wrote that e-mail back in August and the world has changed since August, and so now
37 there's some form of prejudice. Well, he swore his affidavit on Tuesday, and his affidavit
38 says: (as read)

39
40 The value of the Greenfire securities should be sufficient to see the
41 lenders paid out in full.

1
2 That was three days ago. Ms. Fellowes incredibly continues to carrying on the suggestion
3 that Spicelo is solvent and seems to want to dismiss my reliance on the definitions under
4 the BIA. Well, that's what we're dealing with here. We're dealing with a BIA
5 proceedings. Under the BIA definition of "insolvent person," Spicelo is insolvent.
6 There's just no ifs, ands, or buts about that.

7
8 On the consolidation point, the procedural consolidation, I have to admit I don't
9 understand the concern. If you look at the --

10
11 THE COURT: Well, what is the test? I do not know that
12 anyone has told me. What is the test for administrative consolidation?

13
14 MR. VAN DE MOSSELAER: Well, it's in our brief. We deal with it at length
15 in our brief.

16
17 THE COURT: Do you want to remind me? I apologize. It has
18 been a long day, and I probably did read that, but it was probably not the most -- the
19 biggest focus of my efforts.

20
21 MR. VAN DE MOSSELAER: Yeah, no, that's fair enough. And there's been a
22 lot of -- and I didn't touch on it just because I was running out of time, but let me just --
23 before -- as I'm looking for this, I'll say if you look at the form of order we're seeking,
24 which is attached to the application, all this does is say we don't have to file eight copies
25 of everything, and we can -- we can call a single meeting of creditors rather than eight
26 meetings of creditors. Really -- it's really kind of a nothing. And I really don't understand
27 the concern raised by the lenders. The order -- by the way, the concern seems to have
28 been that there's going to be one proposal. Well, our order says nothing about that.
29 Absolutely nothing. The order that we are seeking specifically says this is not a
30 substantive consolidation. This is a procedural consolidation, and it just allows for ease
31 of filing of materials, as Mr. Kashuba mentioned earlier.

32
33 Now, let me find the section I'm looking for. Ah, okay. So I'll tell you that it's paragraphs
34 77 through 86 of our brief, but I've actually highlighted a paragraph, paragraph 81, which
35 I think nicely summarizes the point of the procedural consolidation. And it's at paragraph
36 81. It's referencing a case out of Ontario called *Mustang GP Ltd.* And at paragraph 81,
37 we say: (as read)

38
39 Procedural consolidation or administrative consolidation of notices of
40 intention in proposal proceedings is appropriate where debtors affairs
41 are sufficiently related and where consolidation would serve the goals of

1 a just and expeditious determination of claims. Consolidating
2 proceedings under part 3 of the BIA avoids a multiplicity of proceedings
3 and the costs associated with serving and filing separate sets of largely
4 identical materials with this Court at each juncture of the proceedings.
5

6 That's what we're dealing with here. It's simply administrative. There is nothing
7 substantive about this. So I'm very, very baffled by the pushback.
8

9 With respect to A&M Corporate Finance's engagement letter, Ms. Fellowes made the
10 point, well, I've reviewed this engagement letter. It seems pretty standard and it doesn't
11 say anything about finding take-out financing for the lenders. Well, it wouldn't make any
12 sense to cast the engagement that narrowly. The engagement is cast broadly so that --
13 because there's no point in limiting the scope of the engagement. We don't know what
14 kind of transaction we might ultimately want to transact with the approval of the Court,
15 but we know that we need to pay the lenders out, and that's going to be the focus of the
16 engagement. There's really little point in casting such a narrow engagement letter.
17

18 And amongst the differences between what happened earlier in the spring with respect to
19 the refinancing efforts and now, two big changes in the world that we're dealing with.
20 Number one is the fact that the Greenfire shares are now publicly listed. That wasn't the
21 case last spring. The second thing is that oil is currently at \$90 a barrel. So A&M, in
22 addition to having a different mandate in terms of the ultimate outcome, is dealing with a
23 different and -- a very different set of facts and going into a very different market than
24 existed in the spring.
25

26 This -- this is a -- this is an interesting point. You and Ms. Lemmens spent a fair amount
27 of -- or not Ms. Lemmens. You and Ms. Fellowes spent a fair amount of time talking
28 about what the lender's material prejudice was. And if my notes and recollection are
29 accurate, what Ms. Fellowes said was that the lenders were very concerned about the lack
30 of control over the shares under the share pledge, and she said that's the real concern.
31 That's -- the only material prejudice is the lack of control over the shares. Well, frankly,
32 that just --
33

34 THE COURT: Well, I think -- to be fair, I think what she
35 means is that there are significant market volatility. So, you know, I think, taking it to the
36 logical conclusion, she is concerned that the market factors could overtake them and their
37 security could go down in value.
38

39 MR. VAN DE MOSSELAER: Well --

40
41 THE COURT: I do not think she means lack of control over the

1 process. I think she means that but also in addition to the potential market volatility and
2 the impact that could have on their security.

3
4 MR. VAN DE MOSSELAER: Yeah, I understood it to be process. But my
5 point is this doesn't get them anywhere. They don't control the receiver, the receiver's
6 Court officer. The Court controls the receiver. They don't control the receiver. The
7 Court controls the Proposal Trustee and controls this process. So there's -- there's
8 simply --

9
10 THE COURT: But they do not control the market, I think is
11 what she is saying.

12
13 MR. VAN DE MOSSELAER: They have that issue in either proceedings.
14 They have that same issue in this proceeding; they have the issue if there's a receivership
15 proceedings. No difference.

16
17 Final -- I guess two final points, and Mr. Kashuba touched on this. This -- this issue --
18 well, let me tell you what the issue is, and the issue is the reference in Mr. Gallagher's
19 affidavit about the GPOC assets depleting in value and production declining. That's
20 simply not true.

21
22 THE COURT: I -- I think I am good on that. I think the
23 Proposal Trustee spoke to that and addressed that.

24
25 MR. VAN DE MOSSELAER: Okay. Yeah. And we would be happy --

26
27 THE COURT: They are an officer of the Court, and I take what
28 they say --

29
30 MR. VAN DE MOSSELAER: All right.

31
32 THE COURT: -- at face value.

33
34 MR. VAN DE MOSSELAER: Very good. Thank you. And just to be clear,
35 we would have cross-examined Mr. Gallagher on his affidavit if we had more time, but
36 we got it late Tuesday. I mean -- but that's simply not true.

37
38 The final point I want to make is Mr. Fellowes, if I -- again, if my notes are accurate and
39 if my recollection is accurate, said, well, they are incurring professional fees at a furious
40 rate, paraphrasing what she was saying.

1 THE COURT: I think she thinks you are too expensive, maybe.

2

3 MR. VAN DE MOSSELAER: Okay.

4

5 THE COURT: I am joking.

6

7 MR. VAN DE MOSSELAER: She and I can have a chat about that.

8

9 And she said, well, instead of paying the professionals, they should just pay out the
10 lenders. Of course, there's a big difference between \$1.2 million and \$51 million. That's
11 the problem. The company doesn't have \$51 million, which is what is owed.

12

13 So those are all of my additional comments, My Lady, unless you have any questions for
14 me.

15

16 THE COURT: No, I have no questions. I -- I think we have
17 canvassed every possible (WEBEX AUDIO INTERRUPTED).

18

19 Ms. Fellowes has turned on her camera. I have been probably more liberal than I ought to
20 be on the reply, everyone jumping in, but I will give her an opportunity to say whatever
21 she wants. Everyone is turning on their cameras. I am starting to get very nervous.

22

23 Ms. Fellowes, did you want to say something quickly?

24

25 **Submissions by Ms. Fellowes (Reply)**

26

27 MS. FELLOWES: Yes, very brief. Thank you so much. Since
28 Mr. Van de Mosselaer's reply included some submissions that we haven't heard before, I
29 think it's appropriate for me to say something quite briefly.

30

31 Firstly, he talks about the segregated right that his -- that Spicelo would have if we were
32 paid out. You know, the whole point of this exercise is that we are the only creditors who
33 have security over Spicelo. The other GPOC entities have no claim on those. So all we're
34 saying is hands off, our collateral. Here's a suggestion that I think would work. What if a
35 receiver was appointed for Spicelo. A receiver goes through the appropriate process to
36 realize on those shares, and then if there's any additional surplus monies left over, then
37 that money could be offered up by Mr. Klesch, if he chooses to do so out of his own
38 recourse, to solve the problem of the other GPOC creditors. But right now, the other
39 GPOC creditors have no claim on that collateral. It is our collateral. To say that this is
40 now going to form part of a joint collateral --

41

1 THE COURT: (WEBEX AUDIO INTERRUPTED) having
2 hearing your submissions.

3
4 MS. FELLOWES: Yeah, okay. Well, I just wanted to put that in as
5 a submission.

6
7 I also heard a lot of submissions from parties that I -- I hadn't seen a lot of evidence on.
8 Should My Lady decide to grant the stay extension with respect to Spicelo, I would ask
9 that, number one, the directors and officers charge not be attached to Spicelo, because
10 there really is no GST payable or any possibility that any of the directors or officers could
11 be liable under Spicelo. And it also suggests with respect to the consolidation it might
12 make sense to consolidate seven of the entities, but not Spicelo. If you look at the
13 corporate org chart, it really isn't part of the GPOC family.

14
15 THE COURT: Well, their point is this is an administrative
16 thing and that the Proposal Trustee says, look, it is going to cost a lot less, it is going to be
17 far more efficient. We are just filing identical materials.

18
19 MS. FELLOWES: File two sets of materials. One for Spicelo and
20 one for the other seven. It's not going to cost that much more.

21
22 THE COURT: Okay. All right. Is that everything?

23
24 MS. FELLOWES: That's it. Thank you.

25
26 THE COURT: Okay. Ms. Lemmens, I see you have your
27 camera on. One last kick for you.

28
29 **Submissions by Ms. Lemmens (Reply)**

30
31 MS. LEMMENS: Just one comment in response to my friend's
32 submissions, Mr. Van de Mosselaer. It's just this idea that there would be a claim by
33 Spicelo if it had to have its security realized upon, and any claim that Spicelo would have
34 would be an unsecured claim that would rank behind Tamarack.

35
36 MR. VAN DE MOSSELAER: My Lady, that's just wrong as a matter of law.
37 Spicelo --

38
39 THE COURT: Yes, I got --

40
41 MR. VAN DE MOSSELAER: -- the lenders shoes.

1
2 THE COURT: Yes, I got your position. I know your position.
3 You disagree. So...
4
5 MR. VAN DE MOSSELAER: Yeah.
6
7 THE COURT: Okay.
8
9 MR. VAN DE MOSSELAER: I'm happy to provide a written brief on that
10 point, My Lady.
11
12 THE COURT: Yes, no, I do not think it will be necessary. All
13 right. So I would like to stand down for 20 minutes and see if I can give you a decision.
14 That would be my preference. I just need to determine if that is possible. So why do we
15 not stand down until 3:30, and I will come on and either tell you if I can give my decision.
16 If I cannot, when. And we will deal with the next steps. And if I can, I will give my
17 decision, okay?
18
19 MR. VAN DE MOSSELAER: Very good.
20
21 THE COURT: So we will adjourn until 3:30.
22
23 MR. VAN DE MOSSELAER: 3:30? Very good.
24
25 THE COURT: Thank you.
26
27 MR. VAN DE MOSSELAER: Thank you.
28
29 MR. KASHUBA: Thank you, My Lady.
30
31 THE COURT CLERK: Thank you. This is the clerk. I will leave the
32 Webex on.
33
34 (ADJOURNMENT)
35
36 THE COURT CLERK: The recording is on.
37
38 THE COURT: I just want to make sure. All right. I will give
39 my position, so I will be doing that right now.
40
41 Can everybody hear me?

1
2 MR. VAN DE MOSSELAER: Yes.
3
4 (PORTION OF PROCEEDING OMITTED BY REQUEST)
5
6 THE COURT CLERK: Thank you. The Court is closed.

7 _____

8

9 PROCEEDINGS CONCLUDED

10 _____

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1 **Certificate of Record**

2

3 I, Zsuzsa Bodi, certify that this audio is the record made during the proceeding heard in
4 courtroom 1702 at the Court of King's Bench in Calgary, Alberta, on the 22nd of
5 September, 2023, and that I was the court official in charge of the sound-recording
6 machine during the proceedings.

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DS DS
DG ND

1 **Certificate of Transcript**

2

3 I, Celine Erickson, certify that

4

5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the
6 best of my skill and ability and the foregoing pages are a complete and accurate transcript
7 of the contents of the record, and

8

9 (b) the Certificate of Record for these proceedings was included orally on the record and
10 is transcribed in this transcript.

11

12 Metro Reporting Services

13 Order: TDS-1048200

14 Dated: January 11, 2024

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This is **Exhibit "E"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

971DBB8B283D412...

Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG *ND*

Action No. B201-979721

E-File Name: CVK232437799

Appeal No.: _____

IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437799 ALBERTA LTD.

AND:

Action No. B201-979725

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437801 ALBERTA LTD.

AND:

Action No. B201-979732

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
2437815 ALBERTA LTD.

AND:

Action No. B201-979735

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS OPERATION CORP.

AND:

Action No. B201-979736

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS HOLDING CORP.

AND:

Action No. B201-979737

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

AND:

Action No. B201-979738

IN THE MATTER OF THE BANKRUPTCY OF
SPICELO LIMITED

AND:

Action No. B201-979739

IN THE MATTER OF THE PROPOSAL OF BANKRUPTCY OF
STELLION LIMITED

P R O C E E D I N G S

Calgary, Alberta
September 22, 2023

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1 Proceedings taken in the Court of King's Bench of Alberta, Courthouse, Calgary,
2 Alberta

5 September 22, 2023 Afternoon Session

7 The Honourable Court of King's Bench of Alberta
8 Justice Johnston (remote appearance)

10 R. Van de Mosselaer (remote appearance) For Griffon Partners Operation Corporation
11 E. Paplawski (remote appearance) For Griffon Partners Operation Corporation
12 J. Treleaven (remote appearance) For Griffon Partners Operation Corporation
13 K. Kashuba (remote appearance) For Alvarez & Marsal Canada Inc.
14 P. Chiswell (remote appearance) For Greenfire Resources
15 M. Lemmens (remote appearance) For Tamarack Valley Energy
16 K. Fellowes, KC (remote appearance) For Trafigura Canada and Signal Alpha
17 J. Thom, KC (remote appearance) For Two Shareholder Corporations
18 D. Stethem (remote appearance) For Harvest Operations Corp.
19 (Student-At-Law)
20 S. Poitras (remote appearance) For Alberta Energy Regulator
21 Z. Bodi Court Clerk

24 (PORTION OF PROCEEDINGS OMITTED BY REQUEST)

26 **Decision**

28 THE COURT: The applicants apply to this Court for an
29 extension of the time to file a proposal to their creditors under Section 50.4(1) of the
30 *Bankruptcy and Insolvency Act* to November 8th, 2023. They further seek a charge of
31 \$500,000 for adminis (WEBEX AUDIO INTERRUPTED) --

33 THE COURT CLERK: Sorry, you are cutting out.

35 THE COURT: -- charges the approval of -- sorry. Maybe we
36 can start again. Is -- it looks like not all the parties are on mute. Madam clerk, let's start
37 there.

39 THE COURT CLERK: Let me check who is not on ...

41 THE COURT: Can -- are you still getting feedback? Madam

1 clerk?

2

3 THE COURT CLERK: I am hearing like a phone call on the --

4

5 THE COURT: Okay, yes, it's on mine.

6

7 THE COURT CLERK: -- phone number 26. Let me mute that number.

8 Okay, it should be okay now.

9

10 THE COURT: All right, let's try again. I'm going to start over
11 if that's okay.

12

13 The applicants apply to this Court for an extension of the time to file a proposal to their
14 creditors under section 50.4(1) of the *Bankruptcy and Insolvency Act* until November 8th,
15 2023. They further seek a charge of \$500,000 for administrative charges, 250,000 for
16 director and officer charges, the approval of the engagement letter relating to the
17 refinancing, and authorization of payments nunc pro tunc of up to \$700,000 for critical
18 goods and services supplied prior to the filing date. They also seek consolidation of the
19 proceedings and two sealing orders.

20

21 Greenfire supports the applicant's position and opposes the relief sought by the cross-
22 applicant and raises concerns related to public market confidence in their shares, given
23 their recent listings on the New York Stock Exchange only yesterday. The respondents
24 Trafigura Canada and Signal (WEBEX AUDIO INTERRUPTED) the application for an
25 extension and consolidation as it relates to Spicelo. They further oppose the charges.
26 They have no objection to the sealing order sought as it relates to professional fees, but
27 they do have concerns as it relates to the valuation of the Greenfire shares pre-IPO.

28

29 The respondents cross-apply to terminate the NOI proceedings against Spicelo, seek to
30 have the Court appoint KPMG as the Receiver over Spicelo. Tamarack opposes the
31 applicants' application related to the extension of the stay with respect to Spicelo, they
32 also raise concerns with the proposed charges and they support the appointment of a
33 receiver.

34

35 Should an extension be granted to November 8, 2023?

36

37 I note there is no objection to the stay as it relates to the applicants other than Spicelo;
38 however, I will consider the test as it relates to all parties.

39

40 All parties agree that pursuant to section 50.4(a) of the *BIA*, the applicants must satisfy a
41 three-part test. I will consider this test.

1
2 First, the Court must consider if the stay is required in order for the applicants to prepare
3 and finalize a proposal for the benefit of their stakeholders. This is a low threshold to
4 satisfy this branch of the test. See *Enirgi Group v. Andover Mining*, 2013 BCSC 1833, at
5 para 66, 74, and 75. The Court must take a broad (WEBEX AUDIO INTERRUPTED)
6 face of objecting secured creditors. All that's required at this stage is that the applicant
7 must establish that a viable proposal might happen and there is some path forward.

8
9 I acknowledge the arguments of the respondents that the applicants have previously failed
10 in this regard and their submission that the lender has lost confidence in the management
11 of the company. However, even in the face of a suggestion of a potential veto of any
12 proposal, a Court may still grant an extension. *Enirgi* at para 75.

13
14 In this case I accept that what the applicants are proposing this time is different and
15 includes engaging a refinancing advisor, which could have the impact of repaying the
16 lender in full. Indeed, the proposal (WEBEX AUDIO INTERRUPTED) is indeed to pay
17 all of the creditors in full. I also note that the proposal provides an opportunity for the
18 business to continue to operate and the stay would provide an opportunity for the
19 applicants to attempt to restructure on a going concern basis. I've also considered that the
20 market conditions are improved and that any proposal will be with the full oversight of
21 the proposal trustee. I find this part of the test has been satisfied.

22
23 Are the applicants acting in good faith and have they exercised due diligence?

24
25 I again find the applicants have satisfied this part of the test. I accept that the applicants,
26 including Spicelo, are insolvent. I accept the argument of the applicants that Spicelo is
27 insolvent but on a balance sheet basis. I note that the proposal trustee has confirmed that
28 in their view the applicants have and are acting in good faith and with appropriate due
29 diligence. I also note or find that the applicants have been taking concrete steps since the
30 NOIs were filed, as more particularly set out in the affidavit filed by the applicants,
31 including, without limitation, bringing this application, identifying and analyzing
32 creditors, providing the proposal trustee with records and books, engaging a refinancing
33 advisor, communications with stakeholders, and other steps to ensure their operations
34 continue to be viable.

35
36 I reject the respondents' assertions that the applicants filed the NOIs in bad faith. The
37 evidence is clear that the applicants were unable to pay their lenders but they continued to
38 generate cash flow to allow them to operate their business to preserve value for all
39 stakeholders.

40
41 I also accept the position of the applicants that Spicelo is an important part of their

1 restructuring equation, as without the security of the Greenfire shares they may not be
2 able to secure funding to pay out the secured creditor and this may jeopardize the
3 restructuring. Indeed, the Greenfire shares were required to be pledged as security to
4 obtain financing from the (WEBEX AUDIO INTERRUPTED). It would therefore be
5 reasonable to assume that a new lender would expect the same collateral package.

6
7 Therefore, as I said, I accept that the second branch of the test has been satisfied.

8
9 Three. Will any creditor be materially prejudiced by the stay extension?

10
11 I accept that the respondents may be prejudiced by the stay, but I am not satisfied they
12 will be materially prejudiced. First, as the respondents acknowledge in their own
13 evidence, prior to the shares of Greenfire being listed on the New York Stock Exchange,
14 the estimated value of the shares was approximated at over 60 million US dollars. In
15 addition, the respondents have security over the assets of GPOC. The total amount of
16 their security is therefore well in excess of their loan, which is approximately 35 million
17 US dollars.

18
19 I accept there is now additional risk associated with the shares being publicly listed as
20 share prices can fluctuate dramatically. Indeed, there's evidence that within the first day
21 of listing, the share prices decreased. However, any uncertainty in the collateral has
22 already occurred as the shares did begin public trading as of yesterday.

23
24 Further, there is an argument that the shares are in any event subject to a lock-up
25 agreement that may limit their sale for up to six months. The proposal trustee has
26 confirmed it's their view that the lock-up agreement is valid and is in place. This Court
27 makes no determination on the merits of that argument, but it is clear that there is at least
28 some risk that the lender may not be able to sell the shares for up to six months.

29
30 Further, as acknowledged by counsel for the respondent, GPOC continues to have cash
31 flow and continues to operate as a going concern.

32
33 I note the concerns of the respondent that production may be declining and the value of
34 GPOC deteriorating. Nevertheless, there's no evidence that any further deterioration is
35 imminent or that it will further deteriorate within the 45-day stay period sought by the
36 applicants. To the contrary, the proposal trustee confirm (WEBEX AUDIO
37 INTERRUPTED) and the price per barrel has increased. Therefore the market conditions
38 have improved.

39
40 Further, in the event the AER approves the transaction that is pending approval, there
41 could be an increase in GPOC's production. I accept this is not a foregone conclusion,

1 but the potential is there.

2
3 I therefore find that although there may be some prejudice to the respondents, it is not
4 material. I therefore grant the stay.

5
6 Are the administrative and D&O (WEBEX AUDIO INTERRUPTED) -- 2023 for 45
7 days. Are the administrative and D&O charges appropriate?

8
9 I am prepared to approve the administrative fee charges given the proposal trustee has
10 advised this Court that \$500,000 is fair and reasonable under the circumstances.
11 However, I decline to approve the D&O amounts as I do not believe that this Court has
12 sufficient explanation related to that matter.

13
14 Should the A&M engagement letter be approved? I am prepared to approve the
15 engagement letter.

16
17 Sealing orders. I also accept the application to seal the -- sorry, that the applicants'
18 application for a sealing order meets the test as set out in the *Sherman Estate* by the
19 Supreme Court of Canada. The only concern raised regarding the sealing orders was with
20 respect to the pre-IPO valuation of the Greenfire shares. I accept the position of the
21 proposal trustee that the information was prepared for Court eye only and that there are
22 underlying assumptions that are relied on that could prejudice the parties. I further note
23 that the proposal trustee has agreed to make the information available to the respondents
24 provided they sign the appropriate NDA. Finally, I accept the submissions of Greenfire
25 that such information could impact the public market or the shares if disclosed.

26
27 I therefore grant the orders.

28
29 Should the nunc pro tunc payments be approved?

30
31 Based on the submissions of the proposal trustee I accept that the amount of \$700,000 is
32 reasonable given Steel Reef and Sproule are critical suppliers. They've demonstrated why
33 these funds may be necessary. However I note that any amounts to be paid are subject to
34 approval by the proposal trustee.

35
36 UNIDENTIFIED SPEAKER: (INDISCERNIBLE)

37
38 THE COURT: Consolidation.

39
40 UNIDENTIFIED SPEAKER: (INDISCERNIBLE)

41

1 THE COURT CLERK: (INDISCERNIBLE) voice --

2

3 THE COURT: Procedural consolidation.

4

5 Procedural consolidation is appropriate where the debtors affairs are sufficiently related
6 and where consolidation would serve the goals of a just and expeditious determination of
7 claims. Consolidation proceedings under Part 3 of the *BIA* avoids a multiplicity of
8 proceedings and costs associated with serving and filing separate sets of largely identical
9 materials with this Court at each juncture of the proceedings.

10

11 I also agree that procedural consolidation should be granted. I accept the proposal
12 trustee's position that such consolidation would be appropriate given the applicants are
13 sufficiently related and there would be administrative efficiencies and costs savings in
14 doing so.

15

16 That is my decision. Is there anything else the parties wish to speak to?

17

18 MR. VAN DE MOSSELAER: I'll wait to see if anybody else has any
19 comments, My Lady, but then we can have a conversation about how to deal with the
20 signed form of order.

21

22 THE COURT: Yes, that was going to be -- I gather there's
23 some real urgency.

24

25 MS. FELLOWES: Yeah. My Lady, I only have one very short
26 comment and that is I would like to make a submission to note that we may bring -- be
27 bringing another application to terminate the stay before 45 days if --

28

29 THE COURT: All right.

30

31 MS. FELLOWES: -- if events so -- so come to light. So I wouldn't
32 want to foreclose that opportunity.

33

34 THE COURT: All right, your comments are noted.

35

36 MS. FELLOWES: Thank you.

37

38 MR. VAN DE MOSSELAER: I guess my question, My Lady, is with respect
39 to the D&O charge. If I understand correctly, you've not granted that charge? You
40 weren't satisfied with the evidence before you. I wonder if there would be opportunity --
41 leave to reapply on further (INDISCERNIBLE).

1
2 THE COURT: Yes, absolutely. Yes, I wasn't foreclosing it, I
3 was just saying on the evidence before me I -- I wasn't satisfied that you'd established it
4 was required.
5
6 Okay, so with that, I know that the stay expires on (WEBEX AUDIO INTERRUPTED).
7 Mr. Van de Mosselaer, I gather you will draft the form of order?
8
9 MR. VAN DE MOSSELAER: You should have a form of order. We sent them
10 over to your assistant for this morning and --
11
12 THE COURT: A lot was sent to my assistant and a lot was
13 very last minute and I --
14
15 MR. VAN DE MOSSELAER: Yeah.
16
17 THE COURT: -- and I am going to admit that I haven't had
18 time to probably go through, and I suspect the form of order has changed in light of my
19 ruling.
20
21 MR. VAN DE MOSSELAER: It -- it has. So we can easily just make --
22
23 THE COURT: Yes.
24
25 MR. VAN DE MOSSELAER: -- you know, send you a clean copy. How do
26 you think would be best to get it into your hands --
27
28 THE COURT: Well, I mean are you going to be able to get
29 counsel to sign it?
30
31 MR. VAN DE MOSSELAER: Um --
32
33 THE COURT: I think it's appropriate that counsel sign it. I
34 understand the urgency of it. I was going to -- it -- I guess -- when do you need it by?
35
36 MR. VAN DE MOSSELAER: Well --
37
38 THE COURT: I know it expires Sunday, so you need it, what,
39 in 45 minutes or an hour?
40
41 MR. VAN DE MOSSELAER: That's a good question. I think it's a question

1 for the proposal trustee. Does the official Receiver's office need to see a copy of the
2 order today?

3
4 MR. KASHUBA: I think it is today that it's required.

5
6 THE COURT: Okay, well, I'm not sure you're going to get it
7 filed. I know that the commercial coordinator is still there until 4:00. But I am prepared --
8 I don't want to give my email to everybody on the call but I certainly can provide it to
9 counsel if -- or perhaps, madam clerk, is there a way to chat, to do a private chat with
10 maybe just Mr. Van de Mosselaer? Or do you know my email already?

11
12 THE COURT CLERK: I can do (INDISCERNIBLE).

13
14 MR. VAN DE MOSSELAER: I don't unfortunately.

15
16 THE COURT: Okay, can you give it to him in private chat. I'm
17 happy for you to share it with counsel.

18
19 THE COURT CLERK: Yes.

20
21 THE COURT: I just don't want it to go out to other parties.

22
23 MR. VAN DE MOSSELAER: So --

24
25 THE COURT: And what I was going to propose is if you can
26 send me the order I will sign it the second I get it. I will stand by.

27
28 MR. VAN DE MOSSELAER: Good (INDISCERNIBLE) --

29
30 THE COURT: But I just need to know when it's coming so I
31 am not sitting here all night waiting.

32
33 MR. VAN DE MOSSELAER: These changes won't take much time.

34
35 THE COURT: Okay.

36
37 MR. VAN DE MOSSELAER: So I think we can get it to you within the --
38 within 15 minutes I would guess. Just so I'm clear though, are you suggesting that other
39 counsel need to -- need to sign off, approve it because will take time.

40
41 THE COURT: Well, I think -- well, I guess that's my only

comment. Counsel, other counsel, given the time sensitivities are you okay with not signing off on it? But if Mr. Van de Mosselaer copies you when it comes to my attention I will sign it given the urgency of it and if it needs to be amended I'm more than happy to amend it after the fact. Does that work? (WEBEX AUDIO INTERRUPTED) effective and efficient as possible under the circumstances.

MS. LEMMENS: From my perspective, it's Matti Lemmens speaking, I would say that that would actually be normal course that we wouldn't all sign it.

MR. KASHUBA: Yeah.

THE COURT: Okay, all right.

MR. KASHUBA: Agree.

MS. FELLOWES: Yeah, I agree.

THE COURT: Okay, all right, the (WEBEX AUDIO INTERRUPTED) Van de Mosselaer, the clerk will give you my email.

MR. VAN DE MOSSELAER: (INDISCERNIBLE)

THE COURT: And I will expect probably to get it, when, in the next 15 minutes or so?

MR. VAN DE MOSSELAER: I've got it here now. We'll -- we'll get going on it right now. I -- just so you know, I think the only thing we need to do is in place of the paragraph --

THE COURT: Yes, well, I'm going to let you fuss about it --

MR. VAN DE MOSSELAER: Okay.

THE COURT: -- because I'm not going -- I'm not going to fuss --

MR. VAN DE MOSSELAER: (INDISCERNIBLE)

THE COURT: -- because I don't have it in front of me.

1 MR. VAN DE MOSSELAER: Okay, fair enough.

2
3 THE COURT: So you send it to me and I will sign it and get it
4 back to you forthwith.

5
6 MR. VAN DE MOSSELAER: We'll (INDISCERNIBLE) --

7
8 THE COURT: Before I go, I know we're rushed, I just want to
9 tell everybody, all counsel and parties, thank you very much for a very thorough written
10 and oral submission, it was a pleasure always to have such prepared and excellent
11 counsel in front of me. Thank you.

12
13 MR. KASHUBA: And, My Lady, the proposal trustee's order,
14 we'll get the email address from Mr. Van de Mosselaer as well and we'll send that to you
15 in the next five minutes.

16
17 THE COURT: Yeah, is that the -- for the sealing order, right?

18
19 MR. KASHUBA: That's correct, yes.

20
21 THE COURT: Okay. Is there urgency on that one as well?

22
23 MR. KASHUBA: There is not.

24
25 THE COURT: Okay, well, you can just send that to
26 commercial coordinator in due course and I'll sign it when he -- next week if that
27 (WEBEX AUDIO INTERRUPTED).

28
29 MR. KASHUBA: Very well, thank you, My Lady.

30
31 THE COURT: Okay, all right, thank you everyone.

32
33 MR. VAN DE MOSSELAER: Thank you, My Lady.

34
35
36
37 PROCEEDINGS CONCLUDED

38
39
40
41

1 **Certificate of Record**

2

3 I, Zsuzsa Bodi, certify that this audio is the record made during the proceeding held in
4 courtroom 1702, at the Court of King's Bench in Calgary, Alberta, on the 22nd of
5 September, 2023, and that I was the court official in charge of the sound-recording machine
6 during the proceedings.

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1 **Certificate of Transcript**

2

3 I, Dianne Beland, certify that

4

5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the
6 best of my skill and ability and the foregoing pages are a complete and accurate transcript of
7 the contents of the record, and

8

9 (b) the Certificate of Record for these proceedings was included orally on the record and
10 is transcribed in this transcript.

11

12

13 Dianne Beland, Transcriber

14 Order Number: TDS-1041795

15 Dated: September 27, 2023

16

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This is **Exhibit "F"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

971DBB8B283D412...

Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND



Alvarez & Marsal Canada Securities ULC
Bow Valley Square 4
Suite 1110, 250 - 6th Avenue SW
Calgary, Alberta T2P 3H7
Phone: +1 403 538 7555
Fax: +1 403 538 7551

September 11, 2023

Daryl Stepanic
Chief Executive Officer
Griffon Partners Operation Corp.,
Suite 900, 140-4th Avenue SW
Calgary, AB, T2P 3N3

And

Ioannis Charalambides
Director
Spicelo Limited
Suite 900, 140-4th Avenue SW
Calgary, AB, T2P 3N3

Dear Mr. Stepanic and Mr. Charalambides:

Alvarez & Marsal Canada Securities ULC ("**A&M**") understands that Griffon Partners Operation Corp., Griffon Partners Capital Management Ltd., Griffon Partners Holding Corp., Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., Spicelo Limited and its subsidiaries and its respective assigns and successors, jointly and severally, (*collectively*, the "**Company**"), has filed Notices of Intention to Make a Proposal (the "**NOIs**") pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act (the "**BIA**"). Further, Alvarez & Marsal Canada Inc., was appointed as the Proposal Trustee of the Company (the "**Proposal Trustee**") in the proceedings pursuant to the NOI. The Company acknowledges and agrees that A&M is authorized to meet and share information requested by the Proposal Trustee.

This letter confirms and sets forth the terms and conditions of the engagement between A&M and the Company, including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below, this letter will constitute an agreement between the Company and A&M (the "**Agreement**").

www.DS DS im
DG ND

1. Description of Engagement and Services.

The Company hereby engages A&M as its financial advisor with respect to evaluating and pursuing a potential financing transaction, sale transaction, or restructuring transaction (each a “**Transaction**”), effective as of the date hereof (the “**Effective Date**”). As part of our engagement, A&M will, if appropriate and requested perform the following services:

- i. In consultation with the Proposal Trustee, provide advice and recommendations to the Company with respect to a potential sales and investment solicitation process (“**SISP**”);
- ii. Should the Company seek a financing transaction and/or sale transaction, advise and assist the Company in executing such financing transaction and/or sale transaction, including but not limited to;
 - a. Prepare, in collaboration with the Company and in consultation with the Proposal Trustee, a confidential information memorandum or similar document (“**Confidential Information Memorandum**”) and other relevant informational materials;
 - b. Identify and contact prospective investors and solicit and assist in evaluating indications of interest & proposals among prospective investors;
 - c. Coordinate potential investors' due diligence investigations;
 - d. Assist in structuring and negotiating the financing and/or sale and the terms of the securities/consideration; and
 - e. Assist in matters associated with closing the financing transaction and/or sale transaction generally provided by financial advisors;
- iii. Should the Company seek a restructuring transaction, advise and assist the Company in executing such restructuring transaction, including but not limited to;
 - a. Assist with the formulation and evaluation of various restructuring scenarios and the potential impact of those scenarios on the recoveries of stakeholders;
 - b. Assist the Company in negotiations with creditors, shareholders and other appropriate parties-in-interest and implementation of various strategic alternatives including; restructuring, financing, reorganization, merger, or sale of the Company, or its assets or businesses;

- 3 -

- c. Assist the Company in analyzing, structuring, negotiating and effecting a restructuring transaction; and
 - d. If necessary, provide investment banking and financial advisory services to support the Company in connection with the Company's and its advisors' efforts to develop and implement a restructuring transaction;
- iv. Provide any other investment banking and financial advisory services reasonably necessary to accomplish the foregoing and consummate a transaction as requested by the Company and agreed to by A&M from time to time.

In connection with the Company seeking approval of any potential SISP, the Company shall apply to the Court of King's Bench of Alberta (the "**Court**"), for approval ("**Court Approval**") of (a) this Agreement, (b) the retention of A&M by the Company under the terms of this Agreement; (c) the payment of the fees and expenses of A&M under this Agreement in the form and at times contemplated hereby; (d) security or charge rank for such fees and expenses, shall be secured by a first priority Court ordered charge under the Administration Charge granted in either the NOI proceedings or a potential CCAA proceedings. Subject to the termination provisions of the Agreement, A&M agrees to provide services pursuant to this Agreement until the Company obtains Court approval by way of a final order satisfactory to A&M and the Proposal Trustee.

It is understood and agreed that nothing contained herein shall constitute an expressed or implied commitment by A&M to underwrite, place, or purchase any financing or securities. The scope of A&M services shall not include delivery of a fairness opinion with respect to any transaction.

The Company authorizes A&M to provide the Confidential Information Memorandum (as amended and supplemented and including any information incorporated therein by reference, the "**Confidential Information Memorandum**") and other relevant information to prospective investors.

The Company shall, in consultation with the Proposal Trustee, have the right, in its sole discretion, to accept or reject any Transaction offer or any prospective investors. The Company, in consultation with the Proposal Trustee, shall also have the right to approve prospective investors, in what manner they are to be contacted and at what point in time such contact may be made with each such prospective investor.

The Company agrees to promptly inform A&M of any inquiry it receives regarding a Transaction so that A&M can evaluate such party and its interest in a Transaction and A&M shall advise the Proposal Trustee of such inquiries. Furthermore, the Company agrees to request that the Proposal Trustee forward to A&M any inquiries that it receives or has received from prospective investors.

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The Company understands that the services to be rendered by A&M may include providing the Company with assistance in the preparation of projections and other forward-looking statements regarding the Company and / or its businesses, subsidiaries or affiliates, and numerous factors can affect the actual results of the Company and / or its businesses, subsidiaries or affiliates, which may materially and adversely differ from those projections.

A&M makes no representation whatsoever that an appropriate Transaction can or will be formulated, that any Transaction in general or that any transaction in particular is the best course of action for the Company. Further A&M assumes no responsibility for the selection and approval of any Transaction presented to the Company, this determination shall rest strictly with the Company, in consultation with the Proposal Trustee.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law.

The Company will be solely responsible for the contents of the Confidential Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any prospective investors and/or any other party in connection with a potential Transaction. The Company represents and warrants that the Confidential Information Memorandum and such other communications will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. If an event occurs as a result of which the Confidential Information Memorandum (or any other distributed materials) would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly notify A&M and A&M will suspend solicitations of prospective investors until such time as the Company prepares a supplement or amendment to the Confidential Information Memorandum (or otherwise) that corrects such statement(s) and/or omission(s).

In connection with A&M's engagement, the Company will furnish A&M with all information concerning the Company which A&M reasonably deems appropriate and will provide A&M with access to the Company's officers, directors, employees, accountants, counsel and other representatives (collectively, the "**Representatives**"). It is understood that A&M will rely solely upon the information supplied by the Company and its' Representatives without assuming any responsibility for independent investigation or verification thereof. The Company represents and warrants that any financial projections provided to A&M have been, or will be, prepared on a basis reflecting the best currently available estimates and judgments of the future financial results and condition of the Company. The Company will, in writing, promptly notify A&M of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to A&M or any interested party. The Company authorizes A&M to contact the Company professional advisors, which in A&M's discretion is deemed appropriate in connection with this engagement.

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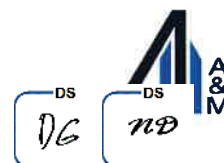
In rendering its services to the Company, A&M will report directly to the Chief Executive Officer (the “**CEO**”) and the Board of Directors (the “**Board**”) and will make recommendations to and consult with the CEO and the Board or such senior officers as the CEO and / or the Board directs.

Scott Asplund and Chad Ellison, Managing Directors of A&M, will be responsible for the overall engagement and will be assisted by other A&M personnel, as appropriate. A&M personnel providing services to the Company may also work with other A&M clients in conjunction with unrelated matters. In connection with the services to be provided hereunder, from time to time A&M may utilize the services of employees of its affiliates (as defined below). Such affiliates are wholly owned by A&M's parent company and A&M's employees.

For the purposes of this Agreement, "affiliate" means, with respect to any specified person, any other person directly or indirectly controlling, controlled by or under common control with such specified person. For purposes of this definition, the terms "controlling," "controlled by" or "under common control with" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, or the power to elect at least 50% of the directors, managers, general partners, or persons exercising similar authority with respect to such person.

The Company understands that A&M is not undertaking to provide any legal, regulatory, accounting, insurance, tax or similar professional advice. It is further understood and agreed that A&M's services will not include the preparation of a due diligence report, presentation or otherwise for the Company, and that A&M's services will not include the rendering of a fairness opinion. If you should request additional services not otherwise contemplated by this Agreement, the Company and A&M will enter into an additional letter agreement which will set forth the nature and scope of the services, appropriate compensation and other customary matters, as mutually agreed upon by the Company and A&M.

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2. Compensation

- (a) A&M will receive fees based on the following hourly rates (in \$CAD):



Such rates shall be subject to adjustment annually at such time as A&M adjusts its rates generally.

- (b) In addition, the Company agrees to promptly reimburse A&M, on a bi-weekly basis, for all documented out-of-pocket expenses reasonably incurred in connection with the matters contemplated by this Agreement, including, without limitation, reasonable fees of counsel incurred in connection with the enforcement of this Agreement (including the Indemnification Agreement), such as travel, lodging, meals, messenger and wireless charges. All fees and expenses will be billed on a bi-weekly basis or, at A&M's discretion, more frequently. Invoices are payable upon receipt.
- (c) Upon receiving approval of the Court, the Company shall promptly remit to A&M a retainer in the amount of \$50,000 (the "**Retainer**"), which shall be credited against any amounts due at the termination of this engagement and returned upon the satisfaction of all obligations hereunder. The Retainer will be held in a segregated non-interest-bearing account (which may hold other A&M and A&M affiliate client retainers), separate from the general account to which A&M will direct payment of ongoing fees and expenses. Absent your agreement to the contrary, A&M may only draw on the Retainer (or a portion thereof) in order to apply to invoices that are due and payable or other amounts due under this Agreement or as the Company may otherwise agree and Company will be informed of such application of the Retainer. If a Retainer is to be increased or decreased, the foregoing shall apply.
- (d) All provisions in this Section 2 are in addition to any protections or remedies afforded to A&M at law or by statute.
- (e) All fees will be subject to applicable taxes.

3. Term.

The engagement will commence as of the date hereof and may be terminated by either party without cause by giving 10 days' written notice to the other party. In the event of any such termination, any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but were invoiced subsequent to such termination). The Company may immediately terminate A&M's services hereunder at any time for Cause (as defined below) by giving written notice to A&M. Upon any such termination, the Company shall be relieved of all of its payment obligations under this Agreement, except for the payment of fees and expenses through the effective date of termination (including fees and expenses that accrued prior to but were invoiced subsequent to such termination) and its obligations under Sections 8 and 9 below. For purposes of this Agreement, "Cause" shall mean if A&M breaches any of its material obligations hereunder and does not cure such breach within 10 days of the Company having given written notice of such breach to A&M describing in reasonable detail the nature of the alleged breach. A&M shall be entitled to immediately terminate its services hereunder for Good Reason (as defined below). For purposes of this Agreement, termination for "Good Reason" shall mean either a breach by the Company of any of its material obligations under this Agreement that is not cured within 10 days of A&M having given written notice of such breach to the Company describing in reasonable detail the nature of the alleged breach.

4. Relationship of the Parties.

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or subcontractors is to be considered an employee or agent of the Company. The Company acknowledges that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to generally accepted accounting principles or the rules of any provincial, territorial or national professional or regulatory body. Accordingly, while the information gathered will be reviewed for reasonableness, A&M's work will not necessarily identify any errors or irregularities, if such exist, on the part of the Company or its officers or employees. Furthermore, A&M is entitled to rely on the accuracy and validity of the data disclosed to it or supplied to it by agents, advisors, employees and representatives of the Company. A&M is under no obligation to update data submitted to it or review any other areas unless specifically requested by the Company to do so. The Company agrees and acknowledges that the services to be rendered by A&M may include the assistance in the preparation and review of projections, forecasts and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections, forecasts and other forward-looking statements. A&M makes no representation or guarantee that any business plan or refinancing alternative is the best course of action. A&M shall not be required to certify any financial statements or information or to provide representations with respect therewith in connection with

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any audit or securities law disclosure documents. For greater certainty, during the course of this engagement, A&M shall be acting as a consultant to the Company in this matter and A&M shall not be assuming any decision making or other management responsibilities in connection with the affairs of the Company and A&M shall have no responsibility for the affairs of the Company during this engagement. In addition, A&M shall not do anything or perform any act pursuant to which A&M assumes any possession or control of the property, assets, undertakings, premises or operations of the Company for any purpose whatsoever.

5. No Third-Party Beneficiary.

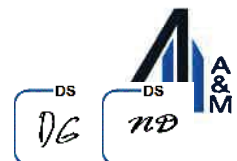
The Company acknowledges that all advice (written or oral) given by A&M to the Company in connection with this engagement is intended solely for the benefit and use of the Company (limited to its Board and management) in considering the matters to which this engagement relates. The Company agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law. A&M acknowledges that in the context of any transaction resulting from this engagement it may be required to provide, and it shall provide, a summary of its efforts leading to the transaction so that such efforts can be described in the court materials seeking approval of such transaction.

6. Conflicts.

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which you made us aware, other than as noted below. Because A&M is a consulting firm that serves clients on an international basis in numerous cases, both in and out of court, it is possible that A&M may have rendered or will render services to or have business associations with other entities or people which had or have or may have relationships with the Company, including creditors of the Company. In the event you accept the terms of this engagement, A&M will not represent, and A&M has not represented, the interests of any such entities or people in connection with this matter.

Alvarez & Marsal Canada Inc. ("**A&M Canada Inc.**"), an affiliate of A&M, has been appointed as the Proposal Trustee in the proceedings related to the Company's Notices of Intention to Make a Proposal filed pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada). The parties herein agree that no conflict exists between this Agreement and such appointment. Notwithstanding anything in this Agreement to the contrary, including the provisions of Section 7, in the course of any such engagement, A&M Canada Inc. may use the information acquired by A&M under this Agreement but such use by A&M Canada Inc. remains subject to the confidentiality provisions set out in this Agreement.

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7. Confidentiality.

A&M shall keep as confidential all non-public information received from the Company in conjunction with this engagement, except: (i) as requested by the Company or its legal counsel; (ii) as required by legal proceedings; or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision.

8. Non-Solicitation.

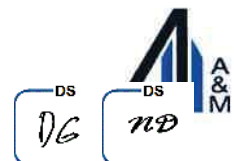
The Company, on behalf of itself, its subsidiaries and affiliates and any person (as such term is defined under the *Canada Business Corporations Act*) which may acquire all or substantially all of its assets, agrees that, until two years subsequent to the termination of this Agreement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or its affiliates who worked on this engagement while employed by A&M or its affiliates ("Solicited Person"). Should the Company, any of its subsidiaries or affiliates or any person who acquires all or substantially all of its assets extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the party extending such offer equal to the Solicited Person's hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior Director and 2,000 hours for any other A&M employee. The fee shall be payable at the time of the Solicited Person's acceptance of employment or engagement.

9. Indemnification.

The indemnification provisions, attached hereto as Exhibit A, are incorporated herein by reference and the termination of this Agreement or the engagement shall not affect those provisions, which shall survive termination. Furthermore, all those provisions contained in Exhibit A are in addition to any protections or remedies afforded to A&M at law or by statute.

As to the services the Company has requested and A&M has agreed to provide as set forth in this Agreement, the total aggregate liability of A&M under this Agreement to the Company and its successors and assigns, shall be limited to the actual damages incurred by the Company or its successors or assigns, respectively. In no event will A&M or any of its affiliates be liable to the Company or their successors or assigns for consequential, special or punitive damages, including loss of profit, data, business or goodwill. In no event shall the total aggregate liability of A&M under this Agreement to the Company and their successors and assigns exceed the total amount of fees received and retained by A&M hereunder.

-9-



10. Data Hosting

From time to time, as an accommodation to the Company, A&M as directed by the Company may arrange for a third party data hosting provider (i.e., Firmex or Intralinks) (the “**Provider**”) to host documents and information relating to this engagement in a web/data room environment for the Company’s and/or certain authorized parties review. For the Company’s convenience, the Provider’s service is generally provided based upon an agreement between A&M and the Provider to which the Company is not a party. Notwithstanding anything herein, it is understood and agreed that A&M does not warrant and is not responsible for the Provider’s conduct and services. Otherwise, should the Company wish to arrange for a direct agreement with a Provider, A&M is happy to assist in that pursuit.

11. Miscellaneous.

Depending on future developments the spread of the Coronavirus has the potential to affect the services provided under this Agreement. Travel, work place and mobility restrictions (to include measures reasonably mandated by A&M with respect to its employees and personnel) may restrict travel to the Company and other work sites as well as limit access to facilities, infrastructure, information and personnel of A&M, the Company or others. Such circumstances may adversely affect the timetable or content of A&M’s deliverables and completion of the scope of services included in this Agreement. A&M will discuss with the Company if A&M believes that the services may be impacted in this way. The Company accepts and acknowledges that A&M employees and personnel may attend at the Company’s locations or physically interact with the Company’s employees and personnel in connection with the services, unless A&M or the Company decide that this should not be the case.

This Agreement (together with the attached indemnity provisions): (a) shall be governed and construed in accordance with the laws of the Province of Alberta applicable therein without giving effect to such province’s rules concerning conflicts of laws that might provide for any other choice of law; (b) incorporates the entire understanding of the parties with respect to the subject matter hereof; (c) may not be amended or modified except in writing executed of the parties hereto; (d) may be executed by facsimile and in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement; and (e) notwithstanding anything herein to the contrary, A&M may reference or list the Company’s name and/or a general description of the services in A&M’s marketing materials, including, without limitation, on A&M’s website.

- 11 -

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

**ALVAREZ & MARSAL
CANADA SECURITIES ULC**

By: 
Name: Scott Asplund
Title: Managing Director

By: 
Name: Chad Ellison Title:
Managing Director

-11-



- 12 -

Accepted and agreed:

Griffon Partners Capital Management Ltd.

By: 
Jonathan Klesch
President

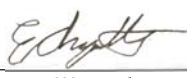
Griffon Partners Holding Corp.

By: 
Jonathan Klesch
President

Griffon Partners Operation Corp.

By: 
Daryl Stepanic
Chief Executive Officer

2437801 Alberta Ltd.

By: 
Elliot Choquette
President

2437815 Alberta Ltd.

By: 
Daryl Stepanic
President

2437799 Alberta Ltd.

By: _____
Trevor Murphy
President

Spicelo Limited

By: _____
Ioannis Charalambides
Director

Stellion Limited

By: _____
Ioannis Charalambides
Director

-12-



- 12 -

Accepted and agreed:

Griffon Partners Capital Management Ltd.

By: 
Jonathan Klesch
President

Griffon Partners Holding Corp.

By: 
Jonathan Klesch
President

Griffon Partners Operation Corp.

By: 
Daryl Stepanic
Chief Executive Officer

2437801 Alberta Ltd.

By: _____
Elliot Choquette
President

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By: 
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President

2437799 Alberta Ltd.

By: 
Trevor Murphy
President

Spicelo Limited

By: _____
Ioannis Charalambides
Director

Stellion Limited

By: _____
Ioannis Charalambides
Director

-12-



Accepted and agreed:

Griffon Partners Capital Management Ltd.

Griffon Partners Holding Corp.

By: _____
Jonathan Klesch
President

By: _____
Jonathan Klesch
President

Griffon Partners Operation Corp.

2437801 Alberta Ltd.

By: _____
Daryl Stepanic
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By: _____
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President

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By: _____
Daryl Stepanic
President

By: _____
Trevor Murphy
President

Spicelo Limited

Stellion Limited

By: _____
Ioannis Charalambides
Director

By: _____
Ioannis Charalambides
Director



Alvarez & Marsal Canada ULC
 Royal Bank Plaza, South Tower
 200 Bay Street, Suite 2900, P.O. Box 22
 Toronto, ON M5J 2J1
 Phone: +1 416 847 5200
 Fax: +1 416 847 5201

EXHIBIT A

Indemnity Provisions

- A. The Company agrees to indemnify and hold harmless each of A&M, its affiliates and their respective shareholders, managers, members, employees, agents, representatives and subcontractors (each, an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities, penalties, obligations, disbursements and expenses, including the costs (fees and disbursements) for counsel or others (including employees of A&M, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent for any such liability for losses, claims, damages, liabilities or expenses that are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.
- B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or A&M's and its personnel's role under the Agreement, A&M or any Indemnified Party is required to produce any of its personnel (including former employees) or for examination, discovery, deposition or other written, recorded or oral presentation, or A&M or any of its personnel (including former employees) or any other Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant to a subpoena or other legal (including administrative) process, the Company will reimburse the Indemnified Party for its out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.

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- C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, the Company may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.
- D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.
- E. In the event the Company and A&M seek judicial approval for the assumption of the Agreement or authorization to enter into a new engagement agreement pursuant to either

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- 15 -


of which A&M would continue to be engaged by the Company, the Company shall promptly pay expenses reasonably incurred by the Indemnified Parties, including attorneys' fees and expenses, in connection with any motion, action or claim made either in support of or in opposition to any such retention or authorization, whether in advance of or following any judicial disposition of such motion, action or claim, promptly upon submission of invoices therefor and regardless of whether such retention or authorization is approved by any court. The Company will also promptly pay the Indemnified Parties for any expenses reasonably incurred by them, including attorneys' fees and expenses, in seeking payment of all amounts owed to it under the Agreement (or any new engagement agreement) whether through submission of a fee application or in any other manner, without offset, recoupment or counterclaim, whether as a secured claim, an administrative expense claim, an unsecured claim, a prepetition claim or a postpetition claim.

- F. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition or application under the *Companies' Creditors Arrangement Act* or *Bankruptcy and Insolvency Act* (Canada) (nor the conversion of an existing case to a different form of proceeding, including a receivership) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.
- G. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or by-laws of the Company, any policy of insurance, any other agreements, any vote of shareholders or disinterested directors of the Company, any applicable law or otherwise.

Alvarez & Marsal Canada Securities ULC

By: 

Scott Asplund
Title: Managing Director

By: 

Chad Ellison
Managing Director

-15-



This is **Exhibit “G”** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG *ND*

Griffon Partners				Notes	18 Weeks (Aug 25 - Dec 29)		
Cash Flow Variances					Forecast		
\$CAD 000's					Forecast	Actuals	Variance
5 Weeks (Nov 25 - Dec 29)							
Cash Receipts							
Sales (production settlement)	3,192	1,856	(1,336)	a	9,873	8,764	(1,109)
Hedging expense	-	(83)	(83)		-	(83)	(83)
Other receipts	-	5	5		-	102	102
Total cash receipts	3,192	1,778	(1,414)		9,873	8,783	(1,090)
Cash Disbursements							
Operating Disbursements							
Field contract operator payments	(142)	(148)	(6)		(582)	(615)	(33)
Office contract consultant payments	(135)	(185)	(50)		(578)	(810)	(232)
JV Partner payments	(39)	(93)	(54)		(159)	(211)	(52)
Operating and transportation	(1,327)	(728)	599	b	(3,724)	(1,998)	1,726
Drilling, facilities and other acquisitions	-	-	-		-	(28)	(28)
Abandonment and reclamation	(175)	(121)	54		(300)	(236)	64
Surface and mineral leases	(180)	(73)	107		(374)	(355)	19
Royalties	(251)	(237)	14		(569)	(557)	12
Property and carbon taxes	(357)	(446)	(89)		(394)	(514)	(120)
Subtotal	(2,606)	(2,031)	575		(6,680)	(5,324)	1,356
Non-Operating Disbursements							
General and administrative	(21)	(111)	(90)	c	(60)	(189)	(129)
GST remittance	(50)	(59)	(9)		(188)	(59)	129
Companies' counsel fees	(200)	(129)	71		(575)	(533)	42
Transaction agent fees	(150)	(349)	(199)	d	(375)	(691)	(316)
Legal and financial advisor fees (1)	-	-	-		(235)	(199)	36
Subtotal	(421)	(648)	(227)		(1,433)	(1,671)	(238)
Net Cash Flow (before NOI Professionals)	165	(901)	(1,066)		1,760	1,788	28
NOI Professional Fee Disbursements							
Proposal Trustee's fees	(110)	(55)	55		(425)	(344)	81
Proposal Trustee's counsel's fees	(70)	(23)	47		(230)	(192)	38
Subtotal	(180)	(78)	102		(655)	(536)	119
Net Cash Flow	(15)	(979)	(964)		1,105	1,252	147
Net Change in Cash							
Beginning of period	4,427	4,202	(225)		1,935	1,971	36
Net Cash Flow	(15)	(979)	(964)		1,105	1,252	147
Ending of period	4,412	3,223	(1,189)		3,040	3,223	183

5 Week Variance Notes:

A - Negative production settlement variance (permanent) as a result of a realized decline in commodity prices as compared to forecast.

Refer to following page for details of receipts by commodity.

B - Positive operating and transportation expense variance (timing) as a result of receipt of fewer invoices and therefore timing of release of payments impacted by December holiday calendar.

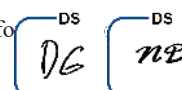
C - Negative general and administrative expense variance (permanent) driven by an outflow related to the procurement of the affidavit of Ken Morris.

D - Negative restructuring advisor fee variance (permanent) as a result of higher than anticipated interested parties and additional support required as a result of constraints from Company resources.

Other Notes:

1 - Legal and financial advisory fee relating to the period prior to the NOI.

2 - Other material variances have been explained in the prior reports of the Proposal Trustee. The Proposal Trustee will fo any additional support for requested variances.

DS DS


Griffon Partners		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	Week 14	Week 15	Week 16	Week 17	Week 18	Total
Weekly Production Receipts		1-Sep-23	8-Sep-23	15-Sep-23	22-Sep-23	29-Sep-23	6-Oct-23	13-Oct-23	20-Oct-23	27-Oct-23	3-Nov-23	10-Nov-23	17-Nov-23	24-Nov-23	1-Dec-23	8-Dec-23	15-Dec-23	22-Dec-23	29-Dec-23	
\$CAD week ended																				
Cash Receipts																				
Oil Revenue		10				1,204				1,331				1,664					1,503	5,712
NGL Revenue						400				507				441					616	1,964
Gas Revenue				10		638				665					557				699	2,569
Gas Transportation						(91)				(97)					(91)				(91)	(370)
Total Projections		10	-	10	-	2,151	-	-	-	2,406	-	-	-	2,105	466	-	-	-	2,727	9,875
Cash Receipts																				
Oil Revenue		10				1,264				1,331				1,204				965		4,774
NGL Revenue						453				507				398				345		1,703
Gas Revenue						762				665				605					642	2,674
Gas Transportation						(97)				(97)				(97)					(96)	(387)
Total Results		10	-	-	-	2,382	-	-	-	2,406	-	-	-	2,110	-	-	-	1,310	546	8,764
Cash Receipts																				
Oil Revenue		-	-	-	-	60	-	-	-	-	-	-	-	(460)	-	-	-	965	(1,503)	(938)
NGL Revenue		-	-	-	-	53	-	-	-	-	-	-	-	(43)	-	-	-	345	(616)	(261)
Gas Revenue		-	-	(10)	-	124	-	-	-	-	-	-	-	605	(557)	-	-	-	(57)	105
Gas Transportation		-	-	-	-	(6)	-	-	-	-	-	-	-	(97)	91	-	-	-	(5)	(17)
Total Variance		-	-	(10)	-	231	-	-	-	-	-	-	-	5	(466)	-	-	1,310	(2,181)	(1,111)

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DRAFT - FOR DISCUSSION PURPOSES ONLY

Griffon Partners								
Cash Flow Variances								
SCAD 000's								
	1 Week (Jan 5 - Jan 12)			Notes	20 Weeks (Aug 25 - Jan 12)			Notes
	Forecast	Actuals	Variance		Forecast	Actuals	Variance	
Cash Receipts								
Sales (production settlement)	-	-	-		9,873	8,764	(1,109)	
Hedging expense	-	-	-		-	(83)	(83)	
Other receipts	-	43	43		-	145	145	
Total cash receipts	-	43	43		9,873	8,826	(1,047)	
Cash Disbursements								
Operating Disbursements								
Field contract operator payments	-	-	-		(724)	(773)	(49)	
Office contract consultant payments	-	-	-		(623)	(836)	(213)	
JV Partner payments	-	-	-		(159)	(211)	(52)	
Operating and transportation	(38)	(71)	(33)		(3,762)	(2,351)	1,411	c
Drilling, facilities and other acquisitions	-	-	-		-	(28)	(28)	
Abandonment and reclamation	-	-	-		(300)	(236)	64	
Surface and mineral leases	-	-	-		(374)	(357)	17	
Royalties	-	(228)	(228)	a	(569)	(785)	(216)	
Property and carbon taxes	-	(8)	(8)		(394)	(522)	(128)	
Subtotal	(38)	(308)	(270)		(6,905)	(6,100)	805	
Non-Operating Disbursements								
General and administrative	-	-	-		(60)	(190)	(130)	
GST remittance	-	-	-		(188)	(59)	129	
Companies' counsel fees	(100)	-	100	b	(675)	(541)	134	
Transaction agent fees	-	-	-		(375)	(691)	(316)	
Legal and financial advisor fees	-	-	-		(310)	(292)	18	
Subtotal	(100)	-	100		(1,608)	(1,773)	(165)	
Net Cash Flow (before NOI Professionals)	(138)	(265)	(127)		1,360	952	(408)	
NOI Professional Fee Disbursements								
Proposal Trustee's fees	(50)	-	50	b	(475)	(409)	66	
Proposal Trustee's counsel's fees	(20)	-	20	b	(250)	(216)	34	
Subtotal	(70)	-	70		(725)	(625)	100	
Net Cash Flow	(208)	(265)	(57)		635	327	(308)	
Net Change in Cash								
Beginning of period	2,564	2,564	-		1,935	1,971	36	
Net Cash Flow	(208)	(265)	(57)		635	327	(308)	
Ending of period	2,356	2,298	(57)		2,570	2,298	(272)	

Notes:

A - This is a temporary timing difference as a result of the payment of royalties compared to the forecast schedule by one week.

B - This is a temporary timing difference as a result of professional fee invoices not yet received.

C - This is a combination of temporary timing differences driven by conservative forecasting (having to pre-pay vendors

COD while, many extended credit of 30 days; estimated at approximately \$600,000) and permanent variances driven by (a) conservative budgeting and unneeded contingencies (estimated at approximately \$300,000) and (b) amounts owing to pre-filing creditors which were forecast to be paid for conservatism, but were not required as a result of positive outcomes of negotiations by the Company and Sproule (estimated at approximately \$500,000).

Note:

Other material variances have been explained in the prior reports of the Proposal Trustee. The Proposal Trustee will follow up on any additional support for requested variances

This is **Exhibit “H”** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

971DBB8B283D412...

Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

B201-979735

COURT FILE NUMBER 25-2979735
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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 GRIFFON PARTNERS OPERATION
CORPORATION, GRIFFON PARTNERS HOLDING
CORPORATION, GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., STELLION LIMITED, 2437801
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815
ALBERTA LTD., and SPICELO LIMITED

APPLICANTS GRIFFON PARTNERS OPERATION CORPORATION,
GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON
PARTNERS CAPITAL MANAGEMENT LTD.,
STELLION LIMITED, 2437801 ALBERTA LTD., 2437799
ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO
LIMITED

DOCUMENT **ORDER**
(Sales and Investment Solicitation Process)

ADDRESS FOR SERVICE **OSLER, HOSKIN & HARCOURT LLP**
AND CONTACT Suite 2700, Brookfield Place
INFORMATION OF 255 – 6th Avenue SW
PARTY FILING THIS Calgary, AB T2P 1N2
DOCUMENT

Solicitors: Randal Van de Mosselaer / Emily Paplawski
Phone: 403.260.7000 / 7071
Email: rvandemosselaer@osler.com / epaplawski@osler.com
Matter: 1247318

DATE ON WHICH ORDER WAS PRONOUNCED: October 18, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Dunlop

UPON THE APPLICATION of Griffon Partners Operation Corporation, Griffon
Partners Holding Corporation, Griffon Partners Capital Management Ltd., Stellion Limited,

DS DS
06 nD

2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., and Spicelo Limited (collectively, the “**Applicants**”) for an order, among other things, approving the Sales and Investment Solicitation Process (“**SISP**”) attached as **Appendix “A”** hereto; **AND UPON** having reviewed the Affidavit of Daryl Stepanic, sworn October 10, 2023, and the Second Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicants (the “**Proposal Trustee**”) under the Notices of Intention to Make a Proposal of the Applicants, filed August 25, 2023; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Proposal Trustee and any other counsel or other interested parties present; **AND UPON** noting that capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the SISP;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and 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.
2. The SISP (subject to any amendments thereto that may be made in accordance therewith and with this Order) is hereby approved, and the Applicants, the Proposal Trustee, and Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”) are hereby authorized and directed to implement the SISP in accordance with the terms thereof and do all things as may be reasonably necessary to conduct and give full effect to the SISP and implement and carry out the terms thereof.
3. The Proposal Trustee and the Transaction Agent (and their respective affiliates, partners, directors, employees, agents, consultants, advisors, experts, accountants, counsel and controlling persons) shall have no liability whatsoever for any and all losses, claims, damages or liabilities, of any nature or kind to any person or party for any act or omission related to the SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Proposal Trustee or the Transaction Agent.
4. The Applicants shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and on all parties who

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are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.



Justice of the Court of King's Bench of Alberta

Appendix “A”

Sales and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”, and together with GPOC and GPHC, the “**Griffon Entities**”), Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437799 Alberta Ltd., 2437801 Alberta Ltd. and 2437815 Alberta Ltd. (collectively with the Griffon Entities, the “**Debtors**”) filed Notices of Intention to Make a Proposal (the “**NOI Proceedings**”) with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) on August 25, 2023. Alvarez and Marsal Canada Inc. was appointed as the trustee under the proposal (the “**Proposal Trustee**”) of the Debtors.

On September 22, 2023, the Alberta Court of King’s Bench (the “**Court**”) granted an Order, among other things, approving of the Debtors’ engagement of Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”).

On October 18, 2023, the Court granted an Order (the “**SISP Order**”) approving the sale and investment solicitation procedures set forth herein (the “**SISP Procedures**”). The SISP Order and these SISP Procedures shall exclusively govern the sale and investment solicitation process (the “**SISP**”) for soliciting and selecting bids for the sale of shares or assets of the Griffon Entities (or any one of them), or of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Debtors, or any one of them.

SISP Procedures

These SISP Procedures describe, among other things: (a) the manner and timelines by which any interested party may gain access to due diligence materials concerning the Debtors and their business; (b) the manner and timelines by which potential bidders may submit an offer for an investment in the Debtors or an offer to purchase some or all of the Griffon Entities’ assets, property, undertakings and/or shares; (c) the manner in which potential bidders and bids become Qualified Bidders and Qualified Bids (as defined below), respectively; (d) the receipt and negotiation of bids received; and (e) the ultimate selection of one or more bids, and the approval thereof by the Court.

The Debtors and the Proposal Trustee, with the assistance of the Transaction Agent, shall implement these SISP Procedures in accordance with the terms hereof and the SISP Order. Interested parties who wish to have their bids considered shall participate in the SISP in accordance with these SISP Procedures.

In the event that there is a disagreement or a clarification is required as to the interpretation or application of these SISP Procedures or the responsibilities of any person hereunder, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice

or directions as are necessary, upon application of the Debtors, the Proposal Trustee or any other interested person.

In the event of the conversion of the NOI Proceedings to other insolvency or restructuring proceedings, the SISP will continue under those proceeding, subject to any changes proposed to and confirmed by the Court.

Opportunity

The SISP Procedures are intended to solicit interest in, and opportunities for: (a) the purchase of some or all of the assets of the Griffon Entities (each, an “**Asset Transaction**”); (b) an investment in the Griffon Entities, including through the purchase or acquisition of the shares of some or all of the Griffon Entities (each, a “**Share Transaction**”); (c) a refinancing of the Debtors through the provision of take out or additional financing in the Debtors (each, a “**Refinancing Transaction**”), or some combination thereof (each, a “**Transaction**”). All interested parties are encouraged to submit a Non-Binding LOI (as defined below) and a Qualified Bid based on any configuration they wish, provided, however, that in no cases shall an Asset Transaction or a Share Transaction include the shares or assets of Spicelo. In all cases, the shares and/or assets of Spicelo shall be limited in this SISP to a Refinancing Transaction.

SISP Timeline

The SISP shall be conducted subject to the terms hereof and the following key milestones:

Milestone	Date	Date
Transaction Agent shall advertise SISP and distribute Teaser and NDA	Within 7 calendar days of SISP Order	October 25, 2023
Due diligence period (NDAs signed, access to VDR granted and site visits organized)	12 calendar days after SISP Order until Final Bid Deadline	October 30, 2023 – January 8, 2024
Non-Binding LOI Deadline	56 calendar days after SISP Order	December 12, 2023
Final Bid Deadline	End of due diligence period	January 8, 2024
Bid assessment	Within 5 business days of Final Bid Deadline	January 15, 2024
Notification of Auction Date (if applicable)	Within 5 business days of completion of bid assessment	January 22, 2024
Auction Date (if applicable)	2 business days after notification of Auction Date	January 24, 2024

Milestone	Date	Date
Period of time to finalize definitive documents for Successful Bid (if applicable)	Within 10 calendar days of acceptance of the Successful Bid	~January 26, 2024 (if no Auction) ~February 5, 2024 (if Auction)
Court approval of Successful Bid (if applicable)	Within 14 calendar days of acceptance of the Successful Bid (subject to Court availability)	~January 30, 2024 (if no Auction) ~February 9, 2024 (if Auction)

The Debtor and the Proposal Trustee, with the assistance of the Transaction Agent, will use reasonable efforts to complete the SISP Procedures in accordance with the foregoing. The Proposal Trustee may make such adjustments to the timeline that it determines are reasonably necessary in order to accommodate unforeseen circumstances and/or best facilitate the SISP to maximize the value of the Debtors for the benefit of stakeholders, in all cases upon notice to all interested parties actively participating in the SISP at the applicable time.

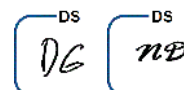
“As Is, Where Is”

Any Asset Transaction or Share Transaction completed hereunder will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Debtors, or any one of them, or their respective agents, except to the extent set forth in the Definitive Agreement (as defined below) with the Successful Bidder (as defined below).

Neither the Proposal Trustee, the Transaction Agent, the Debtors, nor any of their respective affiliates, advisors, agents or representatives makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the property or the accuracy or completeness of the information contained in any of the Teaser, Confidential Information Memorandum or in the VDR, except to the extent otherwise provided by the Debtors under a Definitive Agreement (as defined below) with a Successful Bidder executed and delivered by the Debtors. The Debtors are not required to inspect or count, or provide any inspection or counting, of the property or any part thereof and each Qualified Bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation with respect to the property. It shall be the Successful Bidder’s sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances.

Free of Any and All Claims and Interests

All of the right, title and interest of the Griffon Entities in and to any assets sold or transferred within the SISP will, at the time of such sale or transfer, be sold or transferred free and clear of

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any security, charge or other restriction (collectively, the “**Claims and Interests**”) pursuant to any approval and vesting order(s) or reverse vesting order(s) made by the Court and section 65.13 of the BIA. Contemporaneous with such approval and vesting order(s) or reverse vesting order(s) being made, all such Claims and Interests shall attach to the net proceeds of the sale of such assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the Definitive Agreement with the Successful Bidder (each as defined below) and as approved by the Court.

Solicitation of Interest

As soon as reasonably practicable after the granting of the SISP Order, the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, will prepare:

- a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Transaction Agent and the Debtors, and in consultation with the Proposal Trustee, may be interested in and have the financial capacity to make a Qualified Bid (“**Prospective Bidders**”); and
- b) an initial offering summary (the “**Teaser**”) describing and outlining the SISP and inviting Prospective Bidders to make a Qualified Bid.

Within 7 calendar days of the issuance of the SISP Order, the Transaction Agent shall, in consultation with the Debtors and the Proposal Trustee:

- a) cause a notice regarding the SISP and such other relevant information which the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, considers appropriate to be published in the BOE Report / Daily Oil Bulletin, and Globe & Mail; and
- b) distribute to Prospective Bidders the Teaser and a draft confidentiality and nondisclosure agreement (the “**NDA**”) in a form satisfactory to the Debtors, in consultation with the Proposal Trustee.

Participation Requirements and Due Diligence

Unless otherwise ordered by the Court, any Prospective Bidder or other interested party who wishes to participate in the SISP must deliver the following to the Transaction Agent prior to the distribution of any confidential information by the Debtors and/or the Transaction Agent to such Prospective Bidder or interested party (including access to the confidential virtual data room (the “**VDR**”)):

- a) an executed NDA; and
- b) an executed letter acknowledging receipt of a copy of the SISP Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.

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A Prospective Bidder or other interested party that has complied with each of the foregoing requirements, and who the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, determines has a reasonable prospect of completing an Asset Transaction, a Sale Transaction or a Refinancing Transaction contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Transaction Agent. For greater certainty, a “Qualified Bidder” will only continue to be deemed a “Qualified Bidder” for purposes of this SISP after the Non-Binding LOI Deadline if the Qualified Bidder submits a Non-Binding LOI in accordance with these SISP Procedures.

The Transaction Agent shall provide any person deemed to be a Qualified Bidder with access to the VDR. Each Qualified Bidder shall have such access in the VDR to materials and financial and other information relating to the shares, the assets, the property and the business of the Debtors as the Debtors, in their reasonable business judgment and in consultation with the Proposal Trustee and the Transaction Agent, deem appropriate for Qualified Bidders to conduct their due diligence.

At the discretion of the Debtors, in consultation with the Proposal Trustee and the Transaction Agent, due diligence access may also include presentations by the Debtors, or any one of them, access to on-site inspections and such other items as a Qualified Bidder may reasonably request. None of the Debtors, the Proposal Trustee, nor the Transaction Agent, or any of their respective professionals and advisors are responsible for, or have any liability with respect to, any information obtained by any Qualified Bidder. None of the Debtors, Proposal Trustee or the Transaction Agent or their respective professionals and advisors make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

Submission of Non-Binding LOI and Qualified Bid

A Qualified Bidder that desires to propose a Transaction must:

- a) deliver a non-binding letter of intent that identifies the potential purchaser(s)/financier(s) and a general description of the assets, business and/or refinancing terms that would be the intended subject of a Qualified Bid (each, a “**Non-Binding LOI**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on December 12, 2023, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Non-Binding LOI Deadline**”).
- b) deliver a final, written, binding offer (each, a “**Final Bid**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on January 8, 2024, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Final Bid Deadline**”).

Requirements for Qualified Bid

A Final Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- a) it has been received by the Proposal Trustee by the Final Bid Deadline;
- b) it includes either:
 - a. a fully binding and definitive agreement, duly authorized and executed, setting out the terms and conditions of the proposed Transaction, including the aggregate amount of the proposed equity and/or debt investment, assumption of debt, if any, and details of the proposed financing (a “**Definitive Refinancing Agreement**”); or,
 - b. a fully binding and definitive purchase and sale agreement, substantially in the form provided for in the VDR, duly authorized and executed, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a “**Definitive Purchase Agreement**”); or
 - c. some combination of a Definitive Refinancing Agreement and a Definitive Purchase Agreement, provided that such agreement is a fully binding definitive agreement that is duly authorized and executed (a “**Definitive Hybrid Agreement**”),

(each a “**Definitive Agreement**”);

- c) it includes:
 - a. a statement that the Final Bid is submitted in good faith, is binding and is irrevocable until there is a Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
 - b. a statement that the Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - c. full disclosure regarding the identity of each person that is bidding or that will otherwise be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals and the full and complete terms of any such participation;
- d) it provides evidence, in form and substance reasonably satisfactory to the Debtors and the Proposal Trustee, of compliance or anticipated compliance with any and all applicable

regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;

- e) it provides evidence, satisfactory to the Debtors and the Proposal Trustee, of a firm, irrevocable financial commitment for all required funding or financing or evidence of the Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- f) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment and is not conditional upon:
 - a. approval from the Qualified Bidder's board of directors (or comparable governing body) or equityholder(s);
 - b. the outcome of unperformed due diligence by the Qualified Bidder; and/or
 - c. the bidder obtaining financing;
- g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Proposal Trustee or the Transaction Agent, or any of their advisors, except as expressly stated in the Definitive Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Qualified Bid; and (iv) has had the benefit of independent legal advice in connection with its Qualified Bid;
- h) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Proposal Trustee), payable to the Proposal Trustee, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with these SISP Procedures; and
- i) provides such further or other information as may be reasonably requested by the Debtors and/or the Proposal Trustee.

The Proposal Trustee may, in its reasonable discretion, and in consultation with the Debtors, waive compliance with any one or more of the Non-Binding LOI and/or Qualified Bid requirements specified herein, and deem such non-compliant letter of intent or bid to be a Non-Binding LOI or Qualified Bid, as applicable, in accordance with these SISP Procedures.

If the Proposal Trustee is not satisfied with the number or terms of the Non-Binding LOIs or Qualified Bids, the Proposal Trustee, in consultation with the Debtors, may extend the Non-Binding LOI Deadline or Final Bid Deadline, as applicable, without Court approval and, unless otherwise provided for by the Proposal Trustee, all subsequent deadlines provided in these SISP Procedures shall be extended by the same time period.

Assessment of Qualified Bids

The Proposal Trustee and the Debtors will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated. Such assessments will be made as promptly as practicable but no later than five (5) business days after the Final Bid Deadline.

If the Debtors and the Proposal Trustee determine in their reasonable discretion that one or more Qualified Bids were received and it is likely that the transactions contemplated by one or more of such Qualified Bids will be consummated:

- a) the Proposal Trustee, with the consent of the Debtors, may advise all Qualified Bidders that an auction (the “**Auction**”) will be held and that such Qualified Bidders are entitled to participate in the Auction; or
- b) the Debtors, in consultation with the Proposal Trustee, may select the superior Qualified Bid (the “**Successful Bid**” and the bidder thereof, the “**Successful Bidder**”) and file an application to the Court to approve such Successful Bid within ten (10) calendar days of acceptance thereof, and seek a hearing of such application as soon as practicable thereafter.

To the extent that Trafigura Canada Limited and/or Signal Alpha C4 Limited (together, the “**Lenders**” and each, a “**Lender**”) either: (a) provide written confirmation to the Proposal Trustee that the Lenders or a specific Lender will not participate in the SISP as a Qualified Bidder or submit a Non-Binding LOI, Final Bid or a Qualified Bid within the SISP, or (b) fail to submit a Final Bid which has been deemed a Qualified Bid, from and after such date, the Proposal Trustee may consult with such Lenders or Lender, as applicable, as to developments in the SISP and/or selection of a Successful Bid.

Auction

If an Auction is to be held, the Proposal Trustee will conduct the Auction commencing at 10:00 a.m. (Calgary time) on January 24, 2024 (the “**Auction Date**”) at the offices of the Proposal Trustee’s legal counsel, Torys LLP, Calgary, AB, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, subject to such adjournments as the Proposal Trustee may consider appropriate.

The Auction shall run in accordance with the following procedures:

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- c) prior to 4:00 p.m. (Calgary time) on January 22, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Proposal Trustee whether it intends to participate in the Auction (the parties who so inform the Proposal Trustee that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
- d) the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
- e) only representatives of the Auction Bidders, the Proposal Trustee, the Transaction Agent, the Debtors and such other persons as permitted by the Proposal Trustee, and the advisors to each of the foregoing entities, are entitled to attend the Auction in person (and the Proposal Trustee shall have the discretion to allow such persons to attend by video- or tele-conference);
- f) the Proposal Trustee may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction provided that such rules are (i) not inconsistent with these SISP Procedures or general practice in insolvency proceedings, and (ii) disclosed to each Auction Bidder at the Auction;
- g) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- h) the Proposal Trustee shall arrange to have a court reporter attend at the Auction;
- i) each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person regarding the SISP without the express written consent of the Proposal Trustee and on disclosure to all other Auction Bidders;
- j) prior to the Auction, the Proposal Trustee will provide unredacted copies of the Qualified Bid(s) which the Proposal Trustee believes are the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to all Qualified Bidders that have made a Qualified Bid;
- k) prior to the Auction, the Proposal Trustee and the Transaction Agent shall develop a financial comparison model (the “**Comparison Model**”) which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
- l) prior to the Auction, the Proposal Trustee and the Transaction Agent shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids (as defined below) shall be evaluated during the Auction;

- m) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Proposal Trustee, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least CAD\$250,000, or such amount as may be determined by the Proposal Trustee prior to, and announced at, the Auction;
- n) to the extent not previously provided (which shall be determined by the Proposal Trustee), an Auction Bidder submitting a Subsequent Bid must submit, at the Proposal Trustee’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit- quality support information or enhancement reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- o) only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder’s Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Successful Bid;
- p) all Auction Bidders shall have the right to, at any time, request that the Proposal Trustee announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;
- q) the Proposal Trustee reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Proposal Trustee and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Proposal Trustee with such additional evidence as the Proposal Trustee, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;
- r) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
- s) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

At the end of the Auction, the Proposal Trustee shall announce the Successful Bid and the Successful Bidder. Upon selection of a Successful Bidder, the Successful Bidder shall

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soon as practicable and, in any event, by no later than five (5) calendar days, an executed Definitive Agreement, which reflects its Successful Bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application (as defined below).

If an Auction is conducted, the Auction Bidder and/or Qualified Bidder, as applicable, with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in this SISF, as determined by the Debtors and the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of (a) two (2) business days after the date of closing of the Successful Bid; and (b) February 16, 2024 (the “**Outside Date**”).

The Debtors, in consultation with the Proposal Trustee, shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the Definitive Agreement finalized and executed by no later than February 5, 2024, which Definitive Agreement shall be conditional only upon the receipt of the Approval Order (as defined below) and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the Successful Bid by no later than February 9, 2024, or such longer period as may be agreed to in writing by the Proposal Trustee. In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to in writing by the Proposal Trustee.

Approval of Successful Bid

All Qualified Bids and Subsequent Bids, including the Successful Bid and/or the Backup Bid, may be submitted by the Proposal Trustee to the Alberta Energy Regulator (“**AER**”) and/or the Saskatchewan Ministry of Energy and Resources (“**MER**”), on appropriate confidentiality undertakings, for review and approval by the AER and/or the MER.

The Debtors shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and the Backup Bid (as applicable) and/or the mechanics to authorize the Debtors to complete the transactions contemplated thereby, as applicable, and authorizing the Debtors to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (the “**Approval Order**”).

The Approval Application will be held on a date to be scheduled by the Debtors and confirmed by the Court. The Debtors shall use best efforts to schedule the Approval Application on or before February 9, 2024 subject to Court availability. The Approval Application may be adjourned or rescheduled by the Debtors on notice to the service list prior to the Approval Application. The

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Debtors shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Debtors for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

If, following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Debtors shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid.

Deposits

All Deposits shall be retained by the Proposal Trustee in a bank account specified by the Proposal Trustee. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposit paid by the Backup Bidder shall be retained by the Proposal Trustee until two (2) business days after the date of closing of the Successful Bid or the Outside Date, whichever is later, or, if the Backup Bid becomes the Successful Bid, shall be released by the Proposal Trustee and applied to the purchase price to be paid upon closing of the Backup Bid.

All Deposits of all Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five (5) business days of the date upon which the Successful Bid and any Backup Bid is approved by the Court. If the Auction does not take place or these SISP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned within five (5) business days of the date upon which it is determined that the Auction will not take place or these SISP Procedures are terminated, as applicable.

If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Debtors; provided, however, that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have against such breaching entity.

Approvals and Reservation of Rights

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

The Debtors may, at any time, and in consultation with the Proposal Trustee, reject or choose not to accept any Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid. In the

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event the Proposal Trustee disagrees with the Debtors' rejection or choice not to accept a Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid, the Proposal Trustee may file an application to the Court and upon two days' notice seek such relief as the Proposal Trustee may deem necessary.

These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors, Proposal Trustee, the Transaction Agent and any potential bidder, Qualified Bidder, Auction Bidder, Successful Bidder or Backup Bidder, other than as specifically set forth in any Definitive Agreement.

Notice

The addresses used for delivering documents to the Debtors and the Proposal Trustee as required by the terms and conditions of these SISP Procedures are set out below.

To the Debtors:

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 – 6th Avenue S.W.
Calgary AB T2P 1N2

Attention: Randal Van de Mosselaer / Emily Paplawski
Phone: (403) 260-7060 / (403) 260-7071
Email: Rvandemosselaer@osler.com / Epaplawski@osler.com

To the Transaction Agent:

Alvarez & Marsal Canada Securities ULC
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Scott Asplund / Chad Ellison
Phone: (403) 538-7530 / (403) 538-7540
Email: sasplund@alvarezandmarsal.com / cellison@alvarezandmarsal.com

To the Proposal Trustee:

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

- 14 -

Attention: Orest Konowalchuk / Duncan MacRae
Phone: (403) 538-4736 / (403) 538-7514
Email: okonowalchuk@alvarezandmarsal.com / dmacrae@alvarezandmarsal.com

with a copy to:

Torys LLP
525 – 8th Avenue SW, 46th Floor, Eighth Avenue Place East
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Phone: (403) 403-776-3744
Email: kkashuba@torys.com

No Amendment

There shall be no amendments to these SISP Procedures without the prior written consent of the Proposal Trustee, or further order of the Court obtained on reasonable notice to the Debtors and the Proposal Trustee.

Further Orders

At any time during the SISP, the Debtors and/or Proposal Trustee may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

DS DS
DG ND

This is **Exhibit "I"** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND



COURT FILE NUMBERS B201-979735 / 25-2979735

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTERS IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, OF GRIFFON PARTNERS OPERATION CORP., GRIFFON PARTNERS HOLDING CORP., GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., SPICELO LIMITED, STELLION LIMITED, 2437799 ALBERTA LTD., 2437801 ALBERTA LTD. and 2437815 ALBERTA LTD.

APPLICANTS TRAFIGURA CANADA LIMITED and SIGNAL ALPHA C4 LIMITED

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**
Barristers & Solicitors
4300 Bankers Hall West
888-3rd Street SW
Calgary, AB T2P 5C5

Karen Fellowes, K.C. / Natasha Doelman
Tel: (403) 724-9469 / (403) 781-9196
Fax: (403) 266-9034
Email: kfellowes@stikeman.com / ndoelman@stikeman.com
Lawyers for the Applicants,
Trafigura Canada Limited and Signal Alpha C4 Limited

File No.: 137093.1011

DATE ON WHICH ORDER WAS PRONOUNCED: **December 15, 2023**

LOCATION OF HEARING: **Calgary, Alberta**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice Jeffrey**

UPON the application of Trafigura Canada Limited and Signal Alpha C4 Limited (the "**Lenders**") in relation to certain shares (the "**Pledged Shares**") owned by Spicelo Limited (the "**Spicelo**") in the capital of Greenfire Resources Ltd. ("**Greenfire**"), which were pledged to the Lenders pursuant to the Limited Recourse Guarantee and Securities Pledge Agreement dated July 21, 2022 (the "**Share Pledge**"); AND UPON having read the Application, the Affidavit of Dave Gallagher, sworn November 20, 2023, filed; and the Affidavit of Service of Jennilee Fleury, sworn on

December 14, 2023; AND UPON hearing counsel for the Lenders, Spicelo, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Declaration

1. It is hereby declared that the Lock Up Agreement (“**LUA**”) dated September 20, 2023, among Spicelo, Greenfire and other parties to the LUA (collectively, the “**LUA Counterparties**”), and the transfer restrictions contained therein do not prevent the Lenders from exercising their contractual rights as against Spicelo pursuant to the Share Pledge in relation to the Pledged Shares. The enforcement of such contractual rights must be exercised in the context of the current NOI proceedings under the *Bankruptcy and Insolvency Act* so long as such proceedings are ongoing, on notice to all interested parties. Notwithstanding any other provision of this Order, nothing in this Order shall affect or constitute a determination of any of the rights or obligations of Spicelo to any of the other LUA Counterparties, or the rights and obligations of the LUA Counterparties to Spicelo, under the LUA.

Service

2. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.
3. 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 or otherwise served with notice of 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; and
 - iv. posting a copy of this Order on the Proposal Trustee’s Website at: <https://www.alvarezandmarsal.com/GriffonPartners>
 - v. and service on any other person is hereby dispensed with.

4. 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.


Justice of the Court of King's Bench of Alberta

This is **Exhibit "J"** referred to in the Affidavit of Dave Gallagher sworn before me via video technology this 29 day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

Greenfire Resources Ltd. (GFR)

NYSE - NYSE Delayed Price. Currency in USD

Follow

Quote Lookup

5.50 0.00 (0.00%)

As of 09:30AM EST. Market open.

Summary Chart Conversations Statistics **Historical Data** Profile Financials Analysis Options Holders Sustainability

Advertisement



Time Period: Jan 29, 2023 - Jan 29, 2024 Show: Historical Prices Frequency: Daily Apply

Currency in USD

Download

Date	Open	High	Low	Close*	Adj Close**	Volume
Jan 29, 2024	5.50	5.50	5.50	5.50	5.50	100
Jan 26, 2024	5.66	5.72	5.50	5.50	5.50	1,800
Jan 25, 2024	5.94	5.94	5.51	5.51	5.51	6,000
Jan 24, 2024	5.79	6.19	5.71	5.90	5.90	9,600
Jan 23, 2024	5.71	5.95	5.71	5.93	5.93	2,100
Jan 22, 2024	6.06	6.15	5.93	6.15	6.15	2,000
Jan 19, 2024	6.26	6.26	5.75	5.93	5.93	28,200
Jan 18, 2024	6.16	6.17	6.11	6.12	6.12	8,200
Jan 17, 2024	5.93	6.28	5.93	6.15	6.15	4,700
Jan 16, 2024	6.07	6.11	5.92	5.92	5.92	800
Jan 12, 2024	6.05	6.11	5.86	6.06	6.06	3,700
Jan 11, 2024	5.88	5.99	5.76	5.99	5.99	2,400
Jan 10, 2024	5.86	5.97	5.71	5.73	5.73	1,300
Jan 09, 2024	5.64	6.04	5.64	5.84	5.84	1,700
Jan 08, 2024	5.58	5.63	5.21	5.63	5.63	4,700
Jan 05, 2024	5.45	5.69	5.43	5.43	5.43	2,700
Jan 04, 2024	5.38	5.70	5.33	5.43	5.43	5,200
Jan 03, 2024	5.12	5.45	5.12	5.36	5.36	8,900
Jan 02, 2024	5.12	5.25	5.09	5.12	5.12	5,800
Dec 29, 2023	5.20	5.49	4.86	4.86	4.86	25,300

*Close price adjusted for splits. **Adjusted close price adjusted for splits and dividend and/or capital gain distributions.

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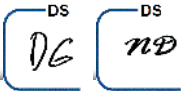
Symbol	Last Price	Change	% Change
KCLI	36.25	+0.50	+1.40%
Kansas City Life Insurance Company			
PTA	18.44	+0.02	+0.12%
Cohen & Steers Tax-Advantaged Preferred ...			
CIA	2.8700	-0.0100	-0.3472%
Citizens, Inc.			
MNY	0.9700	-0.0300	-3.0000%
MoneyHero Limited			
CSLI	0.0001	0.0000	0.00%
Critical Solutions, Inc.			

Similar to GFR

Symbol	Last Price	Change	% Change
CHKEL	59.36	-0.66	-1.10%
Chesapeake Energy Corporation			
KEC.TO	11.25	0.00	0.00%
Kiwetinochk Energy Corp.			
PMOIF	3.8050	0.0000	0.00%
Harbour Energy plc			
SQZZF	2.5000	0.0000	0.00%
Serica Energy plc			
IPCO.TO	14.81	-0.37	-2.44%
International Petroleum Corporation			

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Finance Home	Watchlists	My Portfolio	Markets	News	Videos	Screeners	Personal Finance	Crypto
Dec 28, 2023	5.18	5.44	5.11	5.19		5.19	5,400	
Dec 27, 2023	5.23	5.23	4.94	5.17		5.17	5,200	
Dec 26, 2023	4.87	5.14	4.86	5.04		5.04	2,600	
Dec 22, 2023	4.85	5.23	4.85	4.86		4.86	2,900	
Dec 21, 2023	4.84	5.15	4.83	4.85		4.85	27,200	
Dec 20, 2023	4.91	5.15	4.72	5.00		5.00	9,800	
Dec 19, 2023	5.12	5.36	5.12	5.20		5.20	5,100	
Dec 18, 2023	5.36	5.38	5.07	5.20		5.20	30,500	
Dec 15, 2023	5.27	5.45	5.25	5.45		5.45	9,900	
Dec 14, 2023	5.29	5.36	5.10	5.36		5.36	8,700	
Dec 13, 2023	5.25	5.47	4.80	5.08		5.08	7,900	
Dec 12, 2023	5.65	5.65	5.41	5.41		5.41	11,400	
Dec 11, 2023	5.69	5.89	5.42	5.64		5.64	17,100	
Dec 08, 2023	6.01	6.01	5.71	5.77		5.77	6,100	
Dec 07, 2023	6.03	6.03	5.78	5.93		5.93	17,600	
Dec 06, 2023	5.92	5.95	5.75	5.95		5.95	18,600	
Dec 05, 2023	6.06	6.06	5.35	5.87		5.87	24,700	
Dec 04, 2023	6.05	6.14	5.89	5.98		5.98	19,200	
Dec 01, 2023	5.96	6.04	5.91	6.03		6.03	8,600	
Nov 30, 2023	6.03	6.03	5.88	5.94		5.94	2,200	
Nov 29, 2023	5.99	6.01	5.86	5.92		5.92	21,100	
Nov 28, 2023	6.09	6.24	5.89	5.96		5.96	33,200	
Nov 27, 2023	6.14	6.43	6.00	6.07		6.07	56,100	
Nov 24, 2023	6.20	6.20	6.08	6.09		6.09	2,700	
Nov 22, 2023	6.17	6.18	6.16	6.18		6.18	1,000	
Nov 21, 2023	6.12	6.15	6.12	6.15		6.15	500	
Nov 20, 2023	6.05	6.19	6.05	6.10		6.10	15,900	
Nov 17, 2023	6.05	6.10	5.96	6.05		6.05	19,100	
Nov 16, 2023	5.94	6.20	5.88	5.97		5.97	27,900	
Nov 15, 2023	5.75	6.10	5.75	6.02		6.02	30,900	
Nov 14, 2023	5.81	5.96	5.56	5.95		5.95	29,400	
Nov 13, 2023	5.81	6.00	5.57	5.85		5.85	59,900	
Nov 10, 2023	5.98	6.07	5.53	5.88		5.88	81,900	
Nov 09, 2023	6.01	6.47	5.56	5.83		5.83	115,100	
Nov 08, 2023	6.09	6.29	6.00	6.03		6.03	31,400	
Nov 07, 2023	6.37	6.50	6.10	6.19		6.19	44,600	

*Close price adjusted for splits. **Adjusted close price adjusted for splits and dividend and/or capital gain distributions.

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Finance Home	Watchlists	My Portfolio	Markets	News	Videos	Screeners	Personal Finance	Crypto
Nov 03, 2023	5.95	6.00	5.95	6.00		6.00	641,100	
Nov 03, 2023	6.15	6.43	5.99	6.00		6.00	109,900	
Nov 02, 2023	5.94	6.13	5.94	6.11		6.11	23,300	
Nov 01, 2023	6.13	6.18	5.96	6.00		6.00	41,400	
Oct 31, 2023	6.19	6.31	6.00	6.06		6.06	39,000	
Oct 30, 2023	6.20	6.20	5.89	6.19		6.19	20,700	
Oct 27, 2023	6.09	6.22	5.94	6.10		6.10	18,300	
Oct 26, 2023	6.08	6.40	6.03	6.13		6.13	44,700	
Oct 25, 2023	6.19	6.47	6.00	6.11		6.11	34,900	
Oct 24, 2023	5.90	6.22	5.90	6.13		6.13	25,400	
Oct 23, 2023	6.11	6.21	5.90	5.94		5.94	36,900	
Oct 20, 2023	6.15	6.31	6.01	6.06		6.06	20,900	
Oct 19, 2023	6.19	6.25	5.95	6.18		6.18	529,600	
Oct 18, 2023	5.91	6.37	5.91	6.23		6.23	2,101,700	
Oct 17, 2023	5.84	6.08	5.84	5.92		5.92	189,700	
Oct 16, 2023	5.66	6.00	5.66	5.98		5.98	192,200	
Oct 13, 2023	5.62	6.01	5.54	5.66		5.66	319,300	
Oct 12, 2023	5.62	5.86	5.52	5.60		5.60	69,400	
Oct 11, 2023	5.63	5.99	5.62	5.75		5.75	61,800	
Oct 10, 2023	5.40	5.84	5.25	5.69		5.69	167,000	
Oct 09, 2023	5.06	5.50	5.06	5.44		5.44	67,200	
Oct 06, 2023	5.00	5.15	4.94	5.09		5.09	38,800	
Oct 05, 2023	4.80	5.10	4.79	5.04		5.04	63,200	
Oct 04, 2023	4.79	4.95	4.75	4.90		4.90	45,600	
Oct 03, 2023	5.13	5.24	4.77	4.92		4.92	148,800	
Oct 02, 2023	4.85	5.31	4.77	5.29		5.29	268,600	
Sep 29, 2023	5.41	5.41	4.80	4.95		4.95	412,700	
Sep 28, 2023	6.74	6.74	5.03	5.50		5.50	1,043,900	
Sep 27, 2023	6.74	6.81	6.50	6.74		6.74	22,400	
Sep 26, 2023	7.25	7.26	6.52	6.96		6.96	49,900	
Sep 25, 2023	7.02	8.00	6.70	7.80		7.80	82,500	
Sep 22, 2023	5.70	7.56	5.70	7.56		7.56	138,900	
Sep 21, 2023	9.09	9.90	4.80	6.88		6.88	298,000	
Sep 20, 2023	9.63	11.45	9.33	9.37		9.37	300,300	
Sep 19, 2023	10.04	11.38	9.63	9.68		9.68	92,700	
Sep 18, 2023	10.36	10.36	9.83	10.07		10.07	66,600	

*Close price adjusted for splits. **Adjusted close price adjusted for splits and dividend and/or capital gain distributions.

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Finance Home	Watchlists	My Portfolio	Markets	News	Videos	Screeners	Personal Finance	Crypto
Sep 13, 2023	10.80	11.28	9.94	10.45	10.45	257,400		
Sep 14, 2023	9.69	11.40	9.36	10.79	10.79	184,100		
Sep 13, 2023	10.33	11.20	9.60	9.80	9.80	155,400		
Sep 12, 2023	10.06	12.49	10.06	10.45	10.45	211,100		
Sep 11, 2023	10.55	12.00	10.16	10.16	10.16	218,700		
Sep 08, 2023	10.46	11.10	10.20	10.79	10.79	116,800		
Sep 07, 2023	10.05	10.60	9.98	10.34	10.34	136,400		
Sep 06, 2023	10.19	10.33	9.71	10.00	10.00	201,600		

*Close price adjusted for splits. **Adjusted close price adjusted for splits and dividend and/or capital gain distributions.

Loading more data...

This is **Exhibit “K”** referred to in the Affidavit of Dave
Gallagher sworn before me via video technology this 29
day of January, 2024.

DocuSigned by:

Natasha Doelman

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Commissioner for Oaths in and for the
Province of Alberta

NATASHA DOELMAN
Barrister & Solicitor

DS DS
DG ND

COURT FILE NUMBERS B201-979735 / 25-2979735

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTERS IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, OF GRIFFON PARTNERS OPERATION CORP., GRIFFON PARTNERS HOLDING CORP., GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., SPICELO LIMITED, STELLION LIMITED, 2437799 ALBERTA LTD., 2437801 ALBERTA LTD. and 2437815 ALBERTA LTD.

APPLICANTS TRAFIGURA CANADA LIMITED and SIGNAL ALPHA C4 LIMITED

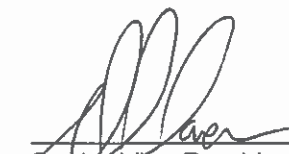
DOCUMENT **CONSENT TO ACT AS RECEIVER**

TAKE NOTICE THAT Grant Thornton Limited, if so appointed by the Court of King's Bench, hereby consents to act as Court-appointed receiver pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended, over the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof of Spicelo Limited.

DATED at Calgary, Alberta and effective this 24th day of January 2024.

GRANT THORNTON LIMITED

Per:



Senior Vice President
Neil A. Honess