

Clerk's stamp

COURT FILE NUMBERS B301-163430

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER 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 CLEO
ENERGY CORP.

APPLICANT TRAFIGURA CANADA LIMITED

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE **STIKEMAN ELLIOTT LLP**
AND CONTACT Barristers & Solicitors
INFORMATION OF 4200 Bankers Hall West
PARTY FILING THIS 888-3rd Street SW
DOCUMENT Calgary, AB T2P 5C5

Karen Fellowes, K.C. / Archer Bell
Tel: (403) 724-9469 / (403) 724-9485
Fax: (403) 266-9034
Email: kfellowes@stikeman.com / abell@stikeman.com

File No.: 137093.1030

**AFFIDAVIT OF ETHAN POST
SWORN DECEMBER 23, 2024**

I, Ethan Post, businessman, of the City of Calgary, of the Province of Alberta, SWEAR AND SAY THAT:

1. I work in Upstream Finance at the Applicant, Trafigura Canada Limited ("**Trafigura**"), and in that capacity, have had dealings with the debtor CLEO Energy Corp. ("**Cleo**").
2. As such, I have personal knowledge of the facts and matters herein deposed to, except where stated to be based on information, and where so stated, I believe the same to be true.
3. Trafigura has had a long-standing relationship with Cleo and has been marketing Cleo's crude oil for many years.
4. In the spring of 2024, Cleo approached Trafigura asking for financing. We had spoken to them previously with respect to other opportunities, which never came to fruition. Trafigura decided to

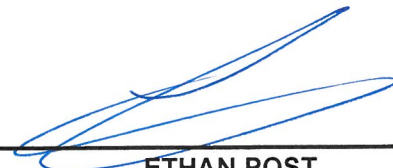
- assist Cleo in order to help a long-standing customer, but made it clear that their financial situation could only support \$1 million in financing, and they would have to meet an incurrence test for any future advances, and also demonstrate that prior workovers and reactivations were at least 90% successful, amongst other conditions precedent.
5. As a result of those negotiations, Trafigura entered into two agreements with Cleo in July of 2024. Attached hereto and marked as **Exhibit "A"** is a copy of a commercial agreement dated July 12, 2024 between Cleo and Trafigura (the "**Commercial Agreement**").
 6. Trafigura also entered into a pre-payment agreement with Cleo on July 9, 2024 (the "**Prepayment Agreement**") and collectively with the Commercial Agreement, the "**Agreements**") which included set-off rights which would be exercisable in the event of a default. Attached hereto and marked as **Exhibit "B"** is a copy of the Prepayment Agreement.
 7. As the primary contact point for these agreements, I believe that Trafigura did everything they could to assist Cleo in the circumstances, and all parties were aware that we were carefully monitoring our exposure against payables. Attached hereto and marked as **Exhibit "C"** is a copy of an email chain between Kellie D'Hondt of Cleo and myself, cc'ing other employees of Cleo and Trafigura, with the subject line "[EXTERNAL] RE: July 2024 Prepay", and with the most recent email in the chain dated August 14, 2024.
 8. Attached hereto and marked as **Exhibit "D"** is a copy of an email chain between Kellie D'Hondt of Cleo and myself, cc'ing other employees of Cleo and Trafigura, with the subject line "[EXTERNAL] RE: Request for Schedule #2", and with the most recent email in the chain dated August 27, 2024.
 9. I have been informed of an affidavit of Chris Lewis, dated December 23, 2024, which I have not had a chance to thoroughly review. However, I can attest to the fact that Trafigura had no knowledge of many of the adverse events described in the affidavit. Cleo did not advise us of these material developments, in breach of their obligations under the Agreements. Events that would have otherwise resulted in a Material Adverse Change (as that term is defined in the Prepayment Agreement), which would have otherwise triggered a Termination Event were concealed from us by Cleo until after Cleo filed its notice of intention to make a proposal (the "**NOI**") under the *Bankruptcy and Insolvency Act*. I do not understand why Cleo would conceal these events as, given Trafigura's unwavering support of Cleo, they should not have had any reason to suspect that Trafigura would not have helped through their difficulties.
 10. Instead, all we received was one email request for a coffee meeting, which did not occur. Attached hereto and marked as **Exhibit "E"** is a copy of an email chain between Kellie D'Hondt of Cleo and Ethan Post of Trafigura with the subject line "[EXTERNAL] Coffee", dated September 26, 2024.

11. Attached hereto and marked as **Exhibit "F"** is a copy of an email chain between Kellie D'Hondt of Cleo and Ethan Post of Trafigura with the subject line "[EXTERNAL] RE: Kellie/Ethan: Coffee", dated October 1, 2024.
12. The first time we had any knowledge of Cleo's recent financial difficulties or issues with the AER was upon seeing their December forecast on or about December 3. At no time were we given notice of the impending insolvency, and we would have exercised our set-off and contractual rights had Cleo properly informed us of their default situation prior to filing for protection.
13. We are dismayed that Cleo now seeks to deny us our set-off rights, after we worked so hard to assist them. Based on my review of the cash flow forecasts filed in the Court materials, it appears that the funds from the November production will be used for payroll, operations and professional fees of \$150,000, but that further funding will be required in order to obtain an additional 45 day extension of the stay of proceedings. My counsel advises me that without that further funding, Cleo will automatically be deemed bankrupt. I understand that, to date, Cleo has been unsuccessful in attracting DIP funding to finance the NOI proceedings. Attached hereto and marked as **Exhibit "G"** is a copy of Cleo's 5-week cash flow forecast ending January 10, 2025, dated December 18, 2024.
14. If Trafigura is denied its set-off rights with respect to the November production, it will suffer serious prejudice as it may not be able to exercise those same rights with respect to the December production payment in January. This prejudice will be incurable should Cleo fail to attract DIP funding and be declared bankrupt in January 2025.

SWORN at Calgary, Alberta, this 23rd day of
December 2024.



A Commissioner for Oaths
in and for the Province of Alberta



ETHAN POST

This is **Exhibit "A"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd

day of December 2024

A handwritten signature in blue ink, appearing to read "Alan Bell", is written over a horizontal line.

Commissioner in and for the Province of Alberta

To: Cleo Energy Corp.
Suite 350, 300 - 5 Ave SW
Calgary, AB
Canada, T2P 3C4

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

Attn: Andrew Sweerts
Email: asweerts@cleoenergy.com

Attn: Mr. Craig Wilford
Phone: 4032946765
Email: Craig.Wilford@trafigura.com

Ref#: Commercial Agreement

Agreement written by Trafigura Canada Limited

Agreement Date: July 12, 2024
Seller: Cleo Energy Corp.
Buyer: Trafigura Canada Limited
Tenor: This Commercial Contract shall be effective for a period of 12 months commencing from the Signing Date ("Term"). The Contract shall terminate ("Termination") upon the later of 12 months from the Signing Date or upon Trafigura marketing a minimum of 380,000 barrels provided that the full \$3,000,000 has been drawn under the prepayment agreement.

Minimum Marketing Requirement: The minimum number of barrels marketed shall adjust in accordance with the total amount drawn under the prepayment agreement. If only \$1,000,000 is drawn, the minimum barrels marketed shall be 126,667. If \$2,000,000 is drawn, the minimum shall be 253,333 barrels. Upon drawing the full \$3,000,000, the minimum barrels marketed shall be 380,000.

Within 30 days of written notice from either the Seller or Buyer that Termination has occurred, the Seller will have the election to either, 1) roll into a one (1) year evergreen contract with the Buyer, beginning as of the date of such election, or 2) confirm that the Prepayment Agreement will expire as of the end of the month following the 90 day period from the date of such written notice.

Payment: Payment is due on the 25th following the month of receipt/delivery of product;
If the 25th is a Holiday or Saturday, payment is due on the previous CDN business day;
If the 25th is a Sunday or Monday Holiday, payment is due on the next CDN business day. Payable in CDN funds.

Special Terms: Trafigura's Wellhead GTC's will apply to this contract.

Goods: Trafigura to market 100% of available marketable crude from the Seller's existing assets in Canada or any other delivery point that Cleo delivers crude oil for the duration of the term of the contract. The Seller may elect to include additional volumes under this contract, to be included in the Tenor volumes, if it so chooses.

Hedging: Total monthly production for the term of the agreement shall be established as per the Financial Model agreed upon between the Seller and the Buyer. Physical hedging shall be conducted on a discretionary basis as required by the Buyer for the term of the agreement at the going rate, subject to acceptable credit exposure under the Commercial Agreement. The Buyer has no obligation to hedge volumes on behalf of the Seller at any point under the term of the agreement. As part of the Commercial Contract, Parties may agree from time to time to fix the purchase price of future production and as a result, Trafigura will incur additional credit exposure from the performance of the Seller under the Commercial Agreement. Such price fixing shall be implemented on an arms-length basis and on market terms and shall seek to protect the Seller's exposure to WTI and WCS. Any such credit exposure shall be covered under the security documents.

Schedule: 1**Product and
Delivery Point:**

Purchase of Bow River at Gibson Hardisty Terminal from 11-10-045-07W4 (ABBT0155763) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX, plus the Volume weighted average of indices on the MM1A Index for WCS trades, plus the agreed upon monthly BR quality spread versus WCS, plus the prior month Gibson Hardisty BRN Terminal Bow River WADF, less US\$0.95/bbl less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity:

50.00 M3 per Month.

Conversion Rate:

0.158987 M3/BBL

Schedule: 2**Product and
Delivery Point:**

Purchase of Bow River at IPL Bow River N Pipeline from 01-22-040-08W4 (ABBT7500063) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX, plus the Volume weighted average of indices on the MM1A Index for WCS trades, plus the agreed upon monthly BR quality spread versus WCS, plus the prior month Gibson Hardisty BRN Terminal Bow River WADF, less US\$0.95/bbl less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity:

700.00 M3 per Month.

Conversion Rate:

0.158987 M3/BBL

Schedule: 3**Product and
Delivery Point:**

Purchase of CAL at Inter Pipeline Throne PL from IPL Throne Light Terminal from 14-14-039-10W4 (ABBT7500967) for the Term of this Commercial Contract using schedule pricing.

Price:

The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 1,000.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 4

Product and Delivery Point: Purchase of CAL at Inter Pipeline Throne PL from 15-02-037-07W4 (ABBT7500562) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 220.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 5

Product and Delivery Point: Purchase of CAL at Inter Pipeline Central AB PL from Inter Pipeline Stettler TM from 16-04-042-12W4 (ABBT8320003) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 150.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 6

Product and Delivery Point: Purchase of CAL at Secure Big Valley Terminal from 15-35-021-07W4 (ABBT0058629) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 140.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 7

Product and Delivery Point: Purchase of CAL at Secure Coronation Terminal from 05-27-040-13W4 (ABBT0133818) for the Term of this Commercial Contract using schedule pricing.

Price: The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.

Quantity: 40.00 M3 per Month.
Conversion Rate: 6.29287 BBL/M3

Schedule: 8	
Product and Delivery Point:	Purchase of CAL at Secure Coronation Terminal from 04-03-040-12W4 (ABBT0114274) for the Term of this Commercial Contract using schedule pricing.
Price:	The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.
Quantity:	20.00 M3 per Month.
Conversion Rate:	6.29287 BBL/M3
Schedule: 9	
Product and Delivery Point:	Purchase of CAL at Secure Coronation Terminal from 16-28-038-10W4 (ABBT0118961) for the Term of this Commercial Contract using schedule pricing.
Price:	The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.
Quantity:	20.00 M3 per Month.
Conversion Rate:	6.29287 BBL/M3
Schedule: 10	
Product and Delivery Point:	Purchase of CAL at Secure Coronation Terminal from 08-19-039-10W4 (ABBT0114472) for the Term of this Commercial Contract using schedule pricing.
Price:	The Weighted Average for West Texas Intermediate as traded during the calendar month on the NYMEX plus the Weighted Average of MM1A index for CAL trades, plus the current month IPL WADF at Edmonton, less US\$0.95/bbl, less all applicable transportation, equalization/condensate, loss allowance and all other applicable charges.
Quantity:	30.00 M3 per Month.
Conversion Rate:	6.29287 BBL/M3


Please confirm that this Contract accurately reflects the terms and conditions of our agreement. If a reply is not received within five (5) business days, it will constitute acceptance of the terms stated therein. If the terms presented herein constitute your understanding of the agreement, please sign and return one fully executed copy.

Dated this 12th day of July, 2024.
Cleo Energy Corp.

By:  _____

Title: **Chris Lewis**
Chairman

Trafigura Canada Limited

By:  _____

By: Iain Singer
Title: Director, Crude Oil Trading

This is **Exhibit "B"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd
day of December 2024

A handwritten signature in blue ink, appearing to be 'D. L. Bell', is written over a horizontal line.

Commissioner in and for the Province of Alberta

This Prepayment Agreement (the “**Agreement**”) is dated July 9, 2024 and made between:

- (1) **CLEO ENERGY CORP.**, a corporation incorporated under the laws of Alberta and having its registered office at 200 – 117 8th Avenue SW, Calgary, Alberta T2P 1B4 (the “**Borrower**”); and
- (2) **TRAFIGURA CANADA LIMITED**, a corporation incorporated under the laws of Alberta and having its registered office at 1700, 400 – 3rd Avenue S.W., Calgary, Alberta T2P 4H2 (the “**Buyer**”),

(the Borrower and the Buyer shall be collectively referred to in this Agreement as the “**Parties**” and individually a “**Party**”).

WHEREAS:

- (A) Pursuant to a contract for the sale and purchase of crude oil (“**Products**”) dated on or about the date of this Agreement and entered into between the Borrower, as seller, and the Buyer, as buyer, (the “**Commercial Contract**”), the Borrower agrees to sell and the Buyer agrees to buy Products subject to the terms and conditions of the Commercial Contract.
- (B) Subject to the terms of this Agreement, the Buyer has agreed to make Advances to the Borrower in the manner set out in Section 5 (*Advances*), and the Advances shall be repaid by the Borrower to the Buyer either by repayment with cash or by way of set-off against deliveries of Products by the Borrower to the Buyer under the Commercial Contract.
- (C) This Agreement is supplemental to the Commercial Contract.

IT IS AGREED as follows:

1 Definitions

- 1.1 In this Agreement the following words and expressions have the following meanings:

“**Adjusted Term SOFR**” means, for any SOFR Period, the sum of Term SOFR and the Credit Adjustment Spread for such period, rounded to 5 decimal places, provided that if the Adjusted Term SOFR so determined is less than 0.5%, then the Adjusted Term SOFR for such period will be deemed to be 0.5%.

“**Advance**” means an advance payment made or to be made under this Agreement by the Buyer to the Borrower up to a maximum principal amount equal to the Maximum Amount.

“**Advance Date**” means the date on which an Advance is made under Section 5.

“**Advance Request**” means the notice substantially in the form set out in Schedule 1.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Availability Period**” means the period from and including the Effective Date up to and including the date which is one (1) year from the Effective Date.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Calgary, Alberta and London, United Kingdom and which is a SOFR Banking Day.

"Cash" means, at any time, cash in hand or at a bank and (in the latter case) credited to an account in the name of the Borrower with a financial institution acceptable to the Buyer, and to which the Borrower is alone beneficially entitled and for so long as the cash is freely available, unrestricted and not subject to any security interest or Lien.

"Change of Control" means any circumstance arising after the date hereof in which a person or a combination of persons, acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), acquires (i) equity securities of the Borrower, which together with all other equity securities of the Borrower held by such persons, constitutes more than 50% of all outstanding equity securities of the Borrower or (ii) the right to elect a majority of the directors of the Borrower.

"Commercial Contract" shall have the meaning set out in recital (A).

"Credit Adjustment Spread" means 0.10% (10 basis points) for a SOFR Period of one-month's duration.

"Default" means a Termination Event or any event or circumstance specified in Section 11.1 which would (with the expiry of a grace period, the giving of notice, the making of any determination of the Buyer under the Transaction Documents, the satisfaction of any other condition or any combination of any of the foregoing, as applicable) constitute a Termination Event.

"Default Rate" means an interest rate which is two percent (2.00%) per annum higher than the Interest Rate.

"Delivery Period" means a delivery period specified in Schedule 2.

"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.

"Effective Date" means the date on which the conditions precedent referred to in Section 3.1 (*Conditions precedent*) have been satisfied in full or waived by the Buyer.

"Financial Indebtedness" means, without duplication, the aggregate amount of all obligations, liabilities and indebtedness of a Person which would be classified under GAAP as indebtedness for borrowed money upon the consolidated balance sheet of such Person.

"Financial Model" means a financial model of the Borrower in a form and in content in each case approved by the Buyer (acting reasonably), which shall include, without limitation, calculations in respect of all financial covenants under this Agreement and a detailed itemization of any distributions, dividends, payments or other expenditures to be made by the Borrower during each of the four (4) fiscal quarters of the Borrower following the date of such Financial Model. For certainty, the Financial Model for purposes of this Agreement at any time shall be the then-current Financial Model which has been approved by the Buyer (acting reasonably).

"Financial Ratios" means, collectively, the Global Coverage Ratio and the Liquidity Ratio.

"Force Majeure" has the meaning given to it in the Commercial Contract.

"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.

"Global Coverage Ratio" means, as of any date of determination, the ratio (expressed as a percentage) of:

- (a) the aggregate of: (i) the Cash balance of the Borrower as at such date, and (ii) the PV10 of the Proved Developed Producing Reserves owned by the Borrower using eighty-five percent (85%) of the Strip Price and curves;

to,

- (b) the Obligations.

For certainty, compliance with the Global Coverage Ratio will not be a condition precedent to the first Advance hereunder, but will be a condition precedent to any Advance after the first Advance made hereunder, and the Global Coverage Ratio shall only be tested on each Test Date following the making of the second Advance under this Agreement in accordance with the provisions of Section 4.1.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Indirect Tax" means any goods or services tax, harmonized sales tax, provincial sales tax, consumption tax, value added tax, carbon tax, fuel tax, greenhouse gas pollution pricing charge, royalty, or any tax of a similar nature, whether levied by a federal, provincial, municipal, local or foreign jurisdiction.

"Interest Period" has the meaning given to it in Section 6.1(a).

"Interest Rate" means a rate of interest per annum equal to Adjusted Term SOFR for the applicable SOFR Period plus five percent (5%) per annum.

"Liquidity Ratio" means, as of the applicable Test Date for each Test Quarter in a Test Period applicable to such Test Date, the ratio of:

- (a) the sum of the following for such Test Quarter: (i) the revenues of the Borrower from the sale of petroleum substances, (ii) expected revenue from hedging agreements; and (iii) all Cash of the Borrower as at such date;

to,

- (b) the sum of the following for such Test Quarter, all cash costs of the Borrower in respect of the production, transportation and storage of petroleum substances including, without limitation, operating expenses, marketing expenditures, capital expenditures, taxes and interest expense and all distributions and dividends and payments of Financial Indebtedness made by the Borrower,

all as determined having regard to the Financial Model, and based upon 85% of Strip Prices. For certainty, compliance with the Liquidity Ratio will not be a condition precedent to the first Advance hereunder, but will be a condition precedent to any Advance after the first Advance made hereunder, and the Liquidity Ratio shall only be tested on each Test Date following the making of the second Advance under this Agreement in accordance with the provisions of Section 4.2.

"Material Adverse Change" has the meaning set forth in Section 3.1(l).

"Maturity Date" means, in respect of each Advance, the date falling one (1) year from the Advance Date, as the same may be extended pursuant to Section 5.6(c).

"Maximum Amount" means the amount of \$3,000,000.

"Net Proceeds" means, with respect to any 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 (i) 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 Buyer upon request therefor), (ii) taxes incurred in connection with such Disposition, whenever payable, and (iii) the principal amount of any Financial Indebtedness (other than Financial Indebtedness under the Transaction Documents) that is secured by such assets and that is required to be repaid in connection with such Disposition.

"NYMEX/AECO Pricing" shall mean, as of any date of determination with respect to any month (a) for Products, the closing settlement price for the Light, Sweet Products 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 Borrower to the Buyer, under, in connection with or pursuant to the Transaction Documents (including, without limitation, all principal amount of Advances, interest, fees, premiums, fees, expenses, penalties, reimbursements and indemnification).

"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.

"Products" has the meaning given to in in Recital (A).

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

"PV10" means, in respect of the Proved Developed Producing Reserves of the Borrower's oil and gas properties, the net present value (on a before income tax basis) of future after-Tax cash flows which are projected to be received from the date of calculation until the final Maturity Date hereunder (discounted at ten percent (10%) per annum) calculated by the Borrower and acceptable to the Buyer, acting reasonably, (including using the relevant technical assumptions underlying the production profiles and cost profiles in the most recent engineering report of the Borrower (which must be satisfactory to the Buyer), adjusted for hedging and other required discounts, and using a go forward blowdown profile consistent with the relevant technical assumptions underlying the Proved Developed Producing Reserves forecast starting from the current actual production (adjusted for production volumes temporarily impacted by turnarounds or third-party curtailments), in each case satisfactory to the Buyer, acting reasonably) after having reviewed the information from the most recent engineering report of the Borrower (which must be

satisfactory to the Buyer) delivered by the Borrower to the Buyer under this Agreement and taking into account all other factors which the Buyer reasonably deems 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, however, 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 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 Buyer.

"Relevant Amount" means, in respect of each Advance, each amount of such Advance specified in Schedule 2.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Banking Day" means any day on which commercial banks are open for international business (including dealings in U.S. Dollar deposits); provided that for purposes of the determination of Term SOFR, a SOFR Banking Day also excludes a day on which the Securities Industry and Financial Markets Association in the United States recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"SOFR Period" means a period of 1 month, or such other period as may be agreed to by the Buyer.

"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.

"Subsidiary" as to any person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned directly or indirectly through one or more intermediaries, or both, by such person.

"Tax" means any tax, levy, impost, royalty, deductions, assessments, reassessment, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document.

"Term SOFR" means, for any SOFR Period, the "Term SOFR" reference rate for a comparable period on the 2nd Business Day prior to the first day of such SOFR Period, as such rate is published by the CME Group Benchmark Administration Limited (or a successor administrator selected by the Buyer), provided however that if such reference rate for such period has not been published on such 2nd Business Day, then Term SOFR will be the "Term SOFR" reference rate for

such period as published by its administrator on the first preceding Business Day for which such reference rate was published so long as such first preceding Business Day is not more than 3 Business Days prior to the 2nd Business Day referred to above.

"Termination Event" has the meaning given to it in Section 11.

"Test Date" means last day of each fiscal quarter of the Borrower.

"Test Period" means the four (4) Test Quarters immediately following the applicable Test Date.

"Test Quarter" means a Fiscal Quarter within a Test Period.

"Transaction Documents" means, collectively, the following documents:

- (a) the Commercial Contract; and
- (b) this Agreement.

"Unpaid Amount" means any amount (including the amount of the Obligations) then due and payable but unpaid by the Borrower under the Transaction Documents.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) this "Agreement" includes the Schedules, which form part of this Agreement for all purposes;
 - (ii) the "Buyer" or the "Borrower" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (iii) a "Transaction Document" or any other agreement or instrument is a reference to that Transaction Document or other agreement or instrument as in force for the time being and as from time to time amended, restated, supplemented or novated (however fundamentally including by any increase in amounts owing or available to be utilized under such document or any change to the parties thereto) and (where such consent is, by the terms of the relevant document, required to be obtained as a condition to such amendment being permitted) with the prior written consent of the Buyer;
 - (iv) the masculine, feminine or neuter gender respectively includes the other genders and references to the singular include the plural (and vice versa);
 - (v) all references to \$ or Dollars in this Agreement are references to Canadian Dollars;
 - (vi) "including" means "including without limitation" (with related words being construed accordingly), "in particular" means "in particular but without limitation" and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (vii) a provision of law or a regulation is a reference to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation or regulation in force under it from time to time; and

- (viii) commercial terms and acronyms shall have the meanings assigned to those terms in Incoterms 2010 edition, published by the International Chamber of Commerce.
- (b) Section and schedule headings are for ease of reference only. A reference to a Section, Subsection, Paragraph or Schedule is to a Section, Subsection, Paragraph of or a Schedule to this Agreement (as the case may be).
- (c) A Default (other than a Termination Event) is “continuing” if it has not been remedied or waived in writing and a Termination Event is “continuing” if it has not been waived in writing, in each case to the satisfaction of the Buyer.
- (d) A person who is not a party to this Agreement has no right to enforce or to enjoy the benefit of any term of this Agreement. No consent of any person who is not a party to this Agreement is required to rescind or vary this Agreement at any time.

2 Prepayment Facility

2.1 The Prepayment Facility

Subject to the terms of this Agreement, the Buyer agrees to make Advances to the Borrower in an aggregate amount not to exceed the Maximum Amount as a prepayment of the purchase price for the Products under the Commercial Contract. The Obligations may be repaid in whole or in part, and from time to time, either by cash repayment by the Borrower or by setting off amounts due to the Borrower from the Buyer as payment for deliveries by the Borrower of Products under the Commercial Contract (or by a combination thereof), all as set forth in Section 5.3.

2.2 Purpose

The Borrower shall use the proceeds of each Advance for the purposes of making capital expenditures which are approved by the Buyer prior to the date of each Advance.

3 Conditions Precedent

3.1 The Buyer shall not be obliged to make an Advance under this Agreement unless:

- (a) it has received this Agreement and the Commercial Contract in form and substance satisfactory to it;
- (b) it has received a duly completed Advance Request in form and substance satisfactory to it;
- (c) it has received such certificates, corporate authorizations and legal opinions in respect of the Borrower as the Buyer determines is necessary or desirable;
- (d) the representations and warranties in Section 9 (*Representations and Warranties*) are true and correct in all material respects and will be true and correct in all material respects immediately after such Advance is made and the undertakings in Section 10 (*Undertakings*) are being complied with;
- (e) on the date of the Advance Request and on the Advance Date, no Default or Termination Event has occurred and is continuing or would result or arise from the making of such Advance;

- (f) for each Advance after the first Advance hereunder, the Global Coverage Ratio shall be at least equal to 130% both prior to and following the making of such Advance;
 - (g) for each Advance after the first Advance hereunder, the Liquidity Ratio shall be at least equal to 1.10:1.00 both prior to and following the making of such Advance;
 - (h) the Buyer shall have received evidence satisfactory to it of the completion of prior planned workovers and reactivations achieving a success rate of 90% to confirm that the production of Products is at least 90% of the aggregate planned Products production rate as outlined in the Financial Model provided to the Buyer. For certainty, the success rate set forth above shall be evaluated by, upon completion of the planned activity associated with a specific project well, conducting an initial test with a subsequent quality follow-up test conducted two weeks thereafter;
 - (i) the Borrower shall have provided daily production figures demonstrating that, accounting for decline and down-time, the overall production increase aligns with the well test measured figures;
 - (j) the Buyer shall have approved the planned activities to be undertaken with the proceeds of such Advance;
 - (k) it has received the most recent Financial Model;
 - (l) there has been no event or circumstance (either individually or when taken as a whole) which in the Buyer's opinion is materially adverse to: (i) the ability of any party (other than the Buyer) to perform its obligations under the Transaction Documents to which it is party thereto; (ii) the rights or remedies of the Buyer under the Transaction Documents; or (iii) the business, operations, assets, revenues or prospects of the Borrower or any of its Affiliates or which results, or is reasonably likely to result, in any Transaction Document not being legal, valid and binding on, and enforceable substantially in accordance with its terms against, any party thereto (a "**Material Adverse Change**")
 - (m) it has received the fees, costs and expenses due from the Borrower under this Agreement have been or will be paid on or prior to the Advance Date.
- 3.2 Section 3.1 is exclusively for the benefit of the Buyer and the Buyer shall be entitled in its discretion to suspend or waive any of its rights thereunder subject to such terms and conditions as it may see fit.

4 Financial Ratios

4.1 Global Coverage Ratio

The Borrower shall ensure that at all times from and after the date of the second Advance being made under this Agreement, the Global Coverage Ratio shall be greater than 130%. The Global Coverage Ratio shall be tested on the date of each Advance after the first Advance made hereunder and, after the date of the second Advance made hereunder, on each Test Date.

4.2 Liquidity Ratio

The Borrower shall ensure that at all times from and after the date of the second Advance being made under this Agreement, the Liquidity Ratio for each Test Quarter in the Test Period applicable to such Test Date shall be at least equal to 1.10:1.00. The Liquidity Ratio shall be tested on the date of each Advance after the first Advance made hereunder and, after the date of the second Advance made hereunder, on each Test Date.

5 Advances

5.1 Advance Drawdown

- (a) Subject to the terms of this Agreement, in respect of each Advance, the Buyer hereby agrees that during the Availability Period and subject to:
 - (i) it having received a duly completed and signed Advance Request not later than 11.30 a.m. (Calgary time) on the third (3rd) Business Day immediately preceding Business Day before the proposed Advance Date requesting such Advance to be made; and
 - (ii) the fulfilment of the conditions provided in Section 3 (*Conditions precedent*),it will make such Advance as described in Section 5.1(b) below, in the requested principal amount less any amounts payable by the Borrower in accordance with Section 16 (Fees, costs and expenses), to the Borrower on the proposed Advance Date.
- (b) It is agreed that the Borrower is not entitled to request more than three (3) Advances, and the aggregate amount of all Advances shall not exceed the Maximum Amount.
- (c) In connection with each Advance, the Buyer shall provide an updated Schedule 2 which includes the information set forth therein for each such Advance, which updated Schedule 2 shall be acknowledged by the Borrower as being the then current Schedule 2.

5.2 Advance Request

An Advance Request is irrevocable and will not be regarded as duly completed unless:

- (a) the proposed Advance Date is a Business Day within the Availability Period;
- (b) the currency specified in the Advance Request is Canadian Dollars;
- (c) it outlines the uses of the proceeds of such Advance, and such uses have been approved by the Buyer;
- (d) the amount specified in the Advance Request (together with the aggregate amount provided in all prior Advance Requests provided by the Borrower) is equal to or less than the Maximum Amount; and
- (e) it specifies an account of the Borrower into which such Advance is to be made.

5.3 Scheduled Payments

- (a) Notwithstanding any occurrence of Force or any other circumstance or any other provisions of the Transaction Documents, the Borrower agrees to repay each Advance by making sufficient deliveries of Products during each Delivery Period prior to the Maturity Date for such Advance to enable the Buyer to deduct the Relevant Amount on the last day of each Delivery Period in accordance with the delivery and deduction schedule set out in Schedule 2.
- (b) The Buyer shall be entitled to deduct on the last day of each Delivery Period the Relevant Amount for each Advance for that Delivery Period plus any accrued interest and any other Unpaid Amounts from the purchase price for the Products delivered by the

Borrower pursuant to the Commercial Contract. The Buyer's obligation to pay for the Products under the Commercial Contract shall be satisfied and extinguished to the extent of such deductions.

- (c) The Buyer shall not be obliged to make such deductions where the deliveries or specifications of the Products are not in accordance with the terms of the Commercial Contract.
- (d) The Borrower shall ensure that, in each Delivery Period for an Advance, the Relevant Amount for each Advance for that Delivery Period plus any accrued interest and any other Unpaid Amounts is discharged by way of deductions in accordance with this Section and Schedule 2 or, failing this, by payment in cash in clear funds to the Buyer's account on or before the last day of such Delivery Period.
- (e) For certainty, all Obligations relating to an Advance outstanding on the Maturity Date in respect of such Advance are due and owing on such Maturity Date.

5.4 Voluntary Prepayment

The Borrower may, if it gives the Buyer not less than five (5) Business Days prior written notice, prepay in cash or by directing the Buyer to deduct the amount to be prepaid against any amounts payable to the Borrower under the Commercial Contract the whole or any part of all of the Advances (and if in part, being a minimum amount of \$100,000). Notwithstanding any prepayment of the Obligations in respect of an Advance prior to the Maturity Date for such Advance, for certainty, the Commercial Contract shall remain in full force and effect in accordance with its terms.

5.5 Mandatory Repayments

- (a) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Buyer 100% of the Net Proceeds arising from any Disposition by the Borrower of all or any portion of the assets of the Borrower within five (5) Business Days of the receipt thereof. The Borrower shall give the Agent ten (10) Business Days prior written notice of any mandatory prepayment to this Section, including the amount of such mandatory prepayment (with reasonable evidence supporting such amount).
- (b) In addition to any other payments required to be made by the Borrower under this Agreement, the Borrower shall pay to the Buyer the full amount of the outstanding Advances, together with all accrued and unpaid interest thereon, and all other Obligations upon the occurrence of:
 - (i) a Change of Control; or
 - (ii) a change in operatorship of the assets of the Borrower such that the Borrower is not longer the sole legal and beneficial operator of any of the assets.

Any repayment made under this Section 5.5(b) shall be made in cash. Upon receipt of any repayment by the Buyer under this Section 5.5(b), the obligation of the Buyer to provide any further Advances shall immediately terminate (without any further notice).

5.6 Prepayment in accordance with Agreement

- (a) If any part of an Advance is prepaid or repaid in accordance with the provisions of this Agreement (other than pursuant to Section 5.3), then the Relevant Amounts falling after

that prepayment or repayment will reduce in inverse chronological order by the amount of the prepayment or repayment.

- (b) The Borrower shall not repay or prepay all or any part of any Advance except at the times and in the manner expressly provided for in this Agreement.
- (c) The Borrower may not reborrow any part of an Advance or Obligations which is repaid or prepaid by the Borrower.

5.7 Payment on Maturity

Notwithstanding anything to the contrary in this Agreement, in the event that the remaining balance of all of an Advance, together with accrued but unpaid interest and all other Obligations payable under any Transaction Documents in respect of such Advance have not been fully repaid on the Maturity Date in respect of such Advance, the Buyer, in its sole and absolute discretion, shall have the right (but not the obligation) to extend such Maturity Date by any amount of time to allow the Borrower a further opportunity to provide to the Buyer the balance of the Products required under the Commercial Contract, to the extent such Products remains outstanding.

6 Interest and Fees

6.1 Interest

- (a) Each interest period for an Advance shall be one (1) month (each an “**Interest Period**”) and no Interest Period shall extend beyond the Maturity Date in respect of the applicable Advance. An Interest Period for an Advance shall start on the date of such Advance or (if already made) on the last day of the preceding Interest Period and if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) The Borrower shall pay interest on each Advance and the other Obligations at the Interest Rate.
- (c) Interest shall accrue daily on the outstanding amount of each Advance on the basis of actual days elapsed and a 360 day year commencing on the Advance Date until the full amount of such Advance is repaid in full. Interest shall accrue daily on the outstanding Obligations (other than the Advances) commencing on the date such Obligations are incurred until the full amount of the Obligations are repaid in full.
- (d) The Borrower shall pay accrued interest for each Interest Period no later than the last day of such Interest Period. At the Buyer's option, the Borrower's obligation to pay interest shall be discharged either by way of deduction as provided for in Section 5.3 above or by the Borrower paying interest in cash by telegraphic transfer to an account nominated by the Buyer.
- (e) A change in SOFR for each SOFR Period will simultaneously cause a corresponding change in the interest payable under this Agreement. Interest under this Agreement shall accrue and be calculated (but not compounded) on a daily basis and on the basis of a 360 day year.
- (f) If the Borrower fails to pay any amount payable by it under a Transaction Document on its due date, then interest shall accrue on such Unpaid Amount from the due date up to the date of actual payment (both before and after judgment) at the Default Rate. Any interest accruing under this Section 6.1(f) shall be immediately payable by the Borrower

on demand by the Buyer and may be discharged, at the option of the Buyer, by way of deduction as provided for in Section 5.3 or by cash. Default interest (if unpaid) arising on an Unpaid Amount shall be compounded with the Unpaid Amount daily but will remain immediately due and payable.

6.2 Upfront Fee

The Borrower shall pay to the Buyer an upfront fee calculated at 1.0% of the Maximum Amount, such fee being earned and payable on the Closing Date. Such fee shall be paid in at the same time as the payment of the first payment of the Relevant Amount by deducting the aggregate amount of such fee from the amounts due by the Buyer to the Borrower under the Commercial Contract.

6.3 Maximum Rate of Interest

If any provision of any Transaction Document would oblige the Borrower to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Buyer of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Buyer of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), first, by reducing the amount or rate of interest and thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

6.4 Waiver of Interest Provisions

To the extent permitted by law, any provision of the *Interest Act* (Canada) which restricts the rate of interest on any judgment debt shall be inapplicable to the Transaction Documents and is hereby waived by the Borrower.

6.5 *Interest Act* (Canada)

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Agreement or any other Transaction Document is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement or any other Transaction Document, and (iii) the rates of interest stipulated in this Agreement and the other Transaction Documents are intended to be nominal rates and not effective rates or yields

7 Illegality

7.1 If it becomes unlawful in any jurisdiction for the Buyer to perform any of its obligations as contemplated by the Transaction Documents or to fund, issue or maintain an Advance (whether pursuant to a funding agreement or otherwise) or if the Borrower is in default of Section 10.3 or Section 10.4, the Buyer may, by not less than 5 days' notice to the Borrower:

- (a) cancel the applicable Advance, whereupon such Advance will be immediately cancelled;
- (b) declare the applicable Advance, together with all Unpaid Amounts, to be due and payable, whereupon all such outstanding amounts will become due and payable on the date specified by the Buyer.

7.2 Any such notice under Section 7.1 will take effect in accordance with its terms.

8 Taxes and Indemnities

8.1 Tax Gross Up and Indemnity

- (a) All payments to the Buyer by the Borrower under any of the Transaction Documents shall be made free and clear of, and without any Tax Deductions imposed by any federal, provincial municipal, local, territorial or other taxing authority of Canada or any other relevant Canadian or foreign jurisdiction (or any political subdivision or taxing authority thereof), unless such Tax Deductions are required by applicable law to be deducted or withheld. If the Borrower shall be required by applicable law to deduct or withhold any such Tax Deductions from or in respect of any amount payable under any of the Transaction Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 8.1), the Buyer receives an amount equal to the amount it would have received if no such deduction or withholding had been made or required, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall immediately pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable laws, provided that no additional amounts shall be payable pursuant to this paragraph in respect of:
 - (i) any Tax that would not have been imposed but for the existence of any present or former connection between the Buyer and the relevant taxing jurisdiction, or the Buyer being or having been present or engaged in trade or business therein or having or having had a permanent establishment, office, fixed base or branch therein;
 - (ii) any Tax that would not have been imposed but for the delay or failure by the Buyer (following a written request by the Borrower) in the filing with the relevant taxing jurisdiction of forms that are required to be filed by the Buyer to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant taxing jurisdiction), provided that the filing of such forms would not (in the Buyer's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on the Buyer or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any person (other than the relevant taxing jurisdiction) and such delay or failure could have been lawfully avoided by the Buyer, and provided further that the Buyer shall be deemed to have satisfied the requirements of this clause upon the good faith completion and submission of

such forms (including refilings or renewals of filings) as may be specified in a written request of the Borrower no later than 60 days after receipt by the Buyer of such written request (accompanied by copies of such forms and related instructions);

- (iii) any Tax that would not have been imposed but for the Buyer not dealing at arm's length with the Borrower for the purposes of the *Income Tax Act* (Canada);
 - (iv) any Tax that would not have been imposed but for the Buyer being a "specified non-resident shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Borrower or not dealing at arm's length for the purposes of the *Income Tax Act* (Canada) with such a "specified non-resident shareholder" of the Borrower; or
 - (v) any combination of clauses (i), (ii), (iii) or (iv) above.
- (b) The Borrower agrees to immediately pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, financial institutions duties, debits taxes, Indirect Taxes or similar levies (all such taxes, charges, duties and levies being referred to as "**Other Taxes**") which arise from any payment made by the Borrower under any of the Transaction Documents or from the execution, delivery or registration of, or otherwise with respect to, any of the Transaction Documents.
- (c) The Borrower shall indemnify the Buyer for the full amount of Tax or Other Taxes (including, without limitation, any Tax or Other Taxes imposed by any governmental authority or taxing authority in respect of any relevant jurisdiction on amounts payable by the Borrower under this Section 8.1, but specifically excluding any Tax described in Section 8.1(a)(i) to (v) above) paid or payable or deemed paid or payable by the Buyer and any liability (including penalties, interest and expenses) arising from or with respect to such Tax or Other Taxes, whether or not they were correctly or legally asserted. Notwithstanding the foregoing sentence, the Borrower will be required to indemnify the Buyer only for any Tax or Other Taxes imposed by Canada or any other jurisdiction as a withholding tax by reason of the Buyer having executed, delivered, become a party to, performed its obligations under (including the making of Advances), received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Transaction Documents and, for greater certainty, the Borrower will not be required to indemnify the Buyer for any Tax or Other Taxes (other than such withholding tax) arising or payable because the Buyer is connected with Canada or any relevant jurisdiction otherwise than as a result of Buyer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Transaction Documents. Payment under this indemnification shall be made within thirty (30) days from the date the Buyer makes written demand for it setting out a calculation of the amount claimed in reasonable detail. A certificate as to the amount of such Tax or Other Taxes submitted to the Borrower or to a taxing authority by the Buyer shall be conclusive evidence, absent manifest error, of the amount due from the Borrower to the Buyer, as the case may be.
- (d) The Borrower shall furnish to the Buyer the original or a certified copy of a receipt evidencing payment of Tax or Other Taxes made by the Borrower within thirty (30) days after the date of any payment of Tax or Other Taxes.
- (e) The provisions of this Section 8.1 shall survive the termination of this Agreement and the repayment of all Advances and Obligations.

8.2 Other Indemnities

The Borrower shall, within 10 Business Days of demand, indemnify the Buyer against any cost (including the Buyer's funding costs), loss or liability incurred by the Buyer as a result of the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Buyer by the Transaction Documents.

9 Representations and Warranties

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

9.1 Status

The Borrower is duly authorized and validly existing as corporation under the laws of its jurisdiction of formation and capable of suing and being sued in its own name and has the full power, authority and capacity to enter into and perform its obligations under the Transaction Documents to which it is a party and any related documents;

9.2 Binding Obligations

The obligations of the Borrower under the Transaction Documents to which it is a party and/or related documents are legal, valid, binding and enforceable obligations in accordance with their terms;

9.3 No Conflict

The entry into and performance by the Borrower of the Transaction Documents to which it is a party and any related documents does not and will not (a) contravene or conflict with any law, rule or regulation in force in Alberta; (b) contravene or conflict with any of its constitutional documents or any borrowing or similar limit to which the Borrower is subject; or (c) breach any material agreement or material instrument to which the Borrower is a party or by which any of the Borrower's assets are bound or constitute a default, an event of default or a termination event (in each case, however described) under any such agreement or instrument;

9.4 Power and Authority

The Borrower has the power to enter into, perform and deliver, and has performed all corporate and other actions and has obtained from the relevant governmental authority in its jurisdiction of incorporation and the jurisdictions where its assets are located all authorizations as are necessary or expedient to ensure the legality, validity, enforceability and admissibility of, the Transaction Documents to which it is a party and any related documents against the Borrower and such authorizations are in full force and effect and duly complied with by the Borrower and are not the subject of any proceedings, claims or challenges in respect of their revocation, suspension, cancellation or disapplication;

9.5 Insolvency

No corporate action, legal proceeding or other procedure or step described in Sections 11.1(i) and 11.1(j) has been started or, to the best of the Borrower's knowledge and belief, threatened in relation to the Borrower;

9.6 No Termination Event

No Termination Event or default (howsoever described) is continuing or is reasonably likely to result from the making of the Advance or the entry into, the performance of or any transaction contemplated by, any Transaction Document;

9.7 Financial Condition

All financial statements delivered to the Buyer have been prepared in accordance with GAAP and give a true and fair view of the financial position of the Borrower as at the date to which they were prepared and for the period then ended;

9.8 No Debt Re-scheduling

The Transaction Documents and any related documents and, in particular, the prepayment arrangements under them are a trade transaction and are not, and will not be, subject to any debt rescheduling arrangements (sovereign or otherwise), expropriation or moratorium or (in each case) negotiations in respect thereof;

9.9 No Breach

The Borrower has not breached any law or regulation;

9.10 Transaction Documents and Products

There are no encumbrances or other contractual restrictions which may affect the rights and property the subject of the Transaction Documents; (ii) the Borrower is the sole legal and beneficial owner of the Products free from any claims, third party rights or competing interests; and (iii) no event or circumstance has taken place that will make any of the insurance policies taken out in respect of the Products void;

9.11 Each of the representations and warranties in Section 9.1 to Section 9.10, inclusive, is deemed to be made and repeated by the Borrower to the Buyer by reference to the facts and circumstances then existing on the date this Agreement, on the date of each Advance Request, each Advance Date and on each Test Date.

10 Undertakings

10.1 General Undertakings

The Borrower hereby irrevocably and unconditionally undertakes:

- (a) to procure and maintain all necessary and desirable authorisations for the sale, transportation and exportation of the Products; and
- (b) to take out, maintain, comply with the terms of and not invalidate the insurance policies taken out in respect of the Products;

10.2 Information Undertakings

- (a) The Borrower shall supply to the Buyer:
 - (i) within five (5) Business Days after the end of each calendar month, a compliance certificate signed by a senior officer of the Borrower in form and substance satisfactory to the Buyer which confirms, among other things, that the

representations and warranties in Section 9 (*Representations and Warranties*) are true and correct in all material respects, that the undertakings in Section 10 (*Undertakings*) are being complied with, and that there is no Default or Termination Event which has occurred and is continuing.

- (ii) within twenty (20) Business Days after the end of each Delivery Period, a report on the actual production volumes of Products by the Borrower;
 - (iii) as soon as the same become available (and in any event within one hundred eighty (180) days of the end of its financial year), the Borrower's audited financial statements for that period together with the applicable auditor's report;
 - (iv) upon request of the Buyer, a copy of any authorization or any other document required or desirable for the Borrower to sell, deliver and export Products to the Buyer under the Commercial Contract (including any export license) and if requested by the Buyer any such copy shall be certified;
 - (v) promptly upon any modification to any insurance policy or entry into any other insurance policies, in each case, relating to the Products, copies of such modifications or insurance policies and, promptly upon the Buyer's request, evidence that all premiums have been paid in respect thereof;
 - (vi) if requested by the Buyer, a written acknowledgement relating to any assignment of rights under any Transaction Document in such form as the Buyer may require; and
 - (vii) promptly, such further information regarding the financial condition, business and operations of the Borrower as the Buyer may reasonably request.
- (b) The Borrower will ensure that promptly upon becoming aware of the same, it notifies the Buyer of any Termination Event (and the steps, if any, being taken to remedy it) or any breach of, or Default under, any Transaction Document.
- (c) The Borrower shall notify the Buyer as soon as it is aware of any potential change of ownership of the Borrower or failing this, upon the occurrence of a change of ownership, in each case together with details of the exact nature of the change of ownership.

10.3 Sanctions

The Borrower undertakes that:

- (a) it shall comply in all respects with the economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by Canada, the United Nations, the European Union, the United States, (upon its exit from the European Union) the United Kingdom, Switzerland, Singapore and any competent governmental authority, including without limitation, OFAC and the United States Department of State ("**Sanctions**") that are applicable to it;
- (b) it shall not knowingly (having made reasonable enquiries) use the proceeds of the Advance for the purpose of financing or making funds available if and to the extent such financing or provision of funds would be prohibited by applicable Sanctions or would otherwise, to the knowledge of the Borrower, cause the Buyer to be in breach of Sanctions applicable to it; and

- (c) it shall not knowingly (having undertaken relevant verifications) use any funds identified as derived directly from any activity or dealing with any person or entity for the purpose of discharging amounts owing to the Buyer in respect of the Advance to the extent such provision of funds would cause the Buyer to be in breach of Sanctions applicable to it.

10.4 Anti-money laundering, bribery and corruption

- (a) The Borrower and each of its Affiliates has implemented and maintains adequate internal procedures designed to ensure that neither it, nor its directors, officers, or employees shall authorize the receiving, 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 (in this Section, "**Anti-Corruption Controls**");
- (b) In connection with the performance of this Agreement, it and each of its Affiliates has not paid, received or authorized, and it will not pay, receive or authorize, any financial or other advantage or the offering thereof, 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 (including to the Buyer, its Affiliates, officers, directors and employees), where such payment, receipt or authorization would violate the Anti-Corruption Controls; and
- (c) The Borrower and each of its Affiliates has instituted and maintains reasonable and relevant policies and procedures designed to promote and achieve in relation to its business activities, compliance with all anti-money-laundering laws and regulations which are applicable to it in respect of each such business activity.

10.5 Negative Undertakings

The Borrower shall not:

- (a) create or permit to subsist any encumbrance over: (i) any of its assets which are subject to or expressed to be subject to any of the Transaction Documents; (ii) its rights, interests and obligations pursuant to the Transaction Documents or (iii) any of its rights or entitlement to the Products;
- (b) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to Dispose of the Products or any assets used for the production of the Products if the same could be reasonably likely to affect the ability of the Borrower to perform its obligations under the Transaction Documents to which it is party; or
- (c) (and it shall ensure that none of its Affiliates will) enter into new prepayment or pre-export financings or similar financings which may affect the Borrower's ability to comply with the Transaction Documents.

11 Termination Events

11.1 The occurrence of any of the following shall be a Termination Event:

- (a) the Borrower does not pay on the due date any amount payable pursuant to a Transaction Document;
- (b) it is or will become illegal for the Borrower to comply with any of its obligations under the Transaction Documents;

- (c) the Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document to which it is a party whether in whole or in part;
- (d) the Borrower breaches any representation, warranty or undertaking in any Transaction Document;
- (e) any expropriation, compulsory acquisition, nationalisation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Borrower or any step is taken by any person or agency with a view to the same;
- (f) any indebtedness of the Borrower is: (i) not paid when due nor within any originally applicable grace period; (ii) declared to be (or a creditor of the Borrower becomes entitled to declare) or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (g) a Material Adverse Change occurs;
- (h) there is any Change of Control;
- (i) if a judgment, decree or order of a court of competent jurisdiction is entered against the Borrower (i) adjudging the Borrower 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, corporate or analogous law, or (ii) appointing a receiver, trustee, liquidator, or other person with like powers, over all, or substantially all, of the property of the Borrower, or (iii) ordering the involuntary winding up or liquidation of the affairs of the Borrower, or (iv) appointing any receiver or other person with like powers over all, or substantially all, of the property of the Borrower, unless, in any such case, such judgment, petition, order or appointment is stayed and of no effect against the rights of the Buyer within 30 days of its entry; or
- (j) if (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Borrower pursuant to applicable law, including applicable corporate law, or (ii) the Borrower 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, corporate or analogous law, or (iii) the Borrower consents to the filing of any petition under any such law or to the appointment of a receiver, or other person with like powers, over all, or substantially all, of its respective property, or (iv) the Borrower makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Borrower takes or consents to any action in furtherance of any of the matters described in Section 11.1(i) or Section 11.1(j).

11.2 On and at any time after the occurrence of a Termination Event the Buyer may, but is not obligated to:

- (a) terminate the Commercial Contract;
- (b) cancel all of the Advances at which time it shall immediately be cancelled;
- (c) declare that all or part of the Advances, together with all Unpaid Amounts be immediately due and payable by the Borrower to the Buyer in cash, at which time they shall become immediately due and payable by the Borrower; and/or

- (d) exercise any or all of its other rights, remedies, powers or discretions under the Transactions Documents.

12 Payments

12.1 Accounts

The Borrower shall make each payment due from it to the Buyer under each Transaction Document, for value on the due date at the time and in same day funds in Canadian Dollars in the place of payment. The Borrower waives any right it may have in any jurisdiction to pay any amount under the Transaction Documents in a currency or currency unit other than Canadian Dollars.

12.2 Business Days

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

12.3 Partial Payments

If the Buyer receives a payment or delivery for application against amounts due in respect of the Transaction Documents that is insufficient to discharge all the amounts then due and payable by the Borrower thereunder, the Buyer shall apply that payment towards the obligations of the Borrower in any order as the Buyer may choose.

13 Set-off

- 13.1 All payments or Deliveries to be made by the Borrower under the Transaction Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

- 13.2 The Buyer may set off any matured obligation due from the Borrower against any matured obligations owed by the Buyer to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Buyer may convert either obligation at a rate available to the Buyer in its usual course of business for the purpose of the set-off.

14 Notices

- 14.1 Any communication to be made under or in connection with the Transaction Documents shall be made in writing and, unless otherwise stated, may be made by electronic mail (email) or delivery of a letter to the addresses below.

- 14.2 The address of each Party for any communication or document to be made or delivered under or in connection with this Agreement shall be that set out next to its name below (or any substitute address, email or department or officer as the Party may notify to the other by not less than five (5) Business Days' notice):

In the case of the Buyer:

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

Attention: Iain Singer
Email: Iain.singer@trafigura.com and houstonlawyers@trafigura.com

and

In the case of the Borrower:

Cleo Energy Corp.
200, 118 8th Avenue S.W.
Calgary, AB T2P 1B4

Attention: Kellie D'Hondt
Email: kdhondt@cleoenergy.com

- 14.3 Each notice or other communication to be given under or in connection with this Agreement must be in English.

15 Miscellaneous

- 15.1 Any certificate or determination by the Buyer of a rate or amount or quantity or by the Borrower under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 15.2 The Buyer shall be entitled to pass any information received by it under or in connection with the Transaction Documents to any third party in connection with any funding agreements or transactions contemplated thereby or in connection therewith.
- 15.3 This Agreement constitutes the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes any preceding discussions, representations or minutes of meetings between the Parties. No waivers or variations of this Agreement or any waiver or variation of any of the terms or provisions of this Agreement shall be effective unless in writing and signed by the parties.
- 15.4 No delay or omission or failure to exercise any right or remedy under this Agreement shall be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy, but every such right and remedy may be exercised from time to time and so often as may be deemed expedient by the Party entitled to exercise such right or remedy.
- 15.5 If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.
- 15.6 The Borrower may not assign, transfer, or create any encumbrance over any of its rights or obligations under any Transaction Document. The Buyer may sell, assign, transfer or grant an interest in its rights and obligations under any Transaction Document to any person without the consent of the Borrower and the Buyer may create any encumbrance over any or all of its rights and obligations under this Agreement in favour of any person.
- 15.7 In the event there is any contradiction or inconsistency between the terms of this Agreement and the terms of the Commercial Contract, the terms of this Agreement shall prevail.
- 15.8 This Agreement may be executed in one or more counterparts (and by different Parties hereto in different counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or other electronic transmission of

an executed counterpart of a signature page to this Agreement shall be effective as delivery of an original executed counterpart of this Agreement. The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement 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 in any applicable law, including, without limitation, as provided in Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), the *Electronic Transactions Act* (British Columbia), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada. The Buyer may, in its discretion, require that any such documents and signatures executed electronically or delivered by facsimile or other electronic transmission be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by facsimile or other electronic transmission.

16 Fees, Costs and Expenses

- 16.1 Irrespective of whether an Advance is made, the Borrower shall pay to the Buyer all required fees in the amounts and on the dates set out in this Agreement. If an Advance has not been made, the Borrower's obligation to pay such arrangement fee shall be discharged by way of deduction from an Advance on the Advance Date.
- 16.2 The Borrower shall be solely responsible for all legal costs and other costs, charges and duties in relation to the negotiation, execution, performance and enforcement of the Transaction Documents, provided that such legal costs in respect of the negotiation and finalization of the Transaction Documents shall not exceed the amount of \$40,000. All stamp, documentary, registration or other like duties or taxes, including any penalties, additions, fines, surcharges or interest relating to those duties and taxes, which are imposed or chargeable on or in connection with this Agreement shall be borne by the Borrower.
- 16.3 All payments or consideration payable or to be made under this Agreement by the Borrower to the Buyer shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable, the Borrower shall pay to the Buyer (in addition to and at the same time as the making of such payment or delivery of such consideration) an amount equal to the amount of the Indirect Tax and the Buyer shall provide the Borrower all such information as required for purposes of claiming any credit or refund under the applicable Indirect Tax. Where under this Agreement the Borrower is required to reimburse the Buyer for any costs or expenses, the Borrower shall also at the same time pay and indemnify the Buyer against all Indirect Tax incurred by the Buyer in respect of such costs and expenses.

17 Law and jurisdiction

17.1 Law

This Agreement and any non-contractual obligations connected with them shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein.

- 17.2 The courts of the Province of Alberta have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement (in this Section, a “**Dispute**”).
- 17.3 The Buyer shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Buyer may take concurrent proceedings in any number of jurisdictions.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

CLEO ENERGY CORP., as Borrower

By: 
Name: **Chris Lewis**
Title: **Chairman**

By: _____
Name: _____
Title: _____

TRAFIGURA CANADA LIMITED, as Buyer

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

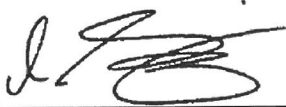
IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

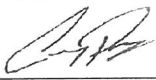
CLEO ENERGY CORP., as Borrower

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TRAFIGURA CANADA LIMITED, as Buyer

By:  _____
Name: Iain Singer
Title: Director

By:  _____
Name: Corey Prologo
Title: Director

Schedule 1
Form of the Advance Request

From: Cleo Energy Corp.

To: Trafigura Canada Limited

Dated:

Dear Sirs

Prepayment Agreement dated July 9, 2024 (the "Prepayment Agreement")

1 We refer to the Prepayment Agreement. This is an Advance Request. Terms defined in the Prepayment Agreement shall have the same meaning in this Advance Request.

2 We wish to request the Advance on the following terms:

Proposed Advance Date:	<input type="text"/> (or, if that is not a Business Day, the next Business Day)
Currency	Canadian Dollars
Amount:	<input type="text"/>

3 We confirm that each applicable condition specified in Section 3.1 (*Conditions precedent*) is satisfied on the date of this Advance Request.

4 The proceeds of the Advance should be credited to **[insert details of the Borrower's account]**.

5 This Advance Request is irrevocable.

Yours faithfully

.....

authorized signatory for Cleo Energy Corp.

Schedule 2
Payment Schedule

Advance 1

Delivery Period From¹	Delivery Period² To	Relevant Amount (Principal)	Outstanding Advance
			-0.00

Advance 2

Delivery Period From	Delivery Period To	Relevant Amount (Principal)	Outstanding Advance
			-0.00

Advance 3

Delivery Period From	Delivery Period To	Relevant Amount (Principal)	Outstanding Advance
			-0.00

¹ Each Advance is meant to be paid in 12 equal installments prior to the Maturity Date for such Advance.

² The last day of the Delivery Period should match the last day of an Interest Period so that Trafigura does not incur break costs. If any amount is deducted or paid on a day that is not the last day of an Interest Period and Trafigura does incur break costs then it will be indemnified under clause 3.5.

This is **Exhibit "C"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd
day of December 2024

A handwritten signature in blue ink, appearing to be 'A. H. S.', is written over a horizontal line.

Commissioner in and for the Province of Alberta

Jessica Watts

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Wednesday, August 14, 2024 12:38 PM
To: Ethan Post
Cc: Javier Montero; Matthieu Milandri; Chris Lewis; Craig Wilford; Iain Singer; Andrew Sweerts; Colton Lewis; Miranda Waterhouse
Subject: [EXTERNAL] RE: July 2024 Prepay

Follow Up Flag: Follow up
Flag Status: Flagged

Ethan / Matthieu / Javier / Ian / Craig,

Thank you again for your time this morning. We very much appreciate you taking the time to discuss and find a creative solution for Cleo's quick pay. This is very helpful and we again look forward to our mutually beneficial relationship going forward.

I can confirm that Cleo has received the \$300K payment sent today.

Thank you again,

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Tuesday, August 13, 2024 3:24 PM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Miranda Waterhouse <miranda.waterhouse@trafigura.com>
Subject: RE: July 2024 Prepay

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Kellie, please expect a meeting invite for tomorrow morning shortly which will involve the broader team at Traf.

Thank you,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>

Sent: Tuesday, August 13, 2024 2:26 PM

To: Ethan Post <Ethan.Post@trafigura.com>

Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Miranda Waterhouse <miranda.waterhouse@trafigura.com>

Subject: [EXTERNAL] RE: July 2024 Prepay

Ethan, we are extremely exasperated by this situation. Cleo is merely requesting its revenue from July barrels, which you have already marketed and sold. The mid-month pay should have absolutely nothing to do with August production and we are not in a position to have trucks going to unload tanks at a moments notice.

Again, we are extremely caught off guard with the change in our payment structure and disappointed this was not brought forth as a direct discussion point during the negotiations of our financing arrangement. We are further disappointed to hear that this was a discussion point on the Trafigura side, but not brought forth to Cleo in any way, aside from identical language in the Commercial Contract to all other previous Wellhead Purchase Agreements.

Given our cash management practises, this is extremely disruptive and we would like to request a sit down with Mattieu, Javier, Ian and Craig to understand how this can be rectified as we require the July revenue amounts this week.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: Tuesday, August 13, 2024 1:40 PM

To: Kellie D'Hondt <kdhondt@cleoenergy.com>

Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Miranda Waterhouse <miranda.waterhouse@trafigura.com>

Subject: RE: July 2024 Prepay

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

It is indeed very good to see that Cleo's production is exceeding 134 bbl/d for August. However, after discussing with our crude operations team, we need to clarify that we can't account for these barrels (to assess net exposure) until Cleo transfers the production from the wellhead to the terminal or pipeline. Trafigura only takes control of the barrels once they are received at the feeder pipeline or terminal from which we purchase the production.

If Cleo can move its August production to a terminal or feeder pipeline where Trafigura purchases, we will be able to accurately assess the exposure, including the quick pay.

Kind regards,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance

Direct: +1 403 767 4985 ext 24985

Mobile: +1 403 669 5940

Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW

Calgary, Alberta

Canada T2P 4H2

Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>

Sent: Tuesday, August 13, 2024 12:33 PM

To: Ethan Post <Ethan.Post@trafigura.com>

Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>

Subject: [EXTERNAL] RE: July 2024 Prepay

Ethan, please accept my apologies, but there was a slight error on some of the numbers previously provided to you. **The August production is 6,273 bbls.**

A few of the reports were mislabeled on dates, due to the date the report being sent via email on that date, vs. pulling the report from Prodman directly for that specific date. I am attaching new reports where the date was incorrect. All reports now have the direct from Prodman pull.

Below is the actual production produced on the date.

August 1: 540 bbls

August 2: **534** bbls

August 3: 484 bbls (wells go down at Silver)

August 4: **487** bbls

August 5: 493 bbls

August 6: 493 bbls

August 7: **496** bbls

August 8: 460 bbls (line failure at Neutral Hills and 30 bbls is shut in)

August 9: **470** bbls

August 10: 446 bbls

August 11: 450 bbls

August 12: 455 bbls

August 13: **455** bbls

From: Kellie D'Hondt

Sent: Tuesday, August 13, 2024 12:14 PM

To: Ethan Post <Ethan.Post@trafigura.com>

Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>;

Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>

Subject: RE: July 2024 Prepay

Ethan, we are unsure why the operations team only has 1,607 bbls booked for the month of August, as we have produced **6,380 bbls** in August. It is possible the bbls are in tanks, as we empty tanks at the end of the month and the tanks would be relatively empty at this point in the month.

For detail, our daily production is as follows:

August 1: 540 bbls
August 2: 541 bbls
August 3: 484 bbls (wells go down at Silver)
August 4: 534 bbls
August 5: 493 bbls
August 6: 493 bbls
August 7: 495 bbls
August 8: 460 bbls (line failure at Neutral Hills and 30 bbls is shut in)
August 9: 495 bbls
August 10: 446 bbls
August 11: 450 bbls
August 12: 455 bbls
August 13: 493 bbls

See the daily production reports attached.

Our understanding on the quick pay is that the payment is simply an early payment of our July revenue, barrels that have already been marketed and booked. The revenue estimate for July is \$1,203,252.04. I can appreciate that Trafigura does not want to have exposure beyond the outstanding loan facility, but with the July revenue, plus the August barrels produced to date, we feel there is an ample amount of revenue to justify a quick pay for the July revenue amounts.

Let me know if you need any further information in this regard.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: Tuesday, August 13, 2024 11:35 AM

To: Kellie D'Hondt <kdhondt@cleoenergy.com>

Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>

Subject: RE: July 2024 Prepay

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

One thing that could help us on our end is an understanding of what happened to CLEO's production in August? Our crude operations team has flagged to us that we have only received 255.6m³ (~1,607 bbls) from Cleo for the first 12 days of August which translates to roughly 134 bbl/d.

Thank you,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, August 13, 2024 10:54 AM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>; Andrew Sweerts <asweerts@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>
Subject: [EXTERNAL] RE: July 2024 Prepay

Ethan, thank you for your message.

We would like to schedule a meeting with the Geneva team to discuss this matter at their earliest convenience. Cleo has a history of doing a mid-month quick pay with Trafigura for more than 4 years and we are extremely surprised this change was not brought forth in any of the financing discussions with regards to our loan agreement.

If you are able to suggest a time that will work with your Geneva team, we would like to discuss this on a Teams call at the collective earliest convenience.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Tuesday, August 13, 2024 10:48 AM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris Lewis <clewis@cleoenergy.com>; Craig Wilford <Craig.Wilford@trafigura.com>; Iain Singer <iain.singer@trafigura.com>
Subject: RE: July 2024 Prepay

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Following up on your voice message from earlier.

Our team in Geneva is currently tied up and unable to sign off. At this time, we are hesitant to incur any additional exposure to Cleo by making the quick pay noting the August production forecasts provided to us by our ops team.

We can revisit the discussion once Geneva has reviewed. However, I sincerely apologize for the inconvenience that has caused in the meantime.

Please do not hesitate to reach out if you have any questions.

Thank you,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Ethan Post
Sent: Monday, August 12, 2024 3:00 PM
To: 'Kellie D'Hondt' <kdhondt@cleoenergy.com>
Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; 'Chris Lewis' <clewis@cleoenergy.com>
Subject: RE: July 2024 Prepay

Hi Kellie,

Thank you for the call. As we discussed, I am working on some analysis around this point, and will revert to you with an update shortly.

Kind regards,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Monday, August 12, 2024 2:41 PM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Javier Montero <Javier.Montero@trafigura.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Chris

Lewis <clewis@cleoenergy.com>

Subject: [EXTERNAL] FW: July 2024 Prepay

Importance: High

Ethan, further to my voice mail message, I'm hoping you can help shed some light on the following issue.

Cleo normally receives its revenue payments by both mid-month pre-pay and end of month revenue settlement. Our accounting group received the following message from the Calgary marketing group there would be 'no pre-pay this month' due to the loan proceeds being disbursed on August 1. We are surprised by this, as our loan agreement didn't contemplate any changes to Cleo's normal revenue payment structure, and the loan proceeds are earmarked solely for operational activities.

Its extremely important for our regular cash management that we receive our July revenues in normal course (prepay and end of month settlement). As the barrels have already been produced and booked, we are again surprised the loan proceeds has affected our regular payment structure.

If you are able to discuss this with Mattieu at your earliest convenience, it would be appreciated.

Kellie D'Hondt
President



403-473-5969

From: Kim Brost <kim.brost@trafigura.com>

Date: Monday, August 12, 2024 at 11:18 AM

To: Janice Jones <jjones@cleoenergy.com>, Chris Lewis <clewis@cleoenergy.com>, Rob Dion <rdion@cleoenergy.com>

Cc: Dawna Maxwell <Dawna.Maxwell@trafigura.com>

Subject: July 2024 Prepay

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Good morning Janice,

After discussions with our Structured Finance team regarding the loan that was paid to Cleo August 1st we were advised that there was to be no 'prepay' this month.

Please reach out to the Marketing team if you have any questions/concerns.

Thank you

Kim Brost
Senior Settlements Analyst

Direct: +1 403 294 6759

E-mail: kim.brost@trafigura.com

TRAFIGURA Canada Limited

From: Janice Jones <jjones@cleoenergy.com>
Sent: Thursday, August 8, 2024 3:10 PM
To: Craig Wilford <Craig.Wilford@trafigura.com>; Kim Brost <kim.brost@trafigura.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Rob Dion <rdion@cleoenergy.com>
Subject: [EXTERNAL] July 2024 Prepay

Good Afternoon,

Cleo would like to request a \$600K prepay for the attached July 2024 oil splits. Please let us know asap when this prepay will be deposited.

Thanks
Janice

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

This is **Exhibit "D"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd
day of December 2024

A handwritten signature in blue ink, appearing to read 'R. B. B.', is written over a horizontal line.

Commissioner in and for the Province of Alberta

Jessica Watts

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, August 27, 2024 2:31 PM
To: Ethan Post
Cc: Chris Lewis; Colton Lewis; Matthieu Milandri; Javier Montero
Subject: [EXTERNAL] RE: Request for Schedule #2

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Thank you Ethan.

We very much appreciate you providing clarity on the Maturity Date and supporting the reversal the principal and interest payment.

Thank you again and I hope you have a fantastic vacation.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Tuesday, August 27, 2024 2:25 PM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: RE: Request for Schedule #2

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

While Footnote 1 of Schedule 2 in the Prepayment Agreement states that "Each Advance is meant to be paid in 12 equal installments prior to the Maturity Date for such Advance," and the Maturity Date is defined as the date falling one year from the Advance Date—implying that principal and interest should be set off within the same month as the Advance—we understand the confusion that may arise.

In light of this, we support the reversal of the principal and interest payment for this month to ensure that Cleo can successfully achieve its reactivation program. To facilitate this, we will exercise our right (though not the obligation) to extend the Maturity Date in accordance with Section 5.7 of the Prepayment Agreement.

I have notified the relevant parties, and the reversal of this month's principal and interest is already in progress.

Thank you,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance

Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, August 27, 2024 11:57 AM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: [EXTERNAL] RE: Request for Schedule #2

Ethan, further to our discussion, the approved model and all other information led us to understand that the 12 equal installments would be from September 25th 2024 to August 25, 2025.

With 12 equal instalments made from September 25, 2024 to August 25, 2025, the loan is repaid within 12 months, before the end of August 2025. Again, with the first payment being made in the same month that funds are deployed, this makes the \$1,000,000 loan actually a \$900,000 loan.

As we are at the beginning of our reactivation program and that revenue amount is extremely important to us. We are hopeful you are able to reverse that payment, with the first payment being made on September 25.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Tuesday, August 27, 2024 11:40 AM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: RE: Request for Schedule #2

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Following up on the below.

I confirm that principal and interest were deducted from the most recent payment from Trafigura to Cleo.

For clarity:

- As per the Prepay Agreement, each advance is supposed to be repaid in 12 equal installments prior to the Maturity Date for such Advance, with the Maturity Date being 1 year from the Advance Date. Since the Advance Date was August 1, 2024, meaning that the First Advance should be fully repaid by August 1, 2025, Trafigura has set off the relevant principal and interest amounts against the July invoice to ensure that there are 12 equal installments between August 1, 2024 and August 1, 2025.

- Otherwise, if the first principal and interest payments were set off at the end of September, this would push the maturity of the first Advance from 1 year to 13 months.

Additionally, here is Schedule 2 for Advance 1:

<u>Advance 1 Date</u>	<u>Advance Amount</u>
8/1/2024	1,000,000

<u>Delivery Period</u>		<u>Relevant</u>	<u>Outstanding</u>
<u>From</u>	<u>Delivery Period To</u>	<u>Amount</u>	<u>Advance</u>
		<u>(Principal)</u>	
8/1/2024	8/26/2024	-83,333	916,667
8/26/2024	9/25/2025	-83,333	833,333
9/25/2025	10/25/2024	-83,333	750,000
10/25/2024	11/25/2024	-83,333	666,667
11/25/2024	12/25/2024	-83,333	583,333
12/25/2024	1/25/2025	-83,333	500,000
1/25/2025	2/25/2025	-83,333	416,667
2/25/2025	3/25/2025	-83,333	333,333
3/25/2025	4/25/2025	-83,333	250,000
4/25/2025	5/25/2025	-83,333	166,667
5/25/2025	6/25/2025	-83,333	83,333
6/25/2025	7/25/2025	-83,333	0

I hope this helps. Please let me know if you have any further questions.

Best,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance

Direct: +1 403 767 4985 ext 24985
 Mobile: +1 403 669 5940
 Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW
 Calgary, Alberta
 Canada T2P 4H2
 Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>

Sent: Tuesday, August 27, 2024 9:39 AM

To: Ethan Post <Ethan.Post@trafigura.com>

Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>

Subject: [EXTERNAL] RE: Request for Schedule #2

Hi Ethan, just checking in to see if you have any updates for us?

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: Monday, August 26, 2024 2:10 PM

To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>; Matthieu Milandri <Matthieu.Milandri@trafigura.com>; Javier Montero <Javier.Montero@trafigura.com>
Subject: RE: Request for Schedule #2

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

Thank you for bringing this to my attention. Let me look into this and I will get back to you.

Kind regards,

Ethan Post
Structured Trade Finance Analyst
Upstream Finance
Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Monday, August 26, 2024 1:51 PM
To: Ethan Post <Ethan.Post@trafigura.com>
Cc: Chris Lewis <clewis@cleoenergy.com>; Colton Lewis <chlewis@cleoenergy.com>
Subject: [EXTERNAL] Request for Schedule #2

Hey Ethan, I hope you had a great weekend!

I'm wondering if you can clarify if Cleo's first payment to the Prepayment Agreement was withdrawn this month? I see that our total monthly revenue was \$1.248MM. After the \$315K quick pay, Cleo was anticipating receiving \$932,050.64. I received word from our controller that we received an incoming wire for \$841,465.69, which was \$91K short of full payment.

I was under the impression the first payment would be made in September, as the first advance was drawn down on August 1. Can you please clarify? It might be helpful to have a filled in Schedule #2 that shows both lender and borrower the Delivery Period for the advances.

Thank you in advance for your help.

Kellie

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is

free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

This is **Exhibit "E"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd

day of December 2024

A handwritten signature in blue ink, appearing to read 'R. Ball', is written over a horizontal line.

Commissioner in and for the Province of Alberta

Jessica Watts

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Thursday, September 26, 2024 7:29 PM
To: Ethan Post
Subject: Re: [EXTERNAL] Coffee

Follow Up Flag: Follow up
Flag Status: Flagged

Tuesday is great Ethan. You pick the time and place and I will meet you there.

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: Thursday, September 26, 2024 6:12:02 PM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Subject: Re: [EXTERNAL] Coffee

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Thank you Kellie - I hope you are enjoying the beautiful start to the fall too.

I would be happy to grab a coffee next week. How does Tuesday look for you?

Thanks,

Ethan Post
Upstream Finance
Direct: [+1 403 767 4985](tel:+14037674985) ext 24985
Mobile: [+1 403 669 5940](tel:+14036695940)
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited
[1700 400 3 ave SW](#)
Calgary, Alberta
Canada T2P 4H2
Main: [+1 403 294 0400](tel:+14032940400)

On Sep 26, 2024, at 4:08 PM, Kellie D'Hondt <kdhondt@cleoenergy.com> wrote:

Ethan, hope you're having a good week and enjoying the beautiful September weather.

Wondering if you have time for coffee tomorrow or early next week? Let me know your schedule, I wont take up too much of your time.

Kellie

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

This is **Exhibit "F"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd

day of December 2024

A handwritten signature in blue ink, appearing to be 'Robert B. D.', is written over a horizontal line.

Commissioner in and for the Province of Alberta

Jessica Watts

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, October 1, 2024 9:10 AM
To: Ethan Post
Subject: [EXTERNAL] RE: Kellie/Ethan: Coffee

Perfect, thanks for understanding Ethan!

Kellie

From: Ethan Post <Ethan.Post@trafigura.com>
Sent: October 1, 2024 9:09 AM
To: Kellie D'Hondt <kdhondt@cleoenergy.com>
Subject: RE: Kellie/Ethan: Coffee

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Hi Kellie,

No worries. We can play it by ear and meet later this week or postpone until next week.

Thank you,

Ethan Post
Upstream Finance

Direct: +1 403 767 4985 ext 24985
Mobile: +1 403 669 5940
Email: Ethan.Post@trafigura.com

TRAFIGURA Canada Limited

1700 400 3 ave SW
Calgary, Alberta
Canada T2P 4H2
Main: +1 403 294 0400

From: Kellie D'Hondt <kdhondt@cleoenergy.com>
Sent: Tuesday, October 1, 2024 8:58 AM
To: Ethan Post <Ethan.Post@trafigura.com>
Subject: [EXTERNAL] RE: Kellie/Ethan: Coffee

Ethan, I hope you had a good weekend.

I'm wondering if we can postpone our coffee this morning? With events heating up in the middle east, I think we'd like to take a few days to watch the markets before having a discussion.

Perhaps we can postpone for now and I will reach out to reschedule?

Kellie

-----Original Appointment-----

From: Ethan Post <Ethan.Post@trafigura.com>

Sent: September 27, 2024 10:45 AM

To: Ethan Post; Kellie D'Hondt

Subject: Kellie/Ethan: Coffee

When: October 1, 2024 11:00 AM-12:00 PM (UTC-07:00) Mountain Time (US & Canada).

Where: Analog in Devon Tower

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

This email and any attachments are confidential and access to this email or attachment by anyone other than the addressee is unauthorised. If you are not the intended recipient please notify the sender and permanently delete the email including any attachments. You must not copy, disclose or distribute any of the contents to any other person. Personal views or opinions are solely those of the author and not of Trafigura Group Pte Ltd or its affiliates (the "Group"). The Group does not guarantee that the integrity of this communication has been maintained nor that the communication is free of viruses, interceptions or interference. By communicating with anyone at the Group by email, you consent to the monitoring or interception of such email by the Group in accordance with its internal policies. Unless otherwise stated, any pricing information given in this message is indicative only, is subject to change and does not constitute an offer to deal at any price quoted.

This is **Exhibit "G"** referred to in the Affidavit of
Ethan Post sworn before me at City of Calgary, in the Province of Alberta,
this 23rd

day of December 2024

A handwritten signature in blue ink, appearing to read 'Charles Bell', is written over a horizontal line.

Commissioner in and for the Province of Alberta

In the Matter of the Notice of Intention
to make a Proposal of
CLEO Energy Corp.

**Notes to the Consolidated Statement of Cash Flow for the 5-week
period ending January 10, 2025**

Purpose and General Assumptions of the Cash Flow Statement

CLEO Energy Corp. (“**CLEO**” or the “**Company**”) has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the “**Cash Flow Statement**”) in support of the proposal proceedings that has been filed under the Bankruptcy and Insolvency Act (“**BIA**”) on December 8th, 2024.

The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company’s planned course of action for the period from December 8, 2024 to January 10, 2025 (the “**Cash Flow Period**”). Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.

The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

The projected cash flow statement is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Statement

1. Sales consist of forecast oil and gas receipts based on forecast production at strip pricing as of December 6, 2024. Proceeds from production are generally received on the 25th day of the following month (or the following business day). Receipts are shown net of any working partner interest and take-in-kind royalties and include collection of 5% GST.
2. Payroll and benefits include wages and benefits for thirteen (13) full time employees and six (6) independent contractors. The employees and independent contractors are paid on a semi-monthly basis.
3. Operating and transportation expenses include payments for contract operators, consultants, and other operating costs such as trucking, chemicals, and related services. These expenses were estimated based on historical data. The vendor list was reviewed and analyzed with the assumption that some vendors may require COD payment terms.
4. Mineral and Surface Lease payments relate to Crown and Freehold lease payments required under existing arrangements.
5. Utilities consist of payments to TransAlta for the Company's monthly power consumption. The Company typically makes installment payments of approximately \$100,000 to TransAlta in the middle of the month, with the remaining balance paid at the end of the month. The payment

stipulated in the Cash Flow Period represents a deposit to open a post-filing account and is based on approximately 50% of historical monthly consumption.

6. Estimated repair costs related to damages from a break in at the Silver Heights location. The Company expects to be repaid these amounts by its insurance provider outside of the Cash Flow Period.
7. Pre-filing royalties and GST remittances have been shown as unpaid, subject to the stay of proceedings. Pending further review, these amounts may have priority claims but will remain unpaid, unless they are determined to be paid with the consent of various secured creditors or by order of the Court of King's Bench of Alberta (the "**Court**"). Post-filing freehold royalties have been forecast to be paid in the Cash Flow Period.
8. General and administrative costs include payments for the Company's software subscriptions, monthly rent for its Calgary-based head office, and insurance coverage, which was bound in August 2024, and is paid monthly.
9. Professional fees include the fees and costs of counsel to CLEO and the Proposal Trustee.

CLEO Energy Corp.

5-Week Cash Flow Forecast ending January 10, 2025

\$CAD 000's

Notes
week ended

		Week 1 13-Dec-24	Week 2 20-Dec-24	Week 3 27-Dec-24	Week 4 3-Jan-25	Week 5 10-Jan-25	5-week total Total
Cash Receipts							
Sales (production settlement)	1	-	-	791,916	-	-	791,916
Total cash receipts		-	-	791,916	-	-	791,916
Cash Disbursements							
Payroll and benefits	2	78,157	-	158,840	10,000	800	247,797
Operating and transportation	3	-	-	131,700	24,500	-	156,200
Mineral & Surface Leases	4	-	-	9,622	24,489	-	34,111
Utilities	5	-	-	125,000	-	-	125,000
Repairs and maintenance	6	-	-	-	79,689	-	79,689
Royalties	7	-	-	-	5,000	-	5,000
General and administrative	8	-	-	62,240	525	8,740	71,505
Professional fees	9	-	-	150,000	-	-	150,000
Total cash disbursements		78,157	-	637,402	144,203	9,540	869,302
Net Cash Flow		(78,157)	-	154,514	(144,203)	(9,540)	(77,386)
Net Change in Cash							
Beginning of period		78,157	-	-	154,514	10,311	78,157
Net cash flow		(78,157)	-	154,514	(144,203)	(9,540)	(77,386)
Ending of period		-	-	154,514	10,311	771	771

UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS
& PROPOSAL TRUSTEE'S REPORT ON THE CASH FLOW STATEMENT

Chris Lewis
Director

December 18, 2024
Date

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

December 18, 2024
Date