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COURT FILE NUMBER 2001 06423  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE **CALGARY**



IN THE MATTER OF THE COMPROMISE OF  
ARRANGEMENT OF ENTREC  
CORPORATION, CAPSTAN HAULING LTD.,  
ENTREC ALBERTA LTD., ENT CAPITAL  
CORP., ENTREC CRANES & HEAVY  
HAULING INC., ENTREC HOLDINGS INC.,  
ENT OILFIELD GROUP LTD., and ENTREC  
SERVICES LTD.

\$50.00  
COM  
Apr 24 2023

DOCUMENT **APPLICATION – STAY EXTENSION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Norton Rose Fulbright Canada LLP  
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Calgary, Alberta T2P 4H2  
  
Attention: Howard A. Gorman, K.C. | Gunnar Benediktsson  
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File No: 1001122095

### NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: April 24, 2023  
Time: 03:00 PM  
Where: CALGARY  
Before Whom: The Honourable Justice Lema

Go to the end of this document to see what else you can do and when you must do it.

### Remedy claimed or sought:

1. This Application is brought by Alvarez & Marsal Canada Inc. (**A&M**, or the **Monitor**) in its capacity as the Court-appointed Monitor of the applicants, ENTREC Corporation, 984506 Alberta Ltd.

(formerly Capstan Hauling Ltd.), ENT Capital Corp., ENT Oilfield Group Ltd., ENTREC Services Ltd., ENTREC Holdings Inc., and ENTREC Cranes and Heavy Haul Inc., (collectively, the **Applicants** or **ENTREC**).

2. The Monitor, on behalf of the Applicants, seeks an order pursuant to the *Companies' Creditors Act*, RSC 1985, c C-36, as Amended (the **CCAA**), in substantially the form attached hereto as **Schedule A**, among other things:
  - a. extending the Stay Period (as defined below) to the earlier of (1) the CCAA Termination Date, as defined in the CCAA Termination Order (defined below) or (2) October 31, 2023, or such other date as this Honourable Court deems just; and
  - b. granting such further and other relief as counsel may advise and this Honourable Court deems just and appropriate.
  - c. approving the activities of the Monitor as set out in the Monitor's Eleventh and Twelfth reports.

**Grounds for making this application:**

3. On May 15, 2020, the Applicants were granted an order under the CCAA by the Honourable Madam Justice B.E. Romaine (as amended and restated from time to time in this proceeding, the **ARIO**), which among other things appointed A&M as Monitor, and granted a stay of proceedings in respect of the assets, property, and undertaking of ENTREC (the **Stay**) for a period initially expiring May 25, 2020.
4. On November 24, 2020, the Monitor was granted enhanced powers in respect of ENTREC (the **Enhanced Powers Order**). Among other things, the Enhanced Powers Order authorizes the Monitor to conduct, supervise, or direct the continuation or commencement of any legal process on behalf of ENTREC, and to settle, extend or compromise any indebtedness owing to or by ENTREC.
5. The Stay, as extended by subsequent orders of this Court, is currently set to expire on the earlier of April 28, 2023, or the CCAA Termination Date, as defined in the CCAA Termination Order dated November 24, 2020 (the **CCAA Termination Order**).
6. The Monitor is working with its U.S. Counsel to conclude ongoing litigation between Wolverine Energy & Infrastructure Inc. (**Wolverine**) and ENTREC in the Southern District Court of Texas (the **Wolverine Litigation**).
7. The trial of the Wolverine Litigation concluded on December 9, 2021. On August 9, 2022, the Southern District Court of Texas dismissed the action against ENTREC. Wolverine appealed that decision. The decision of the Court regarding the appeal is currently under reserve. The Monitor remains hopeful that the ongoing Wolverine Litigation will be resolved in the relatively near future, but is not in a position to predict when this will occur.
8. As disclosed and discussed in prior reports, the Monitor is holding a bid deposit paid by Wolverine in the amount of approximately \$3.35 million pending final resolution of the Wolverine Litigation.
9. Since the issuance of the Eleventh Report, the Monitor has attended to various matters on behalf of ENTREC in accordance with the Enhanced Powers Order, including collections, attending to various legal proceedings in respect of the Wolverine Litigation, monitoring cash flow and operational matters, reporting to the Syndicate and the Agent, preparing cash flow forecasts, collecting outstanding accounts receivable, assisting with wind-down activities, attending to compliance, tax, and regulatory matters in Canada and the U.S., communicating with various

trade creditors and other stakeholders, and various other activities and duties as further set out in the Twelfth Report of the Monitor dated April 17, 2023 (the **Twelfth Report**).

10. The Monitor seeks an extension of the Stay Period to October 31, 2023, or until the CCAA Termination Date, whichever occurs earlier. It is appropriate to extend the stay until the conclusion of the Wolverine Litigation and the Monitor's administration of ENTREC's affairs, at which time the Monitor will seek its discharge.
11. ENTREC will have sufficient cash to fund any ongoing operations, the administration of its affairs by the Monitor, and the costs of this proceeding, during the Stay Extension Period.
12. The Monitor is authorized to bring this application on behalf of ENTREC pursuant to the Enhanced Powers Order.

**Material or evidence to be relied on:**

13. The pleadings, affidavits, and other materials filed on the court file.
14. The Twelfth Report of the Monitor.
15. Such further and other material or evidence as counsel to the Monitor may advise, and as this Honourable Court may permit.

**Applicable Acts and regulations:**

16. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, and such further and other Acts and regulations as counsel to the Applicant may advise,

**WARNING**

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

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IN THE MATTER OF THE COMPROMISE OF  
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CORPORATION, CAPSTAN HAULING LTD.,  
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HAULING INC., ENTREC HOLDINGS INC.,  
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SERVICES LTD.

Clerk's Stamp

DOCUMENT **ORDER**  
**(Extension of Stay Period)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

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Attention: Howard A. Gorman, K.C. | Gunnar Benediktsson  
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File No: 1001122095

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DATE ON WHICH ORDER WAS PRONOUNCED: April 24, 2023  
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice Lema  
LOCATION OF HEARING: Calgary, Alberta

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**UPON THE APPLICATION** by Alvarez & Marsal Inc. (**A&M**, or the **Monitor**) in its capacity as the Court-appointed Monitor of the applicants, ENTREC Corporation, 984506 Alberta Ltd. (formerly Capstan Hauling Ltd., and referred to herein as **984**), ENT Capital Corp., ENT Oilfield Group Ltd., Entrec Services Ltd., Entrec Holdings Inc., and ENTREC Cranes & Heavy Haul Inc. (collectively, **ENTREC**);

**AND UPON HAVING READ** the Initial Order of this Court dated May 15, 2020; the Amended and Restated Initial order of this Court dated May 25, 2020 (the **ARIO**), and the CCAA Termination Order of this Court dated November 24, 2020 (the **CCAA Termination Order**);

**AND UPON REVIEWING** the Twelfth Report of the Monitor dated April 17, 2023;

**AND UPON HEARING** submissions of counsel for the Monitor, and for any other parties that may be present;

**IT IS HEREBY ORDERED THAT:**

**Service**

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

**Extension of Stay of Proceedings**

2. The Stay Period (as defined in the ARIO) in respect of ENTREC (including, for greater certainty, 984), is extended to the earlier of (1) the CCAA Termination Date, as defined in the CCAA Termination Order or (2) October 31, 2023.

**Activities Approved**

3. The activities of the Monitor as set out in the Eleventh and Twelfth reports are hereby approved.

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J.C.K.B.A.