

**Form 7 Rule 3.8**

Clerk's Stamp

COURT FILE NO. B301-163430

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
**Gowling WLG (Canada) LLP**  
1600, 421 – 7<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 4K9  
**Attention: Sam Gabor / Tom Cumming**  
Telephone: 403) 298-1946 / (403) 298-1938  
Facsimile: (403) 263-9193  
Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com) / [tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)  
File No. G10010664

**NOTICE TO THE RESPONDENTS**

This application is made against you.

You have the right to state your side of this matter before the Justice.

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

Date: March 25, 2025  
Time: 11:00 a.m. MST  
Where: By Webex (see Webex details at **Schedule “F”**)  
Before Whom: The Honourable Justice M.H. Bourque in Commercial Chambers (Calgary)

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

**Remedy claimed or sought:**

1. The applicant, CLEO Energy Corp. (“**CLEO**”), in connection with the proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”, and

such proceedings, the “**Proposal Proceedings**”), commenced by notice of intention to make a proposal filed on December 8, 2024 (the “**Filing Date**”, and such notice, the “**NOI**”), applies for the following Orders:

- (a) an Order:
  - (i) abridging the time for service of notice of this Application, deeming service of notice of this Application to be good and sufficient, and declaring that there is no other person who ought to have been served with notice of this Application; and
  - (ii) extending the period within which Cleo is required under section 50.4(8) of the BIA to file a proposal, currently ending April 4, 2025, by an additional 35 days to end on May 9, 2025 (such period, as extended from time to time under section 50.4(9) of the BIA, being the “**Filing Period**”),

which Order is substantially in the form attached hereto as **Schedule “A”** (the “**Extension Order**”);

- (b) an Order (the “**IHH SAVO**”) approving the sale of certain assets (the “**IHH Assets**”) pursuant to an asset purchase agreement dated as of March 14, 2025 (the “**IHH APA**”) between CLEO and IHH Energy Corp. (“**IHH**”) and vesting all of the right, title and interest of CLEO in and to the IHH Assets, free and clear of any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Encumbrances**”), which IHH SAVO is substantially in the form attached hereto as **Schedule “B”**;
- (c) an Order (the “**Nuova SAVO**”) approving the sale of certain assets (the “**Nuova Assets**”) pursuant to an asset purchase agreement dated as of March 14, 2025 (the “**Nuova APA**”) between CLEO and Nuova Strada Ventures Ltd. (“**Nuova**”) and vesting all of the right, title and interest of CLEO in and to the Nuova Assets, free and clear of any and all Encumbrances, which Nuova SAVO is substantially in the form attached as **Schedule “C”**;
- (d) an Order (the “**Surge SAVO**”, and together with the IHH SAVO and the Nuova SAVO, the “**SAVOs**”) approving the sale of certain assets (the “**Surge Assets**”) pursuant to an

asset purchase agreement dated as of March 14, 2025 (the “**Surge APA**”, and together with the IHH APA and the Nuova APA, the “**APAs**”) between CLEO and Surge Energy Inc. (“**Surge**”) and vesting all of the right, title and interest of CLEO in and to the Surge Assets, free and clear of any and all Encumbrances, which Surge SAVO is substantially in the form attached as **Schedule “D”**;

- (e) an Order (the “**Sealing Order**”) sealing the confidential supplement (the “**Confidential Supplement**”) to the fourth report of Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal Trustee**”, and such report, the “**Fourth Report**”), which Sealing Order is substantially in the form attached hereto as **Schedule “E”**; and
- (f) such further and other relief as Cleo may request and this Honourable Court may grant.

#### **Grounds for making this application:**

##### ***Background***

2. Cleo was incorporated and is existing under the laws of Alberta in 2016 and carries on business as a producer of oil, natural gas liquids and natural gas in central Alberta. Cleo’s head office is located in Calgary.
3. Cleo experienced significant reductions in production since the beginning of 2024, which together with lower market prices for oil and gas, resulted in serious working capital shortages. Cleo had insufficient revenue to pay its liabilities in the ordinary course.
4. In order to address its financial difficulties, Cleo filed the NOI on December 8, 2025 pursuant to Division I of Part III of the *BIA*, commencing the Proposal Proceedings. A&M was appointed as Proposal Trustee.
5. The initial 30-day Filing Period expired on January 7, 2025 (as extended from time to time, the “**Filing Period**”). Pursuant to an Order of the Honourable Justice Lema pronounced January 6, 2025 (the “**January 6 Order**”), the time within which Cleo was required to file a proposal was extended to February 21, 2025. Pursuant to a second Order of the Honourable Justice Lema pronounced February 19, 2025 (the “**February 19 Order**”), that time period was extended to April 4, 2025.
6. The January 6 Order also approved the Interim Facility, created the Administration Charge, the Interim Lender’s Charge and D&O Charge (as such terms are defined in the January 6 Order, and

collectively, the “**BIA Charges**”), and declared the *BIA Charges* rank in priority to any other Encumbrances (as defined in the January 6 Order) and as between the *BIA Charges*, the Administration Charge ranks first in priority, the Interim Lender’s Charge ranks second in priority and the D&O Charge ranks third in priority. Under the February 19 Order, the maximum principal amount of the Interim Facility and the amount secured by the Interim Lender’s Charge were increased.

## **SSP**

7. On January 21, 2025, the Honourable Justice Nielson pronounced an Order (the “**Sale Process Order**”) approving a sale and solicitation process (the “**SSP**”), under which Cleo is seeking to market and sell its property and assets in consultation with, and with the assistance of, the Proposal Trustee and Sayer Energy Advisors, as sale agent (the “**Sale Agent**”). The SSP contemplates two phases. In the first phase, which was launched on January 22, 2025, the Sale Agent marketed the undertaking, property and assets of Cleo (collectively, the “**Properties**”), potential bidders who executed non-disclosure agreements were given access to a confidential data room, and bidders were required to submit non-binding letters of intent (each a “**Phase I LOI**”) by no later than February 27, 2025 (the “**Phase I Bid Deadline**”). In the second phase, bidders could carry out additional due diligence and were required to submit binding bids (each, a “**Bid**”) by no later than March 13, 2025 (the “**Binding Bid Deadline**”). Under the SSP, the Proposal Trustee determines, in consultation with Cleo and the Sale Agent, which bidders submitting Non-Binding LOIs were entitled to participate in the second phase, and which Bids satisfy the criteria required under the SSP, and which Bids are to be accepted by Cleo (each a “**Successful Bid**”). Sale transactions under the SSP are to be on an “as is, where is” basis and must be approved by this Honourable Court.
8. The Sale Agent distributed a marketing teaser describing Cleo’s business and Properties to approximately 2,250 parties by email, and placed advertisements in the BOE Report, Daily Oil Bulletin and the Sale Agent’s Canadian Oil Industry Asset Sale Listing, and with A&D Watch, Energy Advisors Group. Sixty (60) parties executed non-disclosure agreements and accessed the data room, and twenty-two (22) parties submitted twenty-six (26) Phase I LOIs by the Phase I Bid Deadline. On March 7, 2025, the Proposal Trustee sent emails advising ten (10) parties that they were qualified to participate in the second phase and twelve (12) parties that they had not qualified.
9. The Proposal Trustee designated the Bids submitted by IHH, Nuova and Surge as Successful Bids and in consultation with Cleo and the Sale Agent negotiated the terms of the IHH APA, the Nuova APA and the Surge APA (collectively, the “**APAs**”). The Proposal Trustee, Cleo and Sale Agent are continuing negotiations with the other seven (7) parties who submitted Qualified Phase I Bids.

10. The purchase and sale transactions (the “**Transactions**”) contemplated by the APAs satisfy the criteria for approval by this Honourable Court under section 65.13 of the *BIA*. All secured creditors having interests in the Properties subject to the APAs are on the service list for these Proposal Proceedings and will be given notice of this Application. The SSP was prepared in consultation with the Proposal Trustee and the Sale Agent. The Proposal Trustee recommended that this Honourable Court approve the SSP and the SSP was approved by pursuant to the Sale Process Order. It is anticipated that in the Fourth Report, the Proposal Trustee opined that the Transactions were more beneficial to the creditors than a sale under a bankruptcy. Cleo has kept its principal secured creditors informed with respect to the APAs and Transactions. Finally, given the scope of the marketing efforts pursuant to the SSP, the consideration to be received for the Properties pursuant to the APAs is reasonable and fair.
11. Further, the common law criteria for approving sales during insolvency proceedings has been satisfied. Sufficient efforts have been made to obtain the best prices, and no party has acted improvidently. In recommending the approval of the Transactions pursuant to the APAs, the Proposal Trustee considered the interests of all parties. Finally, the SSP is being carried out professionally and in a reasonable manner by the Sale Agent and the integrity of the SSP is being ensured by the Proposal Trustee determining which parties submitting Phase I LOIs were qualified to participate in the second phase, and which Bids were Successful Bids, and that there was no unfairness in the working out of the SSP.
12. The net proceeds from the Transactions will be held in an interest bearing account by the Proposal Trustee and be used to pay necessary amounts owing for professional fees secured by the Administration Charge and to repay amounts owing under the Interim Facility. Any remaining amounts will continue to be held in trust by the Proposal Trustee and be subject to any security vested out by the SAVOs.

### ***Extension of the Filing Period***

13. The Filing Period expires on April 4, 2025. Cleo requires an extension of the Filing Period to continue the SSP, complete the Transactions, and sell other Properties under the SSP.
14. The criteria for obtaining an order extending the Filing Period under section 50.4(9) of the *BIA* has been satisfied. All interested parties in such application are on the Service List and are to receive notice of this Application. The number of days by which the Filing Period is being extended does not exceed 45 days, and the aggregate of the extensions of the Filing Period do not exceed 5 months. Further, Cleo has acted, and is acting, in good faith and with due diligence, and no creditor will be

materially prejudiced by the extension. Finally, the extension of the Filing Period is necessary to allow Cleo sufficient time and opportunity to continue implementing the SSP, negotiate sales of other Properties and complete the Transactions pursuant to the APAs.

15. The sale of Cleo's Properties will significantly reduce the risk to the Alberta public that could arise if operations ceased and there were insufficient working capital to abandon, reclaim and remediate Cleo's licensed wells, facilities and pipelines, which would potentially result in such Properties having to be surrendered to the Orphan Well Association.
16. The revised cash flow forecast for the period beginning the week of March 14, 2025 and ending the week of May 9, 2025 indicates that there will be sufficient working capital until the week ending May 9, 2025 to meet Cleo's obligations which arise during the Proposal Proceedings.
17. If the Filing Period is not extended, Cleo would be deemed to have made an assignment in bankruptcy, its operations would have to be immediately shut down, the SSP would have to be suspended, and the potential recoveries of creditors of Cleo would be severely impacted.
18. The Proposal Trustee supports the requested extension of the Filing Period.

### ***Sealing Order***

19. Cleo seeks the sealing of the Confidential Supplement pursuant to the Sealing Order. The Confidential Supplement attaches unredacted copies of the APAs, compares the economic terms of the APAs with the economic terms of other Phase I LOIs that were submitted, contains other confidential information relating to Cleo's business and Properties, and contains the Proposal Trustee's recommendations to approve the APAs and Transactions.
20. If the Confidential Supplement was publicly available, the SSP would be negatively impacted. If the Transactions fail to close, efforts to re-market the Properties subject thereto would be prejudiced. Cleo, the Sale Agent and Proposal Trustee are continuing to negotiate sales of other Properties, and if the Confidential Supplement was publicly available, such negotiations and realizations would be negatively impacted. This poses a serious risk to an important public interest, namely maintaining the integrity of the public interest, and the Sealing Order is necessary to prevent this risk. The benefits of the order outweigh its negative effects and there are no reasonable alternative measures that would protect these interests. The Sealing Order is time limited.

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

21. The Affidavit of Chris Lewis sworn March 17, 2025, to be filed;

22. Bench Brief, to be filed;
23. The Fourth Report of the Proposal Trustee, to be filed;
24. The Confidential Supplement to the Fourth Report, to be filed on a sealed basis; and
25. Such further and other material as counsel may advise and this Honourable Court may permit.

**Applicable Acts and regulations:**

26. Rules 1.2, 1.3, 3.2(2)(d), 3.8, 6.3(1), 6.9, 11.27 and 13.5 of the *Alberta Rules of Court*, Alta Reg 124/2010;
27. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
28. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

29. None.

**How the application is proposed to be heard or considered:**

30. Before the presiding Justice in Commercial Chambers via Webex.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and 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”**  
**Draft Extension Order**



COURT FILE NO. B301-163430  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Stay Extension)**

ADDRESS FOR **Gowling WLG (Canada) LLP**

SERVICE AND 1600, 421 – 7<sup>th</sup> Avenue SW

CONTACT Calgary, AB T2P 4K9

INFORMATION OF

PARTY FILING THIS

DOCUMENT

Attn: **Sam Gabor / Tom Cumming**

Phone: 403.298.1946 / 403.298.1938

Fax: 403.263.9193

Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com) / [tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)

File No.: G10010664

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 25, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.H. Bourque  
in Commercial Chambers

**UPON THE APPLICATION** of Cleo Energy Corp. (“**Cleo**”) filed December 23, 2024 for  
an order extending the time within which a proposal must be filed;

**AND UPON** reading the Affidavit of Chris Lewis sworn March 17, 2025 (the “**Affidavit**”),  
the Affidavit of Service of Sherry Langley, sworn March ●, 2025 and the Fourth Report of Alvarez  
& Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal  
Trustee**”) dated March ●, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal  
Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,

**IT IS HEREBY ORDERED THAT:**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and  
deemed good and sufficient and this application is properly returnable today, and no other than those  
persons served is entitled to service of the notice of application.

2. The time within which Cleo is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) is hereby extended to May 9, 2025 (as extended from time to time, the “**Filing Period**”).
3. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
4. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>.

---

J.C.K.B.A.

**Schedule “B”**  
**IHH SAVO**

COURT FILE NO. B301-163430  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Sale Approval and Vesting – IHH Energy Corp.)**

ADDRESS FOR  
SERVICE AND  
CONTACT **Gowling WLG (Canada) LLP**  
1600, 421 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9

INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Attn: **Sam Gabor / Tom Cumming**  
Phone: 403.298.1946 / 403.298.1938  
Fax: 403.263.9193  
Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com) / [tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)  
File No.: G10010664

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 25, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.H. Bourque in  
Commercial Chambers

**UPON THE APPLICATION** of Cleo Energy Corp. (“**Cleo**”) filed March 17, 2025 for an order approving the sale transaction (the “**Transaction**”) contemplated by a purchase and sale agreement dated as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and IHH Energy Corp. (the “**Purchaser**”) and vesting all of CLEO’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON** having read the Affidavit of Chris Lewis sworn March 17, 2025 (the “**Affidavit**”), the Affidavit of Service of Sherry Langley, sworn March ●, 2025, and the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal Trustee**”) dated March ●, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,

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

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be 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.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and the execution of the Sale Agreement by CLEO is hereby authorized and approved, with such minor amendments as CLEO may deem necessary. CLEO is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of the Proposal Trustee's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Proposal Trustee's Certificate**"), all of CLEO's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
  - (a) the Administration Charge ("**Administration Charge**"), Interim Lender's Charge ("**Interim Lender's Charge**") and D&O Charge created pursuant to, and having the meanings given to them in, the Order (Stay Extension, Administration Charge, Interim Financing, Interim Financing Charge, D&O Charge and Other Relief) of the Honourable Justice M.J. Lema in these proceedings pronounced January 6, 2025, as amended by his Order (Stay Extension, Interim Financing, Interim Financing Charge and Other Relief) pronounced February 19, 2025;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

- 4. Upon delivery of the Proposal Trustee’s Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and or regulatory bodies including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of the Proposal Trustee’s Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Alberta Energy (**“Energy Ministry”**) shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of CLEO in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases listed in Schedule “E” to this Order standing in the name of CLEO to the Purchaser free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (b) the Registrar of the Alberta Personal Property Registry (the **“PPR Registrar”**) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of CLEO in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any Governmental Authority exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Proposal Trustee) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Proposal Trustee shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Proposal Trustee may apply any part of such net proceeds to pay amounts owing as secured by the Administration Charge and repay any amounts CLEO has borrowed as secured by the Interim Lender's Charge.
8. Except as expressly provided for by section 5 of the *Alberta Employment Standards Code*, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Cleo.
9. Upon completion of the Transaction, CLEO and all persons who claim by, through or under CLEO in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any

artifacts, certificates, instruments or other *indicia* of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

10. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by CLEO, or any person claiming by, through or against CLEO.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against CLEO.

#### **MISCELLANEOUS MATTERS**

12. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “*BIA*”), in respect of Cleo, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of CLEO; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of CLEO and shall not be void or voidable by creditors of CLEO, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. CLEO, the Proposal Trustee, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
14. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested



to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

**GENERAL**

15. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
16. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezmarsal.com/CLEO>.

---

J.C.K.B.A.

**SCHEDULE “A”**

Clerk's Stamp

**PROPOSAL TRUSTEE’S CERTIFICATE**

COURT FILE NO. B301-163430

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **PROPOSAL TRUSTEE’S CERTIFICATE**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Miller Thomson LLP**  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1

Attn: James W. Reid  
Phone: 403-298-2418  
Email: jwreid@millerthomson.com  
File No.: 0289127.0002

**RECITALS:**

A. Cleo Energy Corp. (“**CLEO**”) filed a notice of intention to make a proposal under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) on December 8, 2024 and Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of CLEO (in such capacity, the “**Proposal Trustee**”).

B. Pursuant to an Order of the Honourable Justice M.H. Bourque of the Court of King’s Bench of Alberta (the “**Court**”) dated March 25, 2025, the Court approved the agreement of purchase and sale made as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and IHH Energy Corp. (the “**Purchaser**”) and provided for the vesting in the Purchaser of CLEO’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at [Time] on [Date].

**Alvarez & Marsal Canada Inc.** in its capacity as proposal trustee, and not in its personal capacity

By:

\_\_\_\_\_  
Name:

Title:

**SCHEDULE "B"**

**PURCHASED ASSETS**

**SCHEDULE "C"**

**ENCUMBRANCES**

**SCHEDULE "D"**

**PERMITTED ENCUMBRANCES**

**Schedule “C”**  
**Nuova SAVO**

COURT FILE NO. B301-163430  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Sale Approval and Vesting – Nuova Strada Ventures Ltd.)**

ADDRESS FOR  
SERVICE AND  
CONTACT **Gowling WLG (Canada) LLP**  
1600, 421 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9

INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Attn: **Sam Gabor / Tom Cumming**  
Phone: 403.298.1946 / 403.298.1938  
Fax: 403.263.9193  
Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com) / [tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)  
File No.: G10010664

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 25, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.H. Bourque in  
Commercial Chambers

**UPON THE APPLICATION** of Cleo Energy Corp. (“**Cleo**”) filed March 17, 2025 for an order approving the sale transaction (the “**Transaction**”) contemplated by a purchase and sale agreement dated as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and Nuova Strada Ventures Ltd. (the “**Purchaser**”) and vesting all of CLEO’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON** having read the Affidavit of Chris Lewis sworn March 17, 2025 (the “**Affidavit**”), the Affidavit of Service of Sherry Langley, sworn March ●, 2025, and the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal Trustee**”) dated March ●, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,



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

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be 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.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and the execution of the Sale Agreement by CLEO is hereby authorized and approved, with such minor amendments as CLEO may deem necessary. CLEO is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of the Proposal Trustee’s certificate to the Purchaser substantially in the form set out in **Schedule “A”** hereto (the “**Proposal Trustee’s Certificate**”), all of CLEO’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) the Administration Charge (“**Administration Charge**”), Interim Lender’s Charge (“**Interim Lender’s Charge**”) and D&O Charge created pursuant to, and having the meanings given to them in, the Order (Stay Extension, Administration Charge, Interim Financing, Interim Financing Charge, D&O Charge and Other Relief) of the Honourable Justice M.J. Lema in these proceedings pronounced January 6, 2025, as amended by his Order (Stay Extension, Interim Financing, Interim Financing Charge and Other Relief) pronounced February 19, 2025;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and or regulatory bodies including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of the Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of CLEO in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases listed in **Schedule "E"** to this Order standing in the name of CLEO to the Purchaser free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other

than Permitted Encumbrances) in the estate or interest of CLEO in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any Governmental Authority exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Proposal Trustee) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Proposal Trustee shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Proposal Trustee may apply any part of such net proceeds to pay amounts owing as secured by the Administration Charge and repay any amounts CLEO has borrowed as secured by the Interim Lender's Charge.
8. Except as expressly provided for by section 5 of the *Alberta Employment Standards Code*, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Cleo.
9. Upon completion of the Transaction, CLEO and all persons who claim by, through or under CLEO in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity

of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other *indicia* of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

10. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by CLEO, or any person claiming by, through or against CLEO.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against CLEO.

#### MISCELLANEOUS MATTERS

12. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “*BIA*”), in respect of Cleo, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of CLEO; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of CLEO and shall not be void or voidable by creditors of CLEO, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. CLEO, the Proposal Trustee, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
14. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order,

to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

#### **GENERAL**

15. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
16. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>.

---

J.C.K.B.A.

**SCHEDULE “A”**

Clerk's Stamp

**PROPOSAL TRUSTEE’S CERTIFICATE**

COURT FILE NO. B301-163430

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **PROPOSAL TRUSTEE’S CERTIFICATE**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Miller Thomson LLP**  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1

Attn: James W. Reid  
Phone: 403-298-2418  
Email: jwreid@millerthomson.com  
File No.: 0289127.0002

**RECITALS:**

A. Cleo Energy Corp. (“**CLEO**”) filed a notice of intention to make a proposal under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) on December 8, 2024 and Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of CLEO (in such capacity, the “**Proposal Trustee**”).

B. Pursuant to an Order of the Honourable Justice M.H. Bourque of the Court of King’s Bench of Alberta (the “**Court**”) dated March 25, 2025, the Court approved the agreement of purchase and sale made as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and Nuova Strada Ventures Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of CLEO’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at [Time] on [Date].

**Alvarez & Marsal Canada Inc.** in its capacity as proposal trustee, and not in its personal capacity

By:

---

Name:

Title:

**SCHEDULE "B"**

**PURCHASED ASSETS**



**SCHEDULE "C"**

**ENCUMBRANCES**

**SCHEDULE "D"**

**PERMITTED ENCUMBRANCES**

**Schedule “D”**  
**Surge SAVO**

COURT FILE NO. B301-163430  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Sale Approval and Vesting – Surge Energy Inc.)**

ADDRESS FOR  
SERVICE AND  
CONTACT **Gowling WLG (Canada) LLP**  
1600, 421 – 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 4K9

INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Attn: **Sam Gabor / Tom Cumming**  
Phone: 403.298.1946 / 403.298.1938  
Fax: 403.263.9193  
Email: [sam.gabor@gowlingwlg.com](mailto:sam.gabor@gowlingwlg.com) / [tom.cumming@gowlingwlg.com](mailto:tom.cumming@gowlingwlg.com)  
File No.: G10010664

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 25, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.H. Bourque in  
Commercial Chambers

**UPON THE APPLICATION** of Cleo Energy Corp. (“**Cleo**”) filed March 17, 2025 for an order approving the sale transaction (the “**Transaction**”) contemplated by a purchase and sale agreement dated as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and Nuova Strada Ventures Ltd. (the “**Purchaser**”) and vesting all of CLEO’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON** having read the Affidavit of Chris Lewis sworn March 17, 2025 (the “**Affidavit**”), the Affidavit of Service of Sherry Langley, sworn March ●, 2025, and the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal Trustee**”) dated March ●, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,

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

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be 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.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and the execution of the Sale Agreement by CLEO is hereby authorized and approved, with such minor amendments as CLEO may deem necessary. CLEO is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 18 of the *Pipeline Act* (Alberta), upon delivery of the Proposal Trustee’s certificate to the Purchaser substantially in the form set out in **Schedule “A”** hereto (the “**Proposal Trustee’s Certificate**”), all of CLEO’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) the Administration Charge (“**Administration Charge**”), Interim Lender’s Charge (“**Interim Lender’s Charge**”) and D&O Charge created pursuant to, and having the meanings given to them in, the Order (Stay Extension, Administration Charge, Interim Financing, Interim Financing Charge, D&O Charge and Other Relief) of the Honourable Justice M.J. Lema in these proceedings pronounced January 6, 2025, as amended by his Order (Stay Extension, Interim Financing, Interim Financing Charge and Other Relief) pronounced February 19, 2025;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and or regulatory bodies including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of the Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of CLEO in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of CLEO to the Purchaser free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of CLEO in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any Governmental Authority exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Proposal Trustee) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Proposal Trustee shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Proposal Trustee may apply any part of such net proceeds to pay amounts owing as secured by the Administration Charge and repay any amounts CLEO has borrowed as secured by the Interim Lender's Charge.
8. Except as expressly provided for by section 5 of the *Alberta Employment Standards Code*, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against Cleo.
9. Upon completion of the Transaction, CLEO and all persons who claim by, through or under CLEO in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any

artifacts, certificates, instruments or other *indicia* of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

10. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by CLEO, or any person claiming by, through or against CLEO.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against CLEO.

#### **MISCELLANEOUS MATTERS**

12. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “*BIA*”), in respect of Cleo, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of CLEO; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of CLEO and shall not be void or voidable by creditors of CLEO, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. CLEO, the Proposal Trustee, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
14. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested



to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

**GENERAL**

15. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
16. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezmarsal.com/CLEO>.

---

J.C.K.B.A.

**SCHEDULE “A”**

Clerk's Stamp

**PROPOSAL TRUSTEE’S CERTIFICATE**

COURT FILE NO. B301-163430

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **PROPOSAL TRUSTEE’S CERTIFICATE**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Miller Thomson LLP**  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1

Attn: James W. Reid  
Phone: 403-298-2418  
Email: jwreid@millerthomson.com  
File No.: 0289127.0002

**RECITALS:**

A. Cleo Energy Corp. (“**CLEO**”) filed a notice of intention to make a proposal under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) on December 8, 2024 and Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of CLEO (in such capacity, the “**Proposal Trustee**”).

B. Pursuant to an Order of the Honourable Justice M.H. Bourque of the Court of King’s Bench of Alberta (the “**Court**”) dated March 25, 2025, the Court approved the agreement of purchase and sale made as of March 14, 2025 (the “**Sale Agreement**”) between CLEO and Surge Energy Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of CLEO’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 3.2 to 3.4 of the Sale Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at [Time] on [Date].

**Alvarez & Marsal Canada Inc.** in its capacity as proposal trustee, and not in its personal capacity

By:

\_\_\_\_\_  
Name:

Title:

**SCHEDULE "B"**

**PURCHASED ASSETS**

**SCHEDULE "C"**

**ENCUMBRANCES**

**SCHEDULE "D"**

**PERMITTED ENCUMBRANCES**

**Schedule “E”**  
**Sealing Order**

COURT FILE NO. B301-163430

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **SEALING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Gowling WLG (Canada) LLP**  
1600, 421 – 7th Avenue SW  
Calgary, AB T2P 4K9  
Attn: **Sam Gabor / Tom Cumming**  
Phone: 403.298.1946/403.298.1938  
Email: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com  
Fax: 403.263.9193  
File No.: G10010664

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 25, 2025

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice M.H. Bourque  
in Commercial Chambers (Calgary)

**UPON THE APPLICATION** of Cleo Energy Corp. ("**Cleo**") filed March 17, 2025 (the "**Application**"), for an Order sealing the Confidential Supplement (as defined below);

**AND UPON** reading the Affidavit of Chris Lewis sworn March 17, 2025 (the "**Affidavit**"), the Affidavit of Service of Sherry Langley, sworn March ●, 2025, the Fourth Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the "**Proposal Trustee**") dated March ●, 2025 (the "**Fourth Report**") and the confidential supplement to the Fourth Report dated March ●, 2025 (the "**Confidential Supplement**");

**AND UPON** noting that the required notice to the media has been filed, and hearing submissions by counsel for Cleo, the Proposal Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,



**IT IS HEREBY ORDERED THAT:**

1. The time for service of the notice of application for this sealing order (the “**Order**”) is hereby abridged and deemed good and sufficient and the Application is properly returnable today, and no person other than those persons served is entitled to service of the notice of the Application.
2. The Confidential Supplement shall be sealed and kept confidential until the Proposal Trustee has filed with the Court a certificate substantially in the form attached as **Schedule “A”** hereto (such certificate, the “**Proposal Trustee’s SSP Termination Certificate**”) confirming that all sales of properties of Cleo pursuant to the sale solicitation process (the “**SSP**”) approved by the Order of the Honourable Justice J.T. Nielson pronounced January 22, 2025 have been completed and the SSP has been terminated, or until further Order of this Court, to be shown only to a Justice of the Court of King’s Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Affidavit in a sealed envelope, which shall be clearly marked:

“SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE BOURQUE DATED MARCH 25, 2025. TO REMAIN SEALED UNTIL THE PROPOSAL TRUSTEE’S SSP TERMINATION CERTIFICATE AS SCHEDULED TO THE SEALING ORDER OF JUSTICE BOURQUE DATED MARCH 25, 2025 UNDER COURT FILE NO. B301-163430 IS FILED WITH THE COURT OR UNTIL FURTHER ORDER OF THE COURT.”

3. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the Proposal Trustee’s website created and maintained for the within proceeding and by delivering a copy of this Order to those parties listed on the Service List prepared by counsel to the Applicants.

---

J.C.K.B.A

**SCHEDULE "A"**

Clerk's Stamp

**PROPOSAL TRUSTEE'S**  
**SSP TERMINATION CERTIFICATE**

COURT FILE NO. B301-163430

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **PROPOSAL TRUSTEE'S SSP TERMINATION CERTIFICATE**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Miller Thomson LLP**  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1

Attn: James W. Reid  
Phone: 403-298-2418  
Email: [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)  
File No.: 0289127.0002

**RECITALS:**

A. Cleo Energy Corp. ("**CLEO**") filed a notice of intention to make a proposal under Division I of Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") on December 8, 2024 and Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of CLEO (in such capacity, the "**Proposal Trustee**").

B. Pursuant to an Order of Honourable Justice J.T. Nielson pronounced January 22, 2025, a sale and solicitation process (the "**SSP**") for the undertaking, properties and assets of Cleo was approved.

C. Pursuant to an Order of the Honourable Justice M.H. Bourque of the Court of King's Bench of Alberta (the "**Court**") dated March 25, 2025, the Court ordered that the confidential supplement to the fourth report of the Proposal Trustee dated March ●, 2025 be sealed until the Proposal Trustee has filed with the Court a certificate stating that all sales of properties of Cleo pursuant to the SSP have been completed and the SSP has been terminated.

THE PROPOSAL TRUSTEE CERTIFIES that all sales of properties pursuant to the SSP have been completed and the SSP has been terminated.

This Certificate was delivered by the Proposal Trustee at [Time] on [Date].

**Alvarez & Marsal Canada Inc.** in its capacity as proposal trustee, and not in its personal capacity

By:

---

Name:

Title:

**Schedule “F”**  
**WebEx Details**

**Virtual Courtroom 60** has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes prior** to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:  
<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.