

Clerk's Stamp:



COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA

CALGARY

IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.  
C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
ENERGERA INC., ENERGERA INTERNATIONAL  
INC., ENERGERA AMERICA INC., AND SANDTINEL  
LLC

APPLICANT(S):

ENERGERA INC., ENERGERA INTERNATIONAL  
INC., ENERGERA AMERICA INC., AND SANDTINEL  
LLC

DOCUMENT

ORIGINATING APPLICATION

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING DOCUMENT

Blue Rock Law LLP  
700-215 9 Avenue SW  
Calgary AB T2P 1K3  
Attention: David W. Mann KC / Scott Chimuk  
Phone: (587) 317-0643 / (587) 390-7041  
Fax: (825) 414-0831  
Email Address: david.mann@bluerocklaw.com  
scott.chimuk@bluerocklaw.com  
File No. 2121 - 00001

**NOTICE TO THE 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: March 12, 2026

Time: 1:00 p.m.

Where: Virtual Courtroom <https://albertacourts.webex.com/meet/virtual.courtroom75>

Before Whom: The Honourable Justice Feasby

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

**Remedy claimed or sought:**

1. An Order substantially in the form attached at Schedule 1 to this Application (the **Initial Order**), among other things:
  - a. Declaring that the Applicants are companies to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") applies;
  - b. Granting a stay of all proceedings, demands, notices, remedies, and enforcement processes (collectively, the "**Proceedings**") currently in effect or that may be initiated in respect of the Applicants or any of their property, including their subsidiaries, affiliates, directors, officers, employees, or representatives;
  - c. Granting an Initial Stay Period of no more than 10 days to afford the Applicants the "breathing space" necessary to commence an orderly re-financing, sale, and/or restructuring process;
  - d. Appointing RJT Restructuring Inc. as monitor (the "**Monitor**") to oversee the assets, business, and financial affairs of the Applicants during the CCAA proceedings;
  - e. Granting an Administration Charge of up to a maximum amount of \$250,000 over the Property to secure the fees and disbursements of the Monitor, the Monitor's counsel, the Applicants' counsel, and financial advisors, ranking in priority before the secured lenders;
  - f. Granting a Directors' and Officers' Charge up to a maximum amount of \$250,000 over the Property to ensure the Energera Group retains the services of its directors and officers throughout the CCAA proceedings;
  - g. Authorizing the Applicants to continue carrying on their business in the normal course, consistent with the preservation of the value of their assets and the protection of stakeholder interests; and

- h. Granting such further and other relief as this Honourable Court may deem just.
2. A blackline of the proposed Initial Order to the Template CCAA Initial Order is attached as Schedule 2.

## **Grounds for Making This Application**

### **I. Corporate Structure**

3. Energera Inc. (formerly Frac Shack Inc.) is an Alberta corporation and the parent company of the Energera Group, which includes:
  - a. Energera International Inc.: Federally incorporated under the laws of Canada and extra-provincially registered in Alberta and British Columbia.
  - b. Energera America Inc.: A Delaware corporation serving as the primary holding entity for U.S. operations, registered in approximately 13 states.
  - c. Sandtinel LLC: A Delaware limited liability company 100% owned by Energera America Inc., registered in approximately 6 states.

(collectively, the “**Applicants**” or the “**Energera Group**”).
4. The Energera Group operates an integrated energy technology business in the oilfield services industry, managed from its headquarters in Spruce Grove, Alberta.
5. The Energera Group’s operations are highly integrated and international, providing services across Alberta, British Columbia, and approximately 13 states in the USA (including Texas, Colorado, Wyoming, Ohio, Pennsylvania, Louisiana, New Mexico, and North Dakota as well as frequent deployments in Utah, West Virginia, and Oklahoma), as well as Argentina.
6. The Energera Group is a recognized leader in its field, having been named one of "Canada's Best Managed Companies" and a recipient of the "Entrepreneur of the Year" award. The Group maintains ISO 9001 (Quality Management), 14001 (Environmental Management), and 45001 (Safety Management) certifications, reflecting a commitment to operational excellence and safety underpinned by proprietary "Life Saving Rules".

### **II. Financial Distress and Lender Enforcement**

7. The Applicants are facing immediate liquidity constraints following enforcement steps commenced by their senior secured lenders and the Agent, Royal Bank of Canada. The lenders comprise a syndicate

of financial institutions that has evolved since the inception of the current credit facilities and are currently comprised of Royal Bank of Canada (as Agent), National Bank of Canada, ATB Financial, and Export Development Canada (collectively, the “**Lenders**”).

8. As of February 2, 2026, the Agent asserts that the total amount outstanding under the Credit Agreement is \$39,061,058.27, inclusive of accrued interest and expenses.
9. Despite the Group's steady progress in paying down debt and a record of not missing requisite payments, the Lenders' conduct shifted abruptly. On February 6, 2026, the Agent served demands for payment and Notices of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*. This action was taken suddenly and without prior warning, representing a significant departure from the established pattern of conduct and the five separate forbearance extensions previously granted.
10. The Lender mandated under the forbearance agreements that the Applicants undertake a sale and investment solicitation process. However, this process was inherently flawed and "doomed to failure" because of the Lenders' imposed "payout-only" strategy, strictly defining a "Transaction" as one that must satisfy all obligations to the Lenders in full. This requirement effectively handcuffed the process, precluding strategic options that would have preserved greater enterprise value or protected the Energera Group's 130 employees and stakeholders.
11. Furthermore, the Lenders' financial advisor, Alvarez & Marsal (“**Alvarez**”), faced a significant conflict of interest; while ostensibly supporting the sales process, Alvarez has consistently deferred stakeholders toward receivership; a process in which they are the Lenders' proposed candidate for receiver.
12. The current liquidity crisis was precipitated solely by the Banks' decision to freeze essential operating accounts, despite the Group's fundamental viability. As of February 28, 2026, the Group has approximately 216 trade creditors with unpaid balances totaling approximately \$1,235,331.88 CAD. The preservation of these relationships is critical as many provide specialized services essential to ongoing operations.

### **III. Necessity of CCAA Protection**

13. The Energera Group remains a fundamentally viable and cash-flow positive enterprise, generating approximately \$500,000 USD per month net of operating costs and debt service. Performance in early 2026 has exceeded these averages, underscoring the Energera Group's robustness.
14. A receivership would constitute an automatic breach of the Group's Master Service Agreements (MSAs) across North America, likely destroying the goodwill and operational reputation required to

continue as a going concern. In the risk-averse oil and gas industry, any perception of instability would prompt customers to immediately switch to alternative providers to avoid costly downtime.

15. The Applicants require the protection of the CCAA to avoid a "value-destructive" piecemeal liquidation and to preserve the status quo while pursuing a restructuring, refinancing, or a sale to interested third parties. A valuation by EY in 2024 indicated that the Net Orderly Liquidation Value of the assets was equivalent to the debt, suggesting that a going-concern outcome is achievable.
16. The Group employs a specialized workforce of over 130 individuals, approximately half of whom are based in Alberta. Their livelihoods are directly threatened by the Lenders' enforcement actions, and the Group's reputation for excellence is a primary asset that must be protected to ensure a successful restructuring.
17. The Applicants have acted in good faith and with due diligence, having made a \$3 million CAD payment in November 2025 and subsequent aggressive cash sweeps that placed them months ahead of their original bank payment schedule.
18. There is now active interest from numerous viable third parties, including well-capitalized strategic entities and a potential stalking horse bid. Within the last 24 hours, a sophisticated third party expressed formal interest in either acquiring the Lenders' debt position or providing a comprehensive recapitalization. These proposals only became viable after the Lenders finally moved away from their rigid "payout-only" mandate following the adjournment of their receivership application.
19. The proposed Stay of Proceedings will afford the Applicants the "breathing space" necessary to advance these refinancing efforts and develop a CCAA SISP without the threat of liquidation.
20. A 13-week Cash Flow Forecast demonstrates that the Group has sufficient liquidity to fund its obligations and the costs of these proceedings through the Initial Stay Period.

#### **Material or Evidence Relied On**

21. The Applicants rely on the following:
  - a. The Affidavit of Todd Van Vliet, sworn on March 11, 2026; and
  - b. Such further and other evidence as counsel may advise and this Honourable Court may permit.

#### **Applicable Rules**

22. Rules 1.3, 6.3, 6.9, 11.20, 11.21, 11.22, and 11.27 and generally the *Alberta Rules of Court*.

23. Such further and other rules as counsel may advise and this Honourable Court may permit.

**Applicable Acts and Regulations**

24. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.

25. 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:**

26. None

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

27. By virtual hearing before the Honourable Justice Feasby on March 12, 2026, as identified above.

**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 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 1

## Schedule 2