

Clerk's Stamp

COURT FILE NUMBER 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 **AFFIDAVIT OF SERVICE**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

Gowling WLG (Canada) LLP
1600, 421 7th Avenue SW
Calgary, AB T2P 4K9
Telephone: 403-298-1946
Facsimile: 403-263-9193
File No. G10010664

Attention: Sam Gabor

AFFIDAVIT OF: Sherry Langley

**SWORN OR AFFIRMED
ON:** January 6, 2025

I, Sherry Langley, of Okotoks, Alberta, **SWEAR AND SAY THAT:**

1. I am employed with Gowling WLG (Canada) LLP ("**Gowling WLG**") and as such have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, in which case I believe the same to be true.
2. Attached hereto and marked as **Exhibit "A"** is a copy of the service list as of January 6, 2025 maintained by Gowling WLG in these proceedings (the "**Service List**").

3. I am advised by Bailey Russell, Associate with Gowling WLG, that on December 23, 2024, she served those parties on the Service List via Titan File with copies of the following documents and that all documents were sent for filing on December 23, 2024:

December 23, 2024 Application

- (a) Notice of Application returnable December 23, 2024 with form of Order;
- (b) Affidavit of Chris Lewis sworn December 22, 2024 in support of the December 23, 2024 application;
- (c) Brief of Law and corresponding Book of Authorities in support of the December 23, 2024 application;
- (d) Signed Brief of Law in support of the December 23, 2024 application;

January 6, 2024 Application

- (e) Notice of Application returnable January 6, 2025;
- (f) Unsworn Affidavit of Chris Lewis dated December 23, 2024 in support of the January 6, 2025 application;
- (g) Sworn Affidavit of Chris Lewis, sworn December 23, 2024 in support of the January 6, 2025 application; and
- (h) Brief of Law and corresponding Book of Authorities in support of the January 6, 2025 application.

(collectively "**the Documents**")

Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of the Titan File emails evidencing transmission to those parties on the Service List.

4. I am further advised by Bailey Russell, Associate with Gowling WLG, that on December 23, 2024, she instructed service upon Canada Revenue Agency c/o Surrey Nation Verification and Collection Centre via facsimile with copies of the Documents attached hereto and marked as **Exhibit "C"** to this my Affidavit is the facsimile transmission confirmation report.
5. I am further advised by Bailey Russell, Associate with Gowling WLG, that on December 23, 2024, she instructed service via courier to the following with copies of the Documents:
- (a) Government of Alberta, Financial Service; and
 - (b) Receiver General for Canada;


Attached hereto and marked as **Exhibit "D"** to this my Affidavit are copies of Federal Express Order Details.

6. I am further advised by Bailey Russell, Associate with Gowling WLG, that on January 2, 2025, she served those parties on the Service List via Titan File with copies of the following documents:

December 26, 2024 Application

- (a) Notice of Amended Application returnable December 26, 2024 with form of Order;
 - (b) Affidavit of Chris Lewis sworn December 24, 2024; and
 - (c) Draft and Filed Endorsement from the Court .
7. Attached hereto and marked as **Exhibit "E"** to this my Affidavit is a true copy of the Titan File email evidencing transmission to those parties on the Service List.
8. I am further advised by Bailey Russell, Associate with Gowling WLG, that on January 6, 2025, the Service List was served with the following:
- (a) An Amended Application returnable January 6, 2025;
 - (b) Supplemental Affidavit of Chris Lewis, sworn January 5, 2025, unfilled;
 - (c) Supplemental Brief of Law and corresponding Book of Authorities, unfilled; and
 - (d) A revised draft form of Order and redline comparison.
9. Attached hereto and marked as **Exhibit "F"** to this my Affidavit is a true copy of the Titan File email evidencing transmission to those parties on the Service List.
10. I make this Affidavit in support of proof of service and for no other or improper purpose.

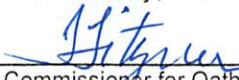
SWORN BEFORE ME at the City of
Calgary, Alberta, this 6th day of January,
2025


A Commissioner for Oaths in and for the Province of
Alberta


Sherry Langley

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025

Exhibit "A" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025


A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025

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 SERVICE LIST
(As of January 6, 2025)

PARTY	METHOD OF DELIVERY	ROLE/INTEREST
Gowling WLG (Canada) LLP 1600, 421 7th Avenue SW Calgary, AB T2P 4K9 Attention: Sam Gabor Phone: 403-298-1946 Email: sam.gabor@gowlingwlg.com Attention: Tom Cumming Phone: 403-298-1938 Email: tom.cumming@gowlingwlg.com Attention: Bailey Russell Phone: 403-298-1976 Email: bailey.russell@gowlingwlg.com	Email	Counsel to the Applicant
Cleo Energy Corp. Attention: Chris Lewis Email: clewis@cleoenergy.com	Email	Applicant
Miller Thomson LLP 525 – 8 Avenue SW, 43 rd Floor Eighth Avenue Place East Calgary, AB T2P 1G1	Email	Counsel to Proposal Trustee

PARTY	METHOD OF DELIVERY	ROLE/INTEREST
Attention: James Reid Email: jwreid@millerthomson.com		
Alvarez & Marsal Attention: Orest Konowalchuk/ David Williams/ Duncan MacRae Email: okonowalchuk@alvarezandmarsal.com / david.williams@alvarezandmarsal.com / dmacrae@alvarezandmarsal.com / bwolever@alvarezandmarsal.com	Email	Proposal Trustee
Lawson Lundell LLP Attention: Aaron Dow Email: adow@lawsonlundell.com	Email	Counsel to the Interim Financer
uCapital – uLoan Solutions Inc. Attention: Greg Thompson Email: greg@ucapital.ca	Email	Interim Financer

INTERESTED PARTIES		
Royal Bank of Canada 6 th Floor, South Tower 200 Bay Street, Royal Bank Plaza Toronto, ON M5J 2J5 Attention: Lorne Graburn Email: lorne.graburn@rbc.com	Email	Cash Management System
Arundel Capital Corporation 201, 3007 14 th Street SW Calgary, AB T2T 3V6 Email: Catherine@arundelcapital.com	Email	PPR Registrant

INTERESTED PARTIES		
Harvest Operations Corp. 4500, 855 2 nd Street SW Calgary, AB T2P 4K7 Email: JP.Pham@harvestenergy.ca	Email	PPR Registrant
Scott Venturo Rudakoff LLP 1500, 222 3 rd Avenue SW Calgary, AB T2P 0B4 Attention: Gene Bodnar Email: e.bodnar@svrlawyers.com Email: M.Davidovska@svrlawyers.com Email : g.campbell@svrlawyers.com	Email	Counsel to Harvest Operations Corp.
Summit Acceptance Corp. 1260 Highfield Crescent SE Calgary, AB T2G 5M3 Email: abpps_notifications@kaizenauto.com	Email	PPR Registrant
2416924 Alberta Ltd. 415, 3332 20 th Street SW Calgary, AB T2T 6T9 Reference : 34165-143006 Email: PPSA@stridecap.com	Email	PPR Registrant
Lawson Lundell LLP 1100, 225 6 th Avenue SW Calgary, AB T2P 1N2 Attention: Shannon K. Hayes Phone: 403-218-7514 Fax: 403-269-9494 Email: Shayes@lawsonlundell.com	Email	Counsel to Savanna Well Servicing Inc.
Savanna Well Servicing Inc. 1000, 734 7 th Avenue SW Calgary, AB T2P 3P8 Email: hhahn@totalenergy.ca Email: legal@totalenergy.ca	Email	PPR Registrant

<i>INTERESTED PARTIES</i>		
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Oxygen Working Capital Corp. 69 Napier Street Barrie, ON L4M 1W3 Email: jravalli@owccorp.com	Email	PPR Registrant
Stephen Ballard 1802, 71 Jamieson Court New Westminster, BC V3L 5R4 Email: stever88c@hotmail.com	Email	PPR Registrant
Fort McKay-Savanna Energy Services Limited Partnership 1000, 734 7 Avenue SW Calgary, AB T2P 3P8 Email: legal@totalenergy.ca	Email	PPR Registrant
T & S Collections Ltd. 105, 412 53 Avenue SE Calgary, AB T2H 0N4 Phone: 403-202-7336 Fax: 403-201-7236 Email: kenpratherts@shaw.ca	Email	PPR Registrant
Morganick Blending Services Corp. 105, 412 53 Avenue SE Calgary, AB T2H 0N4 Email: kenpratherts@shaw.ca	Email	PPR Registrant

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U-Sue Inc. PO Box 25102, Deer Park RPO Red Deer, AB T4R 2M2 Phone: 403-264-1366 Fax: 403-938-4080 Email: wesue@usue.ca	Email	Collection agent to Startec Refrigeration Services Ltd.
Startec Refrigeration Services Ltd. PO Box 25102, Deer Park RPO Red Deer, AB T4R 2M2 Email: wesue@usue.ca	Email	PPR Registrant
MLT Aikins LLP 2100, 222 3 rd Avenue SW Calgary, AB T2P 0B4 Attention: Catrina J. Webster Attention: Luke Bendkowski Phone: 403-693-4300 Fax: 403-508-4349 Email: cal_writ@mltaikins.com Email: cwebster@mltaikins.com	Email	Counsel to Vertex Professional Services Ltd.
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Stride Capital Corp. 201, 3007 14th Street SW Calgary, AB T2T 3V6 Email: PPSA@stridecap.com	Email	Creditor
Arundel Capital Corporation 420, 5119 Elbow Drive SW Calgary, AB T2V 1H2 Email: Catherine@arundelcapital.com	Email	Creditor

INTERESTED PARTIES		
<p>McLennan Ross 1900 Eau Claire Tower 600 – 3rd Avenue SW Calgary, AB T2P 0G5</p> <p>Attention: Jamie Flanagan Email: jamie.flanagan@mross.com</p>	Email	Counsel to Stride Capital Corp. and Arundel Capital Corporation
<p>1992169 Alberta Ltd. (Rise Capital) 302, 5145 Northland Drive NW Calgary, AB T2L 2J8</p> <p>Email: jason@risecapital.ca</p>	Email	Creditor
<p>Mantl Canada Inc. 1500, 510 5th Avenue SW Calgary, AB T2P 3S2</p> <p>Email: matthew.kenna@mantl.ca</p>	Email	Creditor
<p>Amped Energy Services #2 Patten Avenue Sedgewick, AB T0B 4C0</p> <p>Email: mike@ampedenergy.ca</p>	Email	Creditor
<p>Trafigura Canada Limited 1700, 400 3rd Avenue SW Calgary, AB T2P 4H2</p> <p>Attention: Craig Wilford / Iain Singer Email: craig.wilford@trafigura.com Email: iain.singer@trafigura.com Email: houstonlawyers@trafigura.com</p>	Email	Creditor and Marketer

INTERESTED PARTIES		
<p>Stikeman Elliott Bankers Hall West 888 4200 3 St SW Calgary, AB T2P 5C5</p> <p>Attention: Karen Fellowes Email: KFellowes@stikeman.com Email: JWatts@stikeman.com</p>	Email	Counsel for Trafigura Canada Limited
<p>2M7 Financial Solutions 64 Signet Drive North York, ON M9L 2Y4</p> <p>Email: info@2m7.ca</p>	Email	Creditor
<p>Jody Weise / Marshal Rae Holdings Site 3, Box 8, RR 4 Station Main Ponoka, AB T4J 1R4</p> <p>Email: jodyweise@gmail.com</p>	Email	Creditor
<p>Marco Simonelli 2902 Montcalm Crescent SW Calgary, AB T2T 3M6</p> <p>Email: marco12666@me.com</p>	Email	Creditor
<p>Municipal District of Provost 52 PO Box 300 Provost, AB T0B 3S0</p> <p>Email: mdprovost@mdprovost.ca Email: tlawrason@mdprovost.ca Email: wtrenergy@mdprovost.ca Email: jlakevold@mdprovost.ca</p>	Email	Creditor

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Trimac EnergyServices Ltd. 700-II, 326 11 Ave SW Calgary, AB T2R 0C5 Email: brimbey@trimacenergy.com	Email	Creditor
TC Energy 450 – 1 Street SW Calgary, AB t2P 5H1 Attention: Kimberly R. Setrakov Email: Kimberly_setrakov@tcenergy.com	Email	Counsel to NGTL Limited partnership/ Nova Gas Transmission Ltd.
PrairieSky Royalty Ltd. 1700, 350 – 7 Avenue SW Calgary, AB T2P 3N9 Attention: James Nixon Email: james.nixon@prairiesky.com	Email	Creditor
British Petroleum Email: bence.solti@bp.com	Email	Creditor
ADP Canada, Payroll Services Email: ashelle.pindar@ADP.com	Email	Creditor
Battle River Energy Ltd. Email: info@brenergy.ca	Email	Creditor
DLA Piper (Canada) LLP #1000, 250 2 Street SW Calgary, AB T2P 0C1 Attention: Kevin Hoy Email: kevin.hoy@ca.dlapiper.com	Email	Counsel to Battle River Energy Ltd.
Axiom Oil & Gas, Canadian Natural Resources Limited Email: balford@axiomoilandgas.ca	Email	Creditor

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Keles Production Company Ltd. / Keles Engineering Ltd. Email: bamako@shaw.ca	Email	Creditor
Truco Resources Ltd. Email:		Creditor
300930 Alberta Ltd.		Creditor
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Penn West Petroleum/ Obsidian Email: Philip.Connolly@obsidianenergy.com	Email	Creditor
Canadian Natural Resources Limited Suite 2100, Bankers Hall East 855 – 2 Street SW Calgary, AB T2P 4J8 Email: Jelena.molnar@cnrl.com	Email	Creditor
Parlee McLaws LLP 3300 TD Canada Trust Tower 421 – 7 Avenue SW Calgary, AB T2P 4K9 Attention: Kaitlyn A. Gramlich Email: kgramlich@parlee.com	Email	Counsel to geologic Systems Ltd.

<i>INTERESTED PARTIES</i>		
TCB Welding Manufacturing Fabrication #1 Silversage Road Box 549 Brooks, AB T1R 1B5 Email:		Creditor
Revering Law Office 5018 – 50 Avenue Lloydminster, AB T9V 0W7 Attention: Donnon F. Revering Email :		Counsel to Renown Down Hole Solutions Inc.
TAQA North Jamieson Place, 2100 308 – 4 Ave SW Calgary, AB T2P 0H7 Email: Vi.Kulawik@taqa.ca	Email	Creditor
Lexterra Land Ltd. 2710, 715 – 5 Avenue SW Calgary, AB T2P 2X6 Email: Tiffany.Wardle@lexterra.com	Email	Creditor
HMC Lawyers LLP #1000, 903 – 8 Avenue SW Calgary, AB T2P 0P7 Attention: Sean Manery Email: smanery@hmcclawyers.com	Email	Counsel to Star West Trucking Ltd.

<i>GOVERNMENT AGENCIES</i>		
Canada Revenue Agency c/o Surrey National Verification and Collection Centre 9755 King George Blvd Surrey, BC V3T 5E1 Email: Amy.Reperto@justice.gc.ca	Email	Potential Creditor

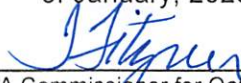
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Department of Justice Canada Prairie Regional Office — Edmonton 300, 10423 101 St NW Edmonton, AB T5H 0E7 Email: agc_pgc_alberta@justice.gc.ca Email: Amy.Reperto@justice.gc.ca Email : SoYi.Yu@JUSTICE.GC.CA Email : Tristen.Cones@justice.gc.ca	Email	Potential Counsel to Canada Revenue Agency
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Alberta Energy and Minerals Government of Alberta 9 th Floor, 9945 108 Street Edmonton, AB T5K 2G6 Attention: Emmett Larsen Email: Emmett.Larsen@gov.ab.ca .	Email	Government Agency
Alberta Energy Regulator 1000, 250 5th Street SW Calgary, AB T2P 0R4 Attention: Janet Stewardson Email: janet.stewardson@aer.ca Email : George.wong@aer.ca Email: orphaninginsolvency@aer.ca	Email	Creditor
Government of Alberta, Financial Services 6th Floor, 9919 108 Street Edmonton, AB T5K 2G8	Courier	Creditor

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Exhibit "B" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025



A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER

A Commissioner for Oaths in and for
the Province of Alberta

My Commission Expires January 28, 2025

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: December 23, 2024 11:33 AM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; hhahn@totalenergy.ca <hhahn@totalenergy.ca>; legal@totalenergy.ca <legal@totalenergy.ca>; jason@risecapital.ca <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; brimbey@trimacenergy.com <brimbey@trimacenergy.com>; tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; james.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; bwolever@alvarezandmarsal.com <bwolever@alvarezandmarsal.com>

Subject: Cleo NOI Proceedings

Attachments: Affidavit of Chris Lewis to be sworn December 23, 2024.pdf; Brief Book of Authorities - Application December 23, 2024.pdf; Bench Brief re application December 23, 2024.pdf; Application - December 23, 2024.pdf; Affidavit of Chris Lewis sworn December 22, 2024 (2).pdf

Please note we are filing and appearing on an emergency basis today at 2:00 pm in the Court Room 1002 at the Calgary Court of King's Bench before a King's Bench Justice on the following application materials where we will be seeking immediate emergency relief:

1. Notice of Application returnable December 23, 2024 with form of order;
2. Affidavit of Chris Lewis sworn December 22, 2024;
3. Unsworn Affidavit of Chris Lewis dated December 23, 2024 - a sworn version will follow shortly;
4. Brief of Law and corresponding Book of Authorities.

--

This message has been sent and exported via TitanFile.

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: December 23, 2024 12:38 PM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; hhahn@totalenergy.ca <hhahn@totalenergy.ca>; legal@totalenergy.ca <legal@totalenergy.ca>; jason@risecapital.ca <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; brimbey@trimacenergy.com <brimbey@trimacenergy.com>; tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; james.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca
<dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>;
bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com
<accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>;
Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>;
Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com
<Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>;
Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska
<M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>;
bwolever@alvarezandmarsal.com <bwolever@alvarezandmarsal.com>
Subject: Cleo NOI Proceedings
Attachments: Chris Lewis Affidavit - December 23, 2024 - [Compiled Exhibits].pdf

Please see attached the sworn affidavit of Chris Lewis, sworn December 23, 2024.

--

This message has been sent and exported via TitanFile.

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: December 23, 2024 3:47 PM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; hhahn@totalenergy.ca <hhahn@totalenergy.ca>; legal@totalenergy.ca <legal@totalenergy.ca>; jason@risecapital.ca <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; brimbey@trimacenergy.com <brimbey@trimacenergy.com>; tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; james.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; bwolver@alvarezandmarsal.com <bwolver@alvarezandmarsal.com>

Subject: Cleo NOI Proceedings

Attachments: Affidavit of Chris Lewis sworn December 22, 2024 (2).pdf; Bench Brief re application December 23, 2024 (1).pdf

Further to today's application (December 23, 2023), in Court Room 1002 at the Court of King's Bench, please find enclosed for service upon you the following documents:

1. A signed Brief of Law
2. Affidavit of Chris Lewis sworn December 22, 2024 (a clearer version)

--

This message has been sent and exported via TitanFile.

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: December 23, 2024 3:49 PM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; hhahn@totalenergy.ca <hhahn@totalenergy.ca>; legal@totalenergy.ca <legal@totalenergy.ca>; jason@risecapital.ca <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; brimbey@trimacenergy.com <brimbey@trimacenergy.com>; tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; james.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmcclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; bwolver@alvarezandmarsal.com <bwolver@alvarezandmarsal.com>

Subject: Cleo NOI Proceedings

Attachments: (20250106)-B301-163430-Filed-2024-12-23-Brief Authorities.pdf; (20250106)-B301-163430-Filed-2024-12-23-Application.pdf; (20250106)-B301-163430-Filed-2024-12-23-Bench Brief.pdf; (20250106)-B301-163430-Filed-2024-12-23-Affidavit.pdf; Service_List.docx.pdf; Service_letter_(2024_12_23).docx.pdf

Further to the hearing on Monday, January 6, 2025 at 2:00 PM (MST) before the Honourable Justice Lema, please find enclosed, for service upon you the following documents:


1. Notice of Application returnable January 6, 2025 with draft form of order;
2. Affidavit of Chris Lewis sworn December 23, 2024;
3. Brief of Law and corresponding Book of Authorities.

Filed versions of these documents to follow at a later date.

--

This message has been sent and exported via TitanFile.

Exhibit "C" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025


A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025



Miranda Feininger

Legal Administrative Assistant

Direct Phone

Fax +1 403-263-9193

Miranda.Feininger@ca.gowlingwlg.com

FACSIMILE

To: Canada Revenue Agency
Company: c/o Surrey National Verification and Collection
Fax Number: 1-833-697-2389

Tel Number:

City, Prov./State, Country:

City

Province/State

Country

Date: 2024-12-24
Re: Application - Cleo Energy Corp.
Total Pages: 94 (including cover)
File number:

Message:

**If there is a problem with transmission or all pages are not received,
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Calgary AB T2P 4K9 Canada

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F +1 403 263 9193
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Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowlingwlg.com/legal.

December 23, 2024

Via Email, Courier and/or Facsimile

All Parties on the Attached Service List

Dear Sirs/Mesdames:

Sam Gabor
Partner

Direct +1 403 298 1946
Sam.Gabor@gowlingwlg.com
File no. G10010664

**Re: Court of King's Bench of Alberta Action B301-163430
In the Matter of the Notice of Intention to Make a Proposal of Cleo Energy Corp.
Application before the Honourable Justice Michael J. Lema
January 6, 2025 at 2:00 PM (MST)**

We are counsel to Cleo Energy Corp. in the above noted matter. Further to the hearing on **Monday, January 6, 2025 at 2:00 PM (MST) before the Honourable Justice Lema**, please find enclosed, for service upon you the following documents:

1. Notice of Application returnable January 6, 2025 with draft form of order;
2. Affidavit of Chris Lewis sworn December 23, 2024;
3. Brief of Law and corresponding Book of Authorities.

Additionally, further an emergency hearing on December 23, 2024 in the Court of King's Bench, please find enclosed for service upon you the following documents:

1. Notice of Application returnable December 23, 2024 with draft form of order;
2. Affidavit of Chris Lewis sworn December 22, 2024;
3. Brief of Law and corresponding Book of Authorities.

Our office will circulate copies of these documents once we have received filed copies from the Court.

For any parties on the service list receiving the documents via fax or courier, we have only provided the documents without attachments. In the event you wish to receive the attachments, please contact our office and provide us with an email address. We will then forward them to you via email titanfile.

We trust you will find the enclosed to be in order; however, should you have any questions or concerns, please do not hesitate to contact our office.



Sincerely,

Gowling WLG (Canada) LLP

A handwritten signature in black ink, appearing to read 'Sam Gabor', written over a horizontal line.

Sam Gabor

:klm

Enclosures

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 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone: (403) 298-1946 / (403) 298-1938
Facsimile: (403) 263-9193
Email: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com
File No. G10010664
Attention: Sam Gabor/ Tom Cumming

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: January 6, 2025
Time: 2:00 p.m. MST
Where: By Webex (see Webex details at **Schedule "B"**)
Before Whom: The Honourable Justice Lema in Commercial Chambers
(Edmonton)

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 an Order seeking, *inter alia*, the following relief, which Order is substantially in the form attached hereto as **Schedule "A"**:
 - (a) 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;
 - (b) extending the 30 day period, ending January 7, 2025, within which Cleo is required under section 50.4(8) of the *BIA* to file a proposal by an additional 45 days to February 21, 2025 (such period, as extended from time to time under section 50.4(9) of the *BIA*, being the "**Stay Period**", and the date on which the Stay Period expires being the "**Expiry Date**");
 - (c) declaring that during the Stay Period, all persons having oral or written agreements with Cleo or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Cleo, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Cleo in accordance with normal payment practices of Cleo or other practices as may be agreed upon by the supplier or service provider and each of Cleo and the Proposal Trustee, or as may be ordered by this Honourable Court;
 - (d) declaring that Cleo's legal counsel, Gowling WLG (Canada) LLP ("**Gowling**"), Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Proposal Trustee of Cleo (the "**Proposal Trustee**") and the Proposal Trustee's legal counsel (collectively, the "**Administrative Professionals**"), shall have the benefit of a security and

charge (the “**Administration Charge**”) on all of Cleo’s present and after-acquired property (the “**Property**”) as security for their reasonable professional fees and disbursements incurred both before and after the granting of the requested Order, which Administrative Charge shall be in an amount not to exceed \$350,000, and authorizing the payment to the Administrative Professionals of their reasonable fees and disbursements incurred in connection with the preparation for the herein proposal proceedings (the “**Proposal Proceedings**”);

- (e) approving a secured interim financing facility provided under a loan agreement (the “**Interim Financing Agreement**”) Cleo is seeking to enter into with an interim lender (the “**Interim Lender**”);
- (f) declaring that the Property is subject to a security and charge (the “**Interim Lender’s Charge**”) in favour of the Interim Lender to secure the payment and performance of the Interim Financing Facility and Cleo’s indebtedness, liabilities and obligations under the Interim Financing Agreement;
- (g) to the extent that any Emergency Advance (as defined herein) has been funded by advances under the Interim Financing Facility prior to the date of the Order being applied for hereunder, authorizing Cleo to repay such advances from any amounts received by Cleo subsequent to the Filing Date;
- (h) declaring that the Property is subject to a security and charge in favour of the directors and officers of Cleo (all such directors and officers being collectively referred to as the “**Directors**”) over the Property to indemnify the Directors against obligations and liabilities that they may incur as Directors of Cleo after the commencement of the Proposal Proceedings in an amount not to exceed \$250,000 (the “**D&O Charge**”), other than obligations and liabilities incurred as a result of their gross negligence or wilful misconduct;
- (i) declaring that the Administration Charge, Interim Financing Charge and D&O Charge (collectively, the “**BIA Charges**”) are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances

against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:

- (i) first, the Administration Charge;
 - (ii) second, the Interim Lender's Charge; and
 - (iii) third, the D&O Charge;
- (j) authorizing Cleo to pay such amounts as it, and with the approval of the Proposal Trustee, deems necessary to Persons on account of debts that arose prior to the Filing Date, in order to operate, collect, realize and dispose of the Property in an orderly manner, provided that such payments are contemplated by the Cash Flow Forecast (as defined below) filed by the Proposal Trustee under section 50(6) of the *BIA*;
- (k) declaring that:
- (i) in accordance with section 69(1) of the *BIA*, during the period between the Filing Date and the Expiry Date: (A) no creditor has any remedy against Cleo or the Property, or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; (B) no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo's insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI, Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect; and
 - (ii) in accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4), no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo; and

- (l) granting a stay of proceedings during the Stay Period of any claims against Chris Lewis ("Mr. Lewis") as the sole director of Cleo, including arising from any guarantees granted by Mr. Lewis in his capacity as an officer and director of Cleo guaranteeing the indebtedness of Cleo and any new or outstanding legal proceedings as against Mr. Lewis;
- (m) requiring that any Person that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or the leave of this Honourable Court promptly deliver or surrender to Cleo such money or other Property; and
- (n) such further and other relief as Cleo may request and this Honourable Court may grant.

Grounds for making this application:

Background

1. Cleo is a privately owned oil and gas operator of medium gravity oil based in Calgary, Alberta with operations throughout East Central Alberta. Cleo has been operating since its incorporation in 2016. Cleo's shares are held entirely by its parent corporation Chimera Management Group Ltd., a holding corporation. Cleo does not own shares in any other corporation.
2. Cleo's revenue is primarily linked to the productivity of its wells, as well as the market price of oil.
3. Cleo has recently experienced a significant reduction in production levels due to several factors, including: lack of repair and maintenance required at several of its main producing fields causing shut ins of wells; shut downs of its oil producing assets following verbal directives issued to Cleo by the Alberta Energy Regulator ("AER"); thefts and vandalism at its oil and gas fields causing shutdowns over time and a recent complete shut down of Cleo's largest oil and gas field; and lower costs of oil and gas which Cleo produces.

4. Cleo is unable to meet its obligations as they become due and its liabilities exceed its assets.
5. Cleo has total debts of approximately \$24,102,898.00.
6. Cleo has several secured creditors. As of December 14, 2024, Cleo owed a total debt of approximately \$6.7 million to these parties.
7. On December 8, 2024, Cleo filed the NOI pursuant to subsection 50.4(1) of Division I of Part III of the *BIA* with the Office of the Superintendent of Bankruptcy and appointed A&M as Proposal Trustee.
8. As a result of the filing of the NOI, for a period of thirty (30) days subsequent to the filing of the NOI:
 - (a) No creditor has any remedy against Cleo or Cleo's Property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim in bankruptcy;
 - (b) No provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo's insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of a NOI under section 50.4 of the *BIA*, the insolvent person ceases to have rights to use or deal with assets secured under the agreement as Cleo would otherwise have, has any force or effect; and
 - (c) no person may commence or continue any action against a Director of Cleo on any claim against Directors that arose before the commencement of the Proposal Proceedings and relates to obligations of Cleo where Directors are under any law liable in their capacity as Directors for the payment of such obligations.
9. All proceedings against Cleo and the Property were automatically stayed for an initial period of thirty (30) days.

Extension of the Stay Period for Cleo

10. The time to file a proposal for Cleo expires on January 7, 2025. Cleo requires an extension of the Stay Period to continue the restructuring of its business and operations.
11. The extension of the Stay Period is appropriate for, *inter alia*, the following reasons:
 - (a) Cleo has acted and continues to act in good faith and with due diligence;
 - (b) no creditor will be materially prejudiced by the requested extension of the Stay Period; and
 - (c) the extension of the Stay Period is necessary to allow Cleo sufficient time and opportunity to continue the restructuring of its business and affairs and pursue strategic alternatives.
12. The extension of the Stay Period would permit Cleo to, among other things:
 - (a) continue operations during the Proposal Proceedings in order to carry out work, with the advice and consent of the Proposal Trustee, that will be economically beneficial to its estate and stakeholders;
 - (b) preserve its assets and prevent environmental issues from arising during the winter months; and
 - (c) take such actions as are necessary or desirable to preserve and enhance the value of Cleo's business for the benefit of their creditors and other stakeholders.

13. The Proposal Trustee supports the requested extension of the Stay Period.

Stay of Guarantor Claims and Legal Proceedings

14. Cleo will seek a stay during the Stay Period of the personal guarantees granted by Cleo's sole Director Chris Lewis for the indebtedness of Cleo, and all new and ongoing claims against him. Such a stay is necessary as Mr. Lewis is crucial to Cleo successfully restructuring. It is imperative that the sole Director focuses on Cleo's restructuring efforts.

Administration Charge

15. Cleo requests that this Honourable Court grant the Administration Charge against the Property in the maximum amount of \$350,000 to secure the reasonable professional fees and disbursements of the Administrative Professionals.
16. Cleo requires the expertise, knowledge and continuing participation of the Administrative Professionals in order to complete a successful restructuring. There are many complex legal, accounting, regulatory and technical issues which Cleo must navigate in these Proposal Proceedings. The Administrative Professionals are integral to successfully developing a viable restructuring, and in order to ensure their participation, the Administration Charge is required to protect and secure their fees and disbursements.
17. The Administration Charge is reasonable and appropriate in the circumstances and the Proposal Trustee is supportive of the proposed amount.

Interim Financing

18. Cleo has prepared a 5-week cash flow forecast (the “**Cash Flow Forecast**”) in which the estimated working capital requirements for general and administrative expenses, operational expenses, payroll and benefit expenses, nominal royalty payments, and restructuring costs, including the professional fees and disbursement will, without additional funding, exceed Cleo’s estimated revenues. According to the Cash Flow Forecast, Cleo will require an immediate cash injection and over the 5-week period.
19. Cleo is currently in discussions with various potential interim lenders to provide interim financing. Cleo has not yet secured interim financing as of the date of this Application.
20. On the assumption that Cleo secures interim financing, an Interim Financing Facility and Interim Lender’s Charge will be essential to provide Cleo with the financing it requires to continue to operate its business and make a viable proposal to its creditors. The Court has jurisdiction under section 50.6(3) of the BIA to order that an Interim Lender’s Charge rank in priority over the claim of any creditor, including secured creditors. Section 60.6(3) provides that “the court may order that the security or charge [granted in favour of the

interim lender] rank in priority over the claim of any secured creditor of the debtor". Case law also supports that super priority charges have been granted in favour of an interim lender.

21. An Interim Financing Facility would be contingent on this Honourable Court granting an Order approving an Interim Financing Facility and Interim Financing Agreement and declaring the Property to be subject to the Interim Lender's Charge ranking in priority to all other charges and security other than the Administration Charge.
22. Cleo may also receive emergency advances under an Interim Financing Agreement prior to January 6, 2025 so Cleo has operating capital to continue operating until the January 6, 2025 extension hearing (the "Emergency Advance"). It is expected that an Interim Financing Agreement will require that amounts received by Cleo from cash flows during the NOI proceedings will be used to repay the Emergency Advance. Without any Emergency Advance provided, it is expected Cleo will be unable to continue its operations until the time it received an Interim Loan.
23. If Cleo repays all or a portion of the Emergency Advance prior to the hearing of the request for the extension of the Stay Period, Cleo will seek an order that the Emergency Advance could be repaid from the cash flows of Cleo.
24. Cleo will file and serve additional Court materials prior to January 6, 2025 regarding the interim lender and interim financing.

The D&O Charge

25. Cleo's sole Director will play a critical role in these proceedings and has identified a need for the granting of the D&O Charge as security for Cleo's indemnification for possible obligations and liabilities which they may incur in their capacity as sole Director.
26. The granting of the D&O Charge, in the amount of \$200,000, is in line with prevailing insolvency practices. While there is directors' and officers' liability insurance in place, the sole Director remains concerned with respect to the many exclusions in that policy and the willingness of insurers to deny or limit coverage.

27. The quantum of the D&O Charge was developed with the assistance and support of the Proposal Trustee.

Material or evidence to be relied on:

28. The Affidavit of Chris Lewis sworn December 22, 2024, to be filed;
29. Bench Brief, to be filed;
30. The first report of the Proposal Trustee, to be filed; and
31. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

32. 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;
33. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
34. 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:

35. None.

How the application is proposed to be heard or considered:

36. 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 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, Administration Charge, Interim
Financing, Interim Financing Charge, D&O Charge and Other
Relief)

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
Fax: 403.263.9193
Email: sam.gabor@gowlingwlg.com/
tom.cumming@gowlingwlg.com
File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: January 6, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Lema in
Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (“Cleo” or, the “Applicant”) filed December 23, 2024; **AND UPON** reading the Affidavit of Chris Lewis, sworn December 23, 2024 (the “Affidavit”) and the Affidavit of Service of Sherry Langley, sworn December 23, 2024; **AND UPON** reading the First Report of Alvarez & Marsal Canada Inc. in its capacity

as proposal trustee of the Applicant (in such capacity, the “**Proposal Trustee**”), dated December ●, 2024; AND UPON hearing submissions by counsel for the Applicant, the Proposal Trustee, ● any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

SERVICE

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.

EXTENSION OF TIME TO FILE A PROPOSAL

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 February 21, 2025 (as extended from time to time, the “**Stay Period**”).

ADMINISTRATION CHARGE

3. Legal counsel to Cleo, the Proposal Trustee and legal counsel to the Proposal Trustee, as security for their respective professional fees and disbursements incurred in preparing for and during these proposal proceedings, and both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a security and charge (the “**Administration Charge**”) on all of Cleo’s present and after-acquired assets, property and undertakings (the “**Property**”), which charge shall not exceed \$350,000.

INTERIM FINANCING

4. Cleo is hereby authorized and empowered to obtain and borrow under an interim financing facility (the “**Interim Financing Facility**”) pursuant to the interim financing facility commitment letter dated ●, 2024 (the “**Interim Financing Agreement**”) between Cleo as borrower and ● (the “**Interim Lender**”) as lender, provided that borrowings under the Interim Financing Facility shall not exceed the principal amount of \$● unless permitted by further order of this Court and agreed to by the Interim Lender.

5. The Interim Financing Facility shall be on the terms and subject to the conditions set forth in the Interim Financing Agreement attached as **Exhibit “●”** to the Affidavit of Chris Lewis, Sworn ●, as such Interim Financing Agreement may be amended in accordance with its terms.
6. The Interim Lender shall be entitled to the benefit of and are hereby granted a security and charge on the Property (the **“Interim Lender’s Charge”**) as security for the payment and performance of the indebtedness, liabilities and obligations of Cleo to the Interim Lender under the Interim Financing Agreement and the Interim Financing Facility created thereby in the principal amount of \$● together with any interest accrued thereon or costs and expenses incurred thereunder.

D&O INDEMNIFICATION AND CHARGE

7. Cleo shall indemnify its director and officer against obligations and liabilities that he may incur as director or officer after the Filing Date, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director or officer’s gross negligence or wilful misconduct.
8. The director and officer of Cleo shall be entitled to the benefit of and is hereby granted a charge (the **“D&O Charge”**) on all of the Property, which shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in this Order.

PRIORITY OF CHARGES

9. The filing, registration or perfection of the Administration Charge, the Interim Lender’s Charge and the D&O Charge (collectively, the **“BIA Charges”**) shall not be required, and the *BIA* Charges shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
10. The *BIA* Charges shall constitute a security and charge on the Property and such *BIA* Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation

(collectively, the “**Encumbrances**”), provided, however, that the relative priority of the *BIA* Charges and is subject to further order of the Court. The ranking as between the *BIA* Charges shall be as follows:

- (a) first, the Administration Charge;
 - (b) second, the Interim Lender’s Charge; and
 - (c) third, the D&O Charge.
11. Except as otherwise provided herein, or as may be approved by this Honourable Court, Cleo shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the *BIA* Charges, unless Cleo obtains the prior written consent of the beneficiaries of the *BIA* Charges (the “**Chargees**”) or further order of this Court.
12. The *BIA* Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the *BIA*, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the *BIA*;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds Cleo, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the *BIA* Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof,

shall create or be deemed to constitute a new breach by Cleo of any Agreement to which they, or any one of them, is a party;

- (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the *BIA* Charges, or the execution, delivery or performance of the Interim Financing Facility; and
- (iii) the payments made by Cleo pursuant to this Order and the granting of the *BIA* Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

RESTATEMENT OF STAY AND CONTINUATION OF SERVICES

13. In accordance with section 69(1) of the *BIA*, during the period between December 8, 2024 (the “**Filing Date**”) and the date on which the Stay Period expires:
 - (i) no creditor has any remedy against Cleo or against any of the Property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; and
 - (ii) no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo’s insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI, Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect.
14. In accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4) of the *BIA*, no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo.
15. During the Stay Period, all persons having oral or written agreements with Cleo or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the

supply of such goods or services as may be required by Cleo, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Cleo in accordance with normal payment practices of Cleo or other practices as may be agreed upon by the supplier or service provider and each of Cleo and the Proposal Trustee, or as may be ordered by this Honourable Court.

16. In the event that the payment of any emergency advance which was made prior to the date of this Order has been funded by an advance under the Interim Financing Facility (an “**Emergency Advance**”), Cleo shall be entitled to repay such Emergency Advance(s) to the Interim Lender from any amounts received by Cleo, subsequent to the Filing Date, other than advances received by Cleo under the Interim Financing Facility or amounts to be held in trust by Cleo, but including any amounts released from trust,. The Interim Financer shall be treated as unaffected in any proposal filed by Cleo under the BIA with respect to any Emergency Advances made.
17. Any Person (as such term is defined in the *BIA*) that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or leave of this Honourable Court shall promptly deliver or surrender to Cleo such money or other Property.
18. During the Stay Period, except with the written consent of Cleo and the Proposal Trustee, or with leave of this Court, no Proceedings shall be commenced or continued against or in respect of Chris Lewis (“**Mr. Lewis**”) or any of his respective current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceedings thereof, arising upon or as a result of any default under the terms of any document entered into in connection with any of Mr. Lewis’ guarantees of any of the commitments or loans of Cleo or any claims or legal proceedings having been previously commenced or may be commenced as against Mr. Lewis in his capacity as an employee, officer or director of Cleo.

GENERAL

19. 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.
20. 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"

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.

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 **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING
THIS DOCUMENT

Gowling WLG (Canada) LLP
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Attn: **Sam Gabor/ Tom Cumming**
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AFFIDAVIT OF CHRIS LEWIS
Sworn December 23rd, 2024

I, **CHRIS LEWIS**, of the City of Calgary, in the Province of Alberta, **MAKE OATH**
AND SAY THAT:

1. I am the sole Director, Executive Chairman, and Chief Executive Officer of Cleo Energy Corp. ("Cleo"). As such I have personal knowledge of the matters herein deposed to, except where stated to be based upon information and belief, in which case I verily believe same to be true.
2. I am authorized to swear this Affidavit as corporate representative of Cleo.

3. In preparing this Affidavit, I consulted with Cleo's management and their legal, financial and other advisors. I also reviewed Cleo's business records relevant to these proceedings and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit.
4. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

RELIEF REQUESTED

5. This Affidavit is sworn in support of an Application by Cleo for Orders under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "*BIA*") among other things:
 - (a) extending the 30 day period, ending January 7, 2025, within which Cleo is required under section 50.4(8) of the *BIA* to file a proposal by an additional 45 days to February 21, 2025 (such period, as extended from time to time under section 50.4(9) of the *BIA*, being the "**Stay Period**", and the date on which the Stay Period expires being the "**Expiry Date**");
 - (b) declaring that Cleo's legal counsel, Gowling WLG (Canada) LLP ("**Gowling**"), Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as proposal trustee of Cleo (the "**Proposal Trustee**") and the Proposal Trustee's legal counsel (collectively, the "**Administrative Professionals**"), shall have the benefit of a security and charge (the "**Administration Charge**") on all of Cleo's present and after-acquired property (the "**Property**") as security for their reasonable professional fees and disbursements incurred both before and after the granting of the requested Order, which Administrative Charge shall be in an amount not to exceed \$350,000, and authorizing the payment to the Administrative Professionals of their reasonable fees and disbursements incurred in connection with the preparation for the herein proposal proceedings (the "**Proposal Proceedings**");

- (c) approving a secured interim financing facility provided under a loan agreement (the “**Interim Financing Agreement**”) Cleo is seeking to enter into with an interim lender (the “**Interim Lender**”);
- (d) declaring that the Property is subject to a security and charge (the “**Interim Lender’s Charge**”) in favour of the Interim Lender to secure the payment and performance of the Interim Financing Facility and Cleo’s indebtedness, liabilities and obligations under the Interim Financing Agreement;
- (e) to the extent that any Emergency Advance (as defined herein) has been funded by any advances under the Interim Financing Facility prior to the date of the Order being applied for hereunder, authorizing Cleo to repay such advances from any amounts received by Cleo subsequent to the Filing Date;
- (f) declaring that the Property is subject to a security and charge in favour of the directors and officers of Cleo (all such directors and officers being collectively referred to as the “**Directors**”) over the Property to indemnify the Directors against obligations and liabilities that they may incur as Directors of Cleo after the commencement of the Proposal Proceedings in an amount not to exceed \$250,000 (the “**D&O Charge**”), other than obligations and liabilities incurred as a result of their gross negligence or wilful misconduct;
- (g) declaring that the Administration Charge, Interim Financing Charge and D&O Charge (collectively, the “**BIA Charges**”) are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:
 - a) first, the Administration Charge;
 - b) second, the Interim Lender’s Charge; and
 - c) third, the D&O Charge;

- (h) authorizing Cleo to pay such amounts as it, in consultation with the Proposal Trustee, deems necessary to Persons on account of debts that arose prior to the Filing Date, in order to operate, collect, realize and dispose of the Property in an orderly manner, provided that such payments are contemplated by the Cash Flow Forecast (as defined below) filed by the Proposal Trustee under section 50(6) of the *BIA*;
- (i) declaring that:
 - a) in accordance with section 69(1) of the *BIA*, during the period between the Filing Date and the Expiry Date: (A) no creditor has any remedy against Cleo or the Property, or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; (B) no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo's insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI (as defined below), Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect; and
 - b) in accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4), no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo; and
- (j) declaring that during the Stay Period, all persons having oral or written agreements with Cleo or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Cleo, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Cleo in accordance with normal payment practices of Cleo or other practices as may be

agreed upon by the supplier or service provider and each of Cleo and the Proposal Trustee, or as may be ordered by this Honourable Court;

- (k) granting a stay of proceedings during the Stay Period of any claims against Chris Lewis in my capacity as a director and officer of Cleo.
- (l) requiring that any Person that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or the leave of this Honourable Court promptly deliver or surrender to Cleo such money or other Property.

DESCRIPTION OF CLEO'S BUSINESS AND BACKGROUND

The Company

- 6. Cleo is an Alberta corporation with its head office located at 200 – 117 8th Avenue Southwest Calgary, Alberta T2P 1B4 (the “**Head Office**”) having been incorporated pursuant to the laws of Alberta in 2016. Cleo’s field office is located in Shorncliffe, Alberta. Attached hereto as **Exhibit “A”** is a copy of the Alberta corporate search for Cleo.
- 7. Cleo’s shares are held entirely by its parent corporation Chimera Management Group Ltd., a holding corporation. Cleo does not own shares in any other corporation.

The Business

- 8. Cleo is a privately owned oil and gas operator of medium gravity oil based in Calgary, Alberta with operations throughout East Central Alberta. Cleo has been operating since its incorporation in 2016.
- 9. Cleo has a number of oil wells and gas wells located primarily at the following oil and gas fields throughout the Western Canada Sedimentary Basin in East Central Alberta (each a “**Field**” and collectively, the “**Fields**”):
 - a) “**Alliance**”, which is located in the municipality of Flagstaff County.
 - b) “**Atlee**”, which is located in the municipality of Special Areas No. 2.

- c) **“Enchant”**, which is located in the municipality of Vulcan County.
 - d) **“Fabyan”**, which is located in the municipality of Wainwright.
 - e) **“Kessler”**, which is located in the municipality of Provost No. 52.
 - f) **“Neutral Hills”**, which is located in the municipality of Special Areas No. 4.
 - g) **“Sedgewick”**, which is located in the municipality of Flagstaff County.
 - h) **“Shorncliffe”** which is located in the municipality of Provost No. 52.
 - i) **“Silver Heights”**, which is located in the municipality of the County of Paintearth No. 18.
 - j) **“Taber”** which is located in the municipality of Taber.
 - k) **“Hayter”**, which is located in the municipality of Provost No. 52.
10. Cleo’s revenue is primarily linked to the productivity of its wells, as well as the market price of oil. Prior to Cleo’s much more recent financial circumstances set out below, Cleo produced approximately 450 bbl/d. This is down from 640 bbl/d as of May 2024. At its peak, Silver Heights was Cleo’s largest Field and was previously producing 250 bbl/d around May 2024, while its second and third largest fields are Shorncliffe and Neutral Hills, respectively producing 170 and 100 bbl/d around May 2024.
11. Cleo transports its oil product (the **“Products”**) from the Fields to a local sales point either by pipeline or trucks. The Products are then sold to Trafigura Canada Limited (**“Trafigura”**) as Cleo’s oil and gas marketer by way of a Commercial Agreement dated July 12, 2024, which is attached hereto as **Exhibit “B”** (the **“Commercial Agreement”**). The revenue from the sale of Products to Trafigura is paid out to Cleo on the 25th of every month, except when the payment date falls on a holiday, wherein it is paid on the 24th day.
12. Cleo has further sold natural gas to British Petroleum (**“BP”**) from time to time arising from its Fabyan Field and last sold natural gas to BP in November, 2024. However, Cleo’s natural gas production has more recently been shut in as a result of lower natural gas prices and it being uneconomical for Cleo to produce gas. Cleo was producing approximately \$10,000 a month of revenue from the sale of natural gas and the costs to produce were

higher than generated revenues. Cleo would consider restarting natural gas production in the winter months of 2025 if it became economical for its cash flow and operations.

Employees

13. Cleo currently employs 13 full-time salaried employees and nine contract consultants. Four employees and five consultants work primarily in Cleo's Head Office in Calgary, Alberta, while the remainder are based in the Fields.
14. None of Cleo's employees are unionized.
15. Payroll for Cleo was more recently provided by ADP Canada, Payroll Services ("ADP"). However, Cleo has recently been required to perform payroll functions on its own as Cleo is currently indebted to ADP and ADP has been unwilling to provide Cleo services due to Cleo's outstanding accounts receivables to ADP.

EVENTS LEADING TO CLEO'S CURRENT CIRCUMSTANCES

16. Cleo has recently experienced a significant reduction in production levels due to several factors, including: repair and maintenance required at several of its main producing Fields causing shut ins of wells; shut in of its oil producing assets following verbal directives issued to Cleo by the Alberta Energy Regulator ("AER") due to gas conversation requirements; thefts of vital copper cabling required to connect critical systems to power generators at the Silver Heights Field, causing a complete shut in of Silver Heights, its largest Field; and lower market pricing for oil, each as further described below.

Repairs and Maintenance

17. In or around Q1 of 2023, Cleo initiated a publicly marketed sales process for the sale of the entire company and all of its assets. One potential buyer approached Cleo and a potential transaction for the sale of Cleo's business arose with an original planned closing date at the end of June 2023. As a result of the potential sale, Cleo made the strategic decision to cease dedicating capital into repairs and maintenance for its oil and gas assets ("R&M").

18. In or around November 2023, Cleo came to the conclusion that no transaction would arise with the aforementioned potential purchaser. At that time nine (9) months had transpired where little to no R&M had been performed for Cleo's assets. This long period of non maintenance was detrimental to Cleo's assets. For example, a pipeline break occurred at the Neutral Hills Field in the summer of 2023 where no funds were previously expended for R&M as a result of the pending sale of Cleo's assets. This pipeline break reduced production by 50 bbl/d and thereafter caused Cleo to incur emergency repair costs. Other wells required similar maintenance at other fields and production of oil began to decline.
19. In December of 2023, Cleo made efforts to sell certain undeveloped minerals plus Fabyan gas plant in an attempt to raise capital for R&M. Following a successful transaction between Cleo and Durham Creek in this regard, Cleo was able to raise approximately \$5,000,000 to be used to support the payment of R&M and to pay outstanding property taxes and other vendor payables. Cleo then entered into agreements with Mantl Canada Inc. ("**Mantl**") as material supplier and Amped Energy Services Ltd. ("**Amped**") as R&M provider to provide R&M for certain of Cleo's wells and reactivate certain other deactivated wells. Following April, 2024, as a result of further cash flow constraints, Cleo was unable to continue R&M for its assets. As a result, the company looked for further funding sources to recommence its R&M program and, in July, 2024, entered into a Prepayment Agreement with Trafigura attached hereto as **Exhibit "C"** (the "**Prepayment Agreement**") whereby Trafigura agreed to provide Cleo up to three loan tranches of up to \$1,000,000 per tranche for R&M. In exchange, Trafigura would have the right to setoff matured amounts from the revenues generated by it selling Cleo's Products. Trafigura is owed \$750,000 under the Prepayment Agreement.
20. Trafigura has currently extended a single tranche of \$1,000,000, which was paid to Cleo on August 1, 2024. Payments under the loan are made on a monthly basis in accordance with a Payment Schedule created by Trafigura (the "**Payment Schedule**"). The Payment Schedule is attached as **Exhibit "ZZ"**. The current monthly principal payment is \$83,333. Pursuant to the Commercial Agreement, Trafigura also deducts US\$0.95/bbl transported. The total amount deducted from Trafigura's monthly payments under the Commercial Agreement inclusive of both the principal payment under the Prepayment Agreement and

the US\$0.95/bbl under the Commercial Agreement is approximately \$91,000, but varies depending on the monthly production.

21. The provision of funds from Trafigura allowed Cleo to perform R&M to certain of its better producing Fields, however many Fields still require R&M to this date.
22. A total of 64 of 105 producing wells have been shut in by Cleo as a result of needed R&M. Cleo had been unable to raise additional capital to undertake these necessary mechanical repairs contributing to a decline in production and revenue rate.

AER Curtailment

23. Cleo had previously experienced gas curtailment in its Silver Heights Field due to the shut in of a jointly owned gas processing facility. This resulted in the dispute with Battle River Energy Ltd. ("**Battle River**"), as detailed below. Upon the shut in of the gas processing facility, Cleo was forced to shut in 75% of its Silver Heights production in March of 2021 to comply with Directive 060 regulations, causing the Silver Heights Field to reduce its production levels from 350 bbl/d to 200 bbl/d. The gas processing facility was never reactivated and Cleo has consistently worked to mitigate its gas conservation issues in the Silver Heights Field since that time.
24. In or around September of 2024, Cleo attempted to reactivate and reperforate a certain well at Silver Heights and a natural gas cap was inadvertently struck causing excess natural gas to be released from what was intended to be an oil perforation. Cleo attempted to dispose of the excess gas through flaring. Thereafter, as a result of a complaint made by a local resident regarding the amount of flaring, the AER verbally directed Cleo on October 30, 2024 to significantly reduce its flaring at Silver Heights as the AER deemed Cleo's flaring levels too high (the "**Verbal Directive**"). This resulted in reduced production at Silver Heights from 250 bbl/d to 100 bbl/d, and significantly curtailed Cleo's revenues.

Injection Line Failure

25. In or around November 12, 2024 a discharge line on an injection pump at the Silver Heights main facility began to leak (the "**Injection Line Failure**") and was too large to patch. Consequently, the

entire Silver Heights Field was shut in for six full days, while the line was repaired with new spooling. This shut in caused a large amount of revenue lost at a critical time.

Thefts and Vandalism

26. Cleo experienced multiple incidents of vandalism in December 2023, whereby thieves broke into locations at the Neutral Hills South and Kessler Fields to steal copper wiring. As a result of these thefts, the company was required to shut in the fields and discontinued production, as a result, losing ~75 barrels per day of production.
27. Following the Verbal Directive, and the Injection Line Failure, on December 6 and 7, 2024, two days prior to the filing of the NOI, two thefts of vital copper power cabling occurred at Silver Heights. The copper cabling connects ATCO sourced power to its Silver Height's oil and gas battery which powers the flow of oil and water back into Cleo's pipeline system. Without this power to the battery, Cleo cannot produce oil. The thefts required Cleo to shut in all of the Silver Heights oil wells until necessary repairs are completed to bring Silver Heights back into operations.
28. Cleo contacted the RCMP following the initial theft and had monitoring systems in place thereafter. However, the secondary theft arose thereafter notwithstanding Cleo's efforts.
29. Cleo is insured for the theft. I believe that the deductible is \$50,000 and payout of a claim is 90-120 days out.

Reduction in oil and gas revenues

30. There has been a significant reduction in oil and gas prices since the month of September 2024, which has further exacerbated Cleo's financial difficulties. The price of Western Canada Select has gone from approximately 67.49 \$US/bbl in July of 2024 to 54.39 \$US/bbl during that time. These challenges have placed even further strain on Cleo's finances, causing monthly revenues to decrease further. Additionally, the price of AECO Natural Gas has decreased dramatically over the course of 2024, from approximately \$1.75/mcf in January 2024 to \$0.50/mcf in November of 2024.

31. Cleo's normal production levels and monthly revenue therefrom, and current production levels and monthly revenue therefrom as a result of its financial difficulties, is provided for in the chart below:

Oil Field	Operated Well Count	Non-Operated Well Count	Normal Production (bbl/d)	Normal monthly revenues	Current production	Current monthly revenues
Alliance	4	0	15	\$46,994	13	\$36,000
Atlee	13	0	60	\$80,555	0	\$0
Enchant	19	0	Gas	\$11,223	Gas	\$7,225
Fabyan	495	112	Gas	\$67,396	Gas	\$0
Kessler	66	66	50	\$95,000	0	\$0
Neutral Hills	246	45	130	\$315,000	100	\$172,000
Sedgewick	21	0	85	\$175,000	27	\$70,000
Shorncliffe	159	102	150	\$350,000	120	\$250,000
Silver Heights	77	3	255	\$650,000	100	\$200,000
Taber	27	0	Gas	\$28,000		\$1,500
Hayter	0	383	Shut in	\$0	Shut in	\$0
Totals	1127	711	745	\$1,819,168.00	360	\$736,725

32. Cleo's non operated wells are operated by the following operators:
- a) Hayter's are operated by Harvest Operations Corp. ("**Harvest**");
 - b) Fabyan's are operated by Axiom Oil & Gas, Canadian Natural Resources Limited ("**CNRL**") and others;
 - c) Shorncliffe's are is operated by Harvest;
 - d) Neutral Hills' are operated by Prairie Provident Resources;
 - e) Kessler's are operated by Karve Energy and Fort Calgary Resources Ltd.

33. In order to preserve Cleo's business and make it financially viable, management has taken a number of steps prior to December 8, 2024, including:
- (a) Reducing general and administrative expenses through the reduction of salaries of both executive and Head Office based employees;
 - (b) Terminating employees and consolidating employee positions at Head Office;
 - (c) Restructuring Cleo's employee retention plan starting with terminating all senior management and Head Office-based retention allowances, and significantly reducing all field employee retention program allowances;
 - (d) In May of 2024, Cleo initiated a publicly marketed process to sell certain underperforming assets to alleviate costs. These fields included Fabyan, Atlee and Alliance;
 - (e) Contacting potential sector related companies that are geographically, operationally and strategically aligned of Cleo's Fields in an effort to revive production through asset consolidation and/or partnership;
 - (f) Contacting Cleo's secured lenders to attempt to raise additional capital in order to effect the necessary R&M to restart normal production levels, including at Silver Heights;
 - (g) Shutting in marginal and non-profitable facilities, operations and cost centers, in an effort to reduce the overall corporate lifting costs of the assets. This process was started in Q2 2024 and the expected completion date was Q1 2025;
 - (h) Initiating discussions of the sale of all of the Silver Heights and Sedgewick Fields in exchange for the alleviation of vendor related debt and a cash component that would have brought in a significant amount of working capital. These discussions were put on hold following the vandalism of Silver Heights, referred to above;
 - (i) Initiating discussions with various cryptocurrency mining companies in an effort to increase revenue from producing its gas assets.

34. Despite Cleo's efforts to reach profitability, Cleo continues to face financial difficulties and is currently unable to meet its obligations as they become due.
35. In order to protect Cleo's and its stakeholders' interests, on December 8, 2024, Cleo filed a Notice of Intention to Make a Proposal ("NOI") pursuant to subsection 50.4(1) of the *BIA* and appointed A&M as Proposal Trustee. The NOI was necessary to provide stability to Cleo's business and allow Cleo the chance to restructure, particularly as a result of the unforeseen shutdown of Silver Heights due to the thefts referred to above.
36. I am advised by Gowling that as a result of the filing of the NOI, a stay of proceedings was automatically triggered (the "Stay") of all proceedings and enforcement against Cleo and its assets for an initial period of thirty (30) days until January 7, 2025. A copy of the NOI is attached as **Exhibit "D"**.
37. Prior to Cleo filing the NOI, Cleo had been communicating with Trafigura in the first week of December regarding Cleo's financial situation. Trafigura had reached out to Cleo on December 3, 2024 to inquire as to why Cleo's January nominations were lower in comparison to previous months. Cleo had requested a meeting to discuss Cleo's financial circumstances, but a meeting with Trafigura had not occurred before the thefts described above on December 6 and 7, 2024 and ultimately Cleo's filing of the NOI on December 8, 2024. A copy of the preceding email correspondence between Cleo and Trafigura between December 3, 2024 and December 7, 2024 is attached **Exhibit "AAA"**.
38. Cleo, with the assistance of its professional advisors, intends to commence a sales and investment solicitation process at the beginning in 2025 once its operations have stabilized in order to canvass the market for interest in recapitalization Cleo, or alternatively, selling Cleo's business as a going concern, or further in the alternative, liquidating its assets generally. Cleo further intends to use interim financing and cash flow generated during the Stay Period to help bring back on certain of its wells to help increase its production levels and cash flow. Cleo currently has expressions of interest for its assets from interested parties and expects those parties will partake in a sales process.

CURRENT STATUS OF CLEO

Financial Statements and Asset Value

39. A true copy of Cleo's unaudited financial statements for the financial year ending December 31, 2023 are attached hereto as **Exhibit "E"** (the "**Financial Statements**"). Cleo's current assets and liabilities are similar as provided for in the Financial Statements.
40. According to the Financial Statements, the book value of Cleo's property was \$22,012,000, as of December 31, 2023, consisting of the following:

Nature	Book Value
Cash and cash equivalents	\$2,505,000
Trade and other receivables	\$4,346,000
Other assets	\$61,000
Deposits and prepaid expenses	\$868,000
Due from related parties	\$790,000
Property, plant and equipment	\$7,200,000
Right-of-use asset	\$1,596,000
Due from related parties	\$4,646,000
Approximate Total:	\$22,012,000

41. According to the Financial Statements, as of December 31, 2023 Cleo had total liabilities in the amount of \$39,583,000, consisting of the following:

Nature	Book Value
Lease obligations	\$381,000
Accounts payable and accrued liabilities	\$20,928,000

Current portion of contract liability	\$216,000
Current portion of long-term debt	\$4,401,000
Lease obligations	\$1,411,000
Contract liability	\$80,000
Decommissioning obligations	\$11,554,000
Shareholder loan	\$419,000
Long-term debt	\$193,000
Approximate Total:	\$39,583,000

42. Cleo's top three producing Fields, Silver Heights, Neutral Hills and Shorncliffe have proved developed producing ("PDP") reserve values as follows as at January 1, 2023:

Field	PDP Reserve (Before Tax) Cash Flows
Silver Heights	\$18,000,000 (net present value – 10%)
Neutral Hills	\$1,150,000 (net present value – 10%)
Shorncliffe	\$5,600,000 (net present value – 10%)

PDP reserve values are calculations based on the net present value of future cash flows from Cleo's producing oil and gas assets, discounted at a rate equal to 10%. For example, as set out above, the PDP value of Silver Heights is \$18,000,000, which is based upon Cleo's most recent reserve report. Attached hereto and marked as **Exhibit "BBB"** is the PDP reserve value schedule which was included in a PDP report prepared by Deloitte for Cleo as of January 1, 2023. The total PDP for all assets in the report is approximately \$41,500,000. Those values remain approximately current as of the date of this affidavit, with the exception of the Fabyan Field which sells gas and its value is currently

approximately \$3,500,000. I also believe that the Neutral Hills value in the report may be undervalued as Cleo currently values it at approximately \$6,500,000.

Accounts Receivable and Accounts Payable

43. As of December 7, 2024, Cleo had total accounts receivable of \$1,609,659.09 and total accounts payable of \$17,684,633.29.

Cash Flow Forecast

44. The 5-week Cash Flow Forecast (the “**Cash Flow Forecast**”) for Cleo commencing the week ending December 13, 2024 and ending the week ending January 10, 2025 is attached as **Exhibit “F”**. Cleo’s management team and their advisors have worked with the Proposal Trustee to prepare the Cash Flow Forecast.
45. I am informed by Orest Konowalchuk of the Proposal Trustee that the Cash Flow Forecast has been provided to the official receiver.
46. During the period covered by the Cash Flow Forecast, Cleo will incur general and administrative expenses, operational expenses, payroll and benefit expenses, certain royalty payments, and restructuring costs, including the professional fees and disbursements. As illustrated in the Cash Flow Forecast, Cleo will require additional cash to fund operations during the proposed proposal extension date.

Cash Management

47. Cleo maintains its bank accounts with Royal Bank of Canada (“**RBC**”) and will continue to do so during the Proposal Proceedings.

Total Debt

48. Cleo has total debts of \$24,102,898.00.

Secured Creditors

49. Cleo has several secured creditors. As of December 14, 2024, Cleo owed a total debt of approximately \$6.7 million to these parties.

1992169 Alberta Ltd. (Rise Capital)

50. On or around June 22, 2023, Cleo entered into a purchase and sale agreement (the "**Purchase and Sale Agreement**") with 1992169 Alberta Ltd. o/a Rise Capital ("**Rise**") in order to obtain financing by selling and assigning to Rise certain accounts receivable. Attached hereto and marked as **Exhibit "G"** is a copy of the Purchase and Sale Agreement. As of December 14, 2024, Cleo was indebted to Rise for approximately \$2,785,000.

51. As set out in the Purchase and Sale Agreement, Rise has taken a security interest in all of Cleo's present and after acquired personal property pursuant to a general security agreement,

Mantl Canada Inc.

52. On or around March 1, 2024, Cleo entered into a trade payable loan agreement and demand promissory note ("**Trade Agreement**") with Mantl Canada Inc. ("**Mantl**") to secure a trade payable loan for goods and services from third parties related to the specific reactivation projects of Cleo, as referenced above. Attached hereto and marked as **Exhibit "H"** is a copy of the Trade Agreement. As of December 14, 2024, Cleo was indebted to Mantl for approximately \$1,750,000.

53. Mantl has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated March 1, 2024 (the "**Mantl GSA**"). Attached hereto and marked as **Exhibit "I"** is a copy of the Mantl GSA.

Marco Simonelli

54. On or around May 11, 2023, Cleo granted an amended demand promissory note ("**Promissory Note**") to Marco Simonelli ("**Simonelli**") in the principal amount of \$734,054.00 with an interest rate of 12% per annum. Attached hereto and marked as **Exhibit "J"** is an unsigned copy of the Promissory Note. As of December 14, 2024, Cleo was indebted to Simonelli for approximately \$735,000.

55. Simonelli has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated December 31, 2018 (the "**Simonelli GSA**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Simonelli GSA.

2M7 Financial Solutions

56. On or around November 21, 2023, Cleo entered into a merchant cash advance agreement ("**Merchant Agreement**") with 2M7 Financial Solutions ("**2M7**") to, among other things, receive a lump sum payment in exchange for a percentage of Cleo's future receivables, all as described in the Merchant Agreement. Attached hereto and marked as **Exhibit "L"** is a copy of the Merchant Agreement. As of December 14, 2024, Cleo was indebted to 2M7 for approximately \$500,000.
57. 2M7 has taken a security interest in all future receivables of Cleo as set out in the Merchant Agreement.

Jody Weise / Marshalrae Holdings

58. In or around September 2022, Cleo entered into a line of credit agreement (as amended by an amendment to secured line of credit agreement, the "**Line of Credit Agreement**") with Jody Weise / Marshal Rae Holdings (collectively "**Marshal Rae**"). Pursuant to the Line of Credit Agreement, Marshal Rae established a revolving line of credit in the principal amount of \$500,000. Attached hereto and marked as **Exhibit "M"** is an unsigned copy of the Line of Credit Agreement. As of December 14, 2024, Cleo was indebted to Marshal Rae for approximately \$500,000.
59. Marshal Rae has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated September 13, 2022 (the "**Marshal Rae GSA**"). Attached hereto and marked as **Exhibit "N"** is a copy of the Marshal Rae GSA.

Stride Capital Corp.

60. On or around August 9, 2023, Cleo entered into an equipment financing and leasing agreement ("**Equipment Agreement**") with Stride Capital Corp. ("**Stride**") in order to finance and lease a number of equipment, as further detailed in the Equipment Agreement. Attached hereto and marked as **Exhibit "O"** is a copy of the Equipment Agreement. As of December 14, 2024, Cleo was indebted to Stride for approximately \$246,000.
61. As set out in the Equipment Agreement, Stride has taken a security interest in certain of Cleo's wells and equipment, as well as proceeds pursuant to a cross collateral agreement.

Arundel Capital Corporation

62. On or around May 23, 2024, Cleo entered into two lease agreements ("**Lease Agreements**") with Arundel Capital Corporation ("**Arundel**") in order to lease certain pieces of equipment, as detailed in the Lease Agreements. Attached hereto and marked collectively as **Exhibit "P"** is a copy of the Lease Agreements. As of December 14, 2024, Cleo was indebted to Arundel for approximately \$128,000.
63. As set out in the Lease Agreement, Arundel has taken a security interest in the lease equipment, proceeds, and any rental payment received on any sublease of the lease equipment.

Stephen Ballard

64. Cleo entered into a loan agreement with Stephen Ballard ("**Ballard**") in order to raise additional capital for Cleo's operations (the "**Ballard Loan Agreement**"). Attached hereto and marked as **Exhibit "Q"** is a copy of the Ballard Loan Agreement. As of December 14, 2024, Cleo was indebted to Ballard for approximately \$51,000.
65. Ballard has taken a security interest in all of Cleo's present and after-acquired personal property pursuant to a general security agreement dated August 3, 2023 (the "**Ballard GSA**"). Attached hereto and marked as **Exhibit "R"** is a copy of the Ballard GSA.

Savanna Well Servicing Inc.

66. Savanna Well Servicing Inc. and Fort McKay-Savanna Energy Services Limited Partnership (collectively “**Savanna**”) obtained a judgment against Cleo. There remains approximately \$41,000 owing under the judgment.
67. In exchange for Savanna forbearing from enforcing on its judgment, Cleo agreed to grant a security interest to Savanna in all of its present and after acquired personal property (the “**Savanna GSA**”). Attached hereto and marked as **Exhibit “S”** is a copy of the Savanna GSA dated November 24, 2023.

Amped Energy Services Ltd.

68. Amped Energy Services Ltd. (“**Amped**”) is owed approximately \$400,000 for the reactivation work it performed in conjunction with Mantle, as referenced. Attached hereto as **Exhibit “T”** is an Amendment to Secured Line of Credit Agreement where reference to Amped being added as a party to an “Agreement” is listed with Agreement not being defined. I am advised by Gowling it will need to review and consult the credit documents involving Amped to ascertain whether Amped is a secured creditor.

Personal Property Security Registrations

69. I am informed by Gowling that the following parties have registered financing statements against Cleo in the Personal Property Registry of Alberta (the “**AB PPR**”):
- (a) Arundel
 - (b) Harvest Operations Corp.
 - (c) Summit
 - (d) Stride/2416924 Alberta Ltd.
 - (e) Savanna
 - (f) 1992169 Alberta Ltd./Oxygen Working Capital Corp.
 - (g) Ballard
 - (h) Morganick Blending Services Corp.
 - (i) Startex Refrigeration Services Ltd.

- (j) Vertex Professional Services Ltd.
 - (k) Mantl
 - (l) Simonelli
 - (m) Marshal Rae
70. Copies of the AB PPR searches for financing statements registered against Cleo, current as of the date indicated therein, is attached hereto as **Exhibit “U”**.
71. A summary chart of the AB PPR searches is attached hereto as **Exhibit “V”**.

Land Holdings

72. Cleo owns three parcels of real property in its name. Attached hereto and marked as **Exhibit “W”** is the applicable title searches for these parcels of land.

Leases

73. Cleo holds 750 freehold surface leases. Attached hereto as **Exhibit “X”** is a surface property report of Cleo’s freehold surface leases dated December 19, 2024.
74. Cleo holds 271 Crown surface leases. Attached here to as **Exhibit “Y”** is a surface report of Cleo’s Crown surface leases dated December 19, 2024.
75. Cleo has 291 Crown mineral subsurface leases for its oil and gas wells. Attached hereto as **Exhibit “Z”** is a mineral lease index of Cleo’s crown subsurface leases dated December 19, 2024.
76. Cleo has 183 freehold mineral subsurface leases for its oil and gas wells. Attached hereto as **Exhibit “AA”** is a mineral lease index of Cleo’s freehold subsurface leases dated December 19, 2024.

Royalty Agreements

77. Certain royalty agreements effect Cleo’s oil and gas revenues as follows:

- a) Keles Production Company Ltd. and Keles Engineering Ltd., entered into a gross overriding royalty agreement dated December 1, 1987, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “BB”**. Royalties have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - b) Truco Resources Ltd., 300930 Alberta Ltd., Starboard Resources Inc., and Patrick Marcotte, entered into an agreement dated January 1, 1988, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “CC”**. Appended as **Schedule “A”** to said agreement is a gross overriding royalty agreement. Royalties have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - c) There are 38 other gross overriding royalty agreements in relation to certain lands. One such example is a royalty agreement between Penn West Petroleum, now Obsidian Energy Ltd. (“**Penn West**”) and Canadian Natural Resources, entered into a gross overriding royalty agreement dated January 2, 2001, in respect of assets owned by Cleo, which is attached hereto as **Exhibit “DD”**. The royalties under this agreement have been paid in kind prior to and during Cleo’s ownership from its associated oil and gas assets.
 - d) Cleo entered into a gross overriding royalty agreement dated July 28, 2016 as between Penn West, Penn West Petroleum Ltd. (collectively the “**Penn West Parties**”), and Cleo, which is attached hereto as **Exhibit “EE”**. This royalty agreement arose out of an Agreement of Purchase of Sale between the Penn West Parties and Cleo dated June 2, 2016, attached hereto as **Exhibit “FF”**, the listing schedules have been omitted for convenience of the length of the document.
78. Cleo entered into a gross overriding royalty agreement dated May 31, 2020 as between B.I.L. Cree Nation Corp (“**B.I.L. Cree**”) and Cleo, which is attached hereto as **Exhibit “GG”**, the listing schedules have been omitted for convenience of the length of the document. This royalty agreement arose out of a Conveyance Agreement between those parties dated May 31, 2021, attached hereto as **Exhibit “HH”**, the listing schedules have been omitted for convenience of the length of the document.

CRA and other Taxing Authorities

79. As of December 14, 2024, the amount of \$966,486 is owing to the Canada Revenue Agency (“CRA”), which is comprised of \$36,506.30 for unpaid payroll source deductions and \$929,979.70 in goods and services tax (“GST”).
80. As of December 14, 2024, the amount of \$468,910 is owing by Cleo to the Government of Alberta for corporate taxes.
81. Cleo owes property taxes to the following municipalities listed below:

Municipality	Related Field	Amount Owing
Municipality of Provost	Shorncliff	963,149.00
Municipal of Wainwright	Fabyan	567,387.00
Flagstaff County	Sedgewick	19,869.00
Vulcan County	Enchant	3,236.00
Municipality of Taber	Taber	22,853.00
		<u>1,576,494.00</u>

Alberta Energy Regulator

82. The AER is owed approximately \$393,000 as of December 14, 2024 for AER annual administration fees and orphan fund levies.
83. Cleo has a \$750,000 cash deposit with the AER provided as part of Cleo’s acquisition of the Enchant and Taber Fields. It was previously communicated by the AER to Cleo that this deposit would be returned to Cleo upon the reactivation of the assets at those fields following the closing of the acquisition. The acquisitions did close but the AER has held on to the deposit.
84. Cleo has a liability management rating (“LMR”) of .72. Its LMR is currently lower than normal because of the amount of wells needed to be shut in by Cleo. During the prior sales process referred to above in 2023, Cleo’s LMR was 1.03.

85. In addition to the Verbal Directive, as a result of Cleo filing the NOI, the AER has placed Cleo on its insolvency watch list and its insolvency department is now monitoring Cleo's operations.
86. On December 19, 2024, AER sent a letter to Cleo (the "**AER Letter**") notifying the company that, effective immediately, their eligibility to acquire and hold energy licenses and approvals has been restricted due to the commencement of this Proposal Proceeding. A copy of the AER Letter is attached hereto as **Exhibit "II"**.

General Trade Creditors

87. As of December 14, 2024, Cleo has a total of approximately \$8,500,000 in general unsecured trade creditors.

Judgments

88. There are currently three (3) outstanding Judgments as against Cleo as follows:
- (a) Morganick Blending Services Corp. ("**Morganick**") was awarded judgment against Cleo on July 16, 2024 for a total judgment of \$16,410.99, attached hereto as **Exhibit "JJ"**.
 - (b) Startec Refrigeration Services Ltd. ("**Startec**") was awarded judgment against Cleo on August 6, 2024 for a total judgment of \$11,951.50, attached hereto as **Exhibit "KK"**.
 - (c) Vertex Professional Services Ltd. ("**Vertex**") was awarded judgment against Cleo on October 18, 2024 for a total judgment of \$274,708.73, attached hereto as **Exhibit "LL"**.

Garnishments

89. There are currently three outstanding garnishments which have been issued against Cleo as referenced below:

- a) On or about July 29, 2024, Morganick registered a writ of enforcement in accordance with the Alberta Court of King's Bench court file no. 2401-10333, against Cleo in the PPR. Morganick issued a first garnishee summons in August 2024 for its judgment of \$16,410.99, which amount was repaid in part. It then subsequently issued a second garnishee summons in the amount of \$152,436.18 upon Cleo and RBC with respect to Cleo's accounts with RBC. I am advised by Gowling that following the filing of the NOI, Cleo obtained Orders from the Court in the Proposal Proceedings authorizing and directing RBC to cancel a previously issued cheque or bank draft sent by RBC to the Court prior to the filing of the NOI as a result of this second garnishment and credit \$152,436.18, representing the garnished funds, back into Cleo's RBC account. I am advised by the Court that a bank draft for the garnished funds may have been delivered to the Court in late November and the Court is attempting to find the bank draft. As of the swearing of this Affidavit, the Court has been unable to find the bank draft but continues to look for it. I am advised by Gowling that it is also continuing to work with RBC regarding the garnished funds.
- b) On or about August 29, 2024, Startec registered a writ of enforcement in accordance with court file no. 2401-11952, against Cleo in the PPR. Startec subsequently issued a garnishee summons in the amount of \$155,799.02 upon Cleo and RBC with respect to Cleo's accounts with RBC. RBC has not paid out funds from Cleo's account for this garnishment.
- c) On or about October 30, 2024, Vertex registered a writ of enforcement in accordance with court file no. 2301-13984, against Cleo in the AB PPR. Vertex subsequently issued a garnishee summons in the amount of \$274,708.73 upon Cleo and RBC with respect to Cleo's accounts with RBC. RBC has not paid out funds from Cleo's account for this garnishment

I am advised by Gowling that following the filing of the NOI Gowling issued letters to these garnishing parties above and RBC advising them of the Stay and that no further enforcement action could be taken against Cleo.

Outstanding Legal Proceedings

90. A number of proceedings have been commenced against Cleo which remain outstanding and unsettled, as summarized below. Gowling has advised me that all of the proceedings as against Cleo are now stayed as a result of the filing of the NOI.

Harvest Operations

91. Harvest and Cleo are operating partners in various properties (wells and facilities) primarily located in the Hayter region of Alberta. Disputes arose related to joint operations and abandonment costs where Harvest is seeking payment of accounts and Cleo is contesting the legitimacy of the charges and counterclaiming for other damages. Harvest is seeking about \$5,000,000 in damages and Cleo is counterclaims for approximately \$2,000,000 in damages.
92. An attachment order has been granted to Harvest and Harvest has filed a security interest registration in the AB PPR arising from this. Harvest is not a secured creditor of Cleo but has an alleged operator's lien. Cleo had previously agreed that the attachment could remain pending the conclusion of a full hearing between the parties regarding their dispute. I am advised by Gowling that the attachment order is now stayed as a result of the filing of the NOI.

Battle River

93. Battle River and Cleo are involved in two matters – an arbitration and a court action. Both are generally related. Cleo owns certain wells and facilities jointly with Battle River. In some cases, Cleo is the operator and in other cases Battle River is the operator. Disputes have developed with respect to these assets.

B.I.L Cree

94. Cleo and B.I.L. Cree Nation Corp (“**B.I.L. Cree**”) entered into the above mentioned royalty agreement. B.I.L. Cree has filed a claim against Cleo for damages for unpaid royalties. Cleo has filed a defence of the claim and is contesting it.

Demands for Payment

95. As of December 10, 2024, Cleo received demands for payment from the following parties (collectively, the “**Demand Letters**”):

- (a) geoLOGIC Systems Ltd. - attached hereto as **Exhibit “MM”** is a demand letter dated July 26, 2024 demanding payment in the approximate amount of \$30,000 in relation to payments in relation to software, data, licensing fees pursuant to a licence agreement.
- (b) B.I.L. Cree Nation Corp. - attached hereto as **Exhibit “NN”** is a demand letter dated July 29, 2024 demanding payment in the amount of \$491,396.56 in relation to certain royalty payments.
- (c) TCB Welding Manufacturing Fabrication (“**TCB**”) - attached hereto as **Exhibit “OO”** is a demand letter dated September 12, 2024 demanding payments pursuant to certain of Cleo’s accounts with TCB.
- (d) Canadian Natural Resources Limited - attached hereto as **Exhibit “PP”** is a demand letter dated September 13, 2024 demanding payment in the amount of \$45,690.42 pursuant to various agreements.
- (e) Renown Down Hole Solutions Inc. - attached hereto as **Exhibit “QQ”** is a demand letter dated October 2, 2024 demanding payment in the amount of \$7,687.04.
- (f) Peter LeGeyt Recruiting Ltd.- attached hereto as **Exhibit “RR”** is a demand letter dated October 22, 2024 demanding payment in the amount of \$26,250 plus GST for professional services related to hiring a candidate.
- (g) Mantl Canada Inc. & Amped Energy Services Ltd. - attached hereto as **Exhibit “SS”** is a demand letter dated October 30, 2024 demanding payment in the amount \$2,212,203.60 pursuant to the Trade Agreement.

- (h) TAQA North - attached hereto as **Exhibit “TT”** is a demand letter dated November 4, 2024 demanding payment in respect of certain billing statements issued by TAQA North.
 - (i) Lexterra Land Ltd. - attached hereto as **Exhibit “UU”** is a demand letter dated November 13, 2024 demanding payment in the amount of \$4,872.31 in respect of certain surface land related services.
 - (j) Star West Trucking Ltd. - attached hereto as **Exhibit “VV”** is a demand letter dated November 29, 2024 demanding payment in the amount of \$14,000 in relation to trucking services.
96. Absent the automatic stay of proceedings imposed by filing the NOI, it is anticipated that these parties would commence proceedings against Cleo as well.

RELIEF SOUGHT

Administration Charge

97. Cleo is seeking from this Honourable Court an Order authorizing and directing to pay the fees and disbursements of, and granting a super-priority Administration Charge against Cleo’s Property, to and in favour of counsel for Cleo, the Proposal Trustee, and counsel for the Proposal Trustee in priority to all other charges to secure payment of their reasonable fees and disbursements incurred by such parties at their standard rates. The Administration Charge is limited to a maximum amount of \$350,000.
98. I believe that the Administration Charge is fair and reasonable in the circumstances. Cleo requires the expertise, knowledge and continuing participation of the Administrative Professionals in order to complete a successful restructuring, and in order to continue to obtain that expertise, knowledge and participation, I believe that it is necessary that they receive the benefit of the Administration Charge.
99. Cleo has worked with the Proposal Trustee to determine the proposed amount of the Administration Charge, which I believe is fair and reasonable in the circumstances. The Proposal Trustee is supportive of the proposed amount.

100. I do not believe that there is any unwarranted duplication of roles between the proposed beneficiaries of the Administration Charge.

Interim Financing

101. Cleo is currently in discussions with various potential interim lenders to provide interim financing. Cleo has not yet secured interim financing as of the date of this Affidavit. Cleo intends on filing additional materials prior to the extension hearing on January 6, 2024 setting forth an interim financing agreement once one has been confirmed.
102. The Cleo Cash Flow Forecast indicates that Cleo requires the Interim Financing Facility from January 6, 2025 and onwards to ensure that it has the liquidity required to meet its obligations for it to continue with these Proposal Proceedings.
103. Cleo may also need to receive emergency advances under an Interim Financing Agreement prior to January 6, 2025 so Cleo has operating capital to continue operating until the January 6, 2025 extension hearing (the “**Emergency Advance**”). It is expected that an Interim Financing Agreement will require that amounts received by Cleo from cash flows during the NOI proceedings will be used to repay the Emergency Advance. Without any Emergency Advance provided, it is expected Cleo will be unable to continue its operations until the time it received an Interim Loan.
104. If Cleo repays all or a portion of the Emergency Advance prior to the hearing of the Stay Extension, Cleo will also seek an order that the Emergency Advance could be repaid from the cash flows of Cleo.
105. Cleo currently has limited cash resources and may not be able to complete its restructuring should an Interim Financing Facility not be approved. In addition, Cleo is carefully managing cash on a day-to-day basis with oversight from the Proposal Trustee.
106. Cleo has sought and obtained guidance from the Proposal Trustee on proposed amounts of the Interim Lender’s Charge and the Proposal Trustee will be supportive of interim financing.

Directors & Officers Charge

107. Cleo is seeking an Order of this Honourable Court granting a super-priority D&O Charge securing the obligation of Cleo to indemnify myself as Cleo's sole Director for obligations and liabilities that I may incur in my capacity as Director during the Proposal Proceedings in the maximum amount of \$200,000.
108. The D&O Charge is intended to address potential claims that may be brought against me as Cleo's sole Director that are not covered under existing insurance described below or to the extent coverage is insufficient to cover such claims.
109. A successful restructuring of Cleo will only be possible with the continued participation of myself as Director. I have specialized expertise and relationships with Cleo's stakeholders. In addition, I have gained significant knowledge that cannot be easily replicated or replaced.
110. The quantum of the D&O Charge was calculated with the assistance of the Proposal Trustee on the basis of the payroll, source deductions and goods and services taxes that could potentially accrue during the Proposal Proceeding and such quantum is supported by the Proposal Trustee.
111. Cleo maintains insurance policies in relation to the potential liability of the Directors (the "**D&O Insurance Policies**"). Although the D&O Insurance Policies insure myself as against certain claims that may arise against me in my capacity as Director, the coverage is subject to several exclusions and limitations, including, *inter alia*, certain employee and statutory obligations. As a result, there is a potential for insufficient insurance coverage in respect of potential director and officer liabilities. It would be beneficial for there to be certainty with respect to potential personal liability as I continue in my current capacity in the context of these Proposal Proceedings.

Priority of Charges

112. Cleo is seeking a declaration from this Honourable Court that the *BIA* Charges against the Property rank in priority to all charges, security interests, liens, trusts, deemed trusts and

encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:

- a) first, the Administration Charge;
- b) second, the Interim Financing Charge; and
- c) third, the D&O Charge.

113. The Proposal Trustee is supportive of this proposed priority ranking of the *BIA* Charges.

Stay of Proceedings for Cleo

114. The time to file a proposal for Cleo expires on January 7, 2025. Cleo requests the proposal extension date to February 21, 2025 in the Proposal Proceedings.

115. Since the NOI was filed on December 8, 2024, Cleo has worked diligently and in good faith to advance these Proposal Proceedings and to comply with the various requirements under the *BIA*. These steps have included, among other things:

- (a) preparing and analysing a list of creditors and identifying issues specific to certain creditors;
- (b) providing the Proposal Trustee with access to its books and records;
- (c) working with the Proposal Trustee on the preparation of the Cash Flow Forecast;
- (d) communicating with stakeholders regarding the proposal process;
- (e) communicating with customers regarding the proposal process;
- (f) communicating with the AER regarding the status of its operations and the proposal process;
- (g) reaching out to prospective lenders and securing the Interim Financing Facility and any Emergency Advance;

- (h) reviewing its operating expenses, pursuing the collection of accounts receivable and taking other steps to ensure Cleo remains financially viable during these Proposal Proceedings; and
 - (i) preparing this Application.
- 116. On December 10, 2024, Cleo also hired Bluestar Engineering Ltd., to submit a Directive 060 variance for Silver Heights to the AER to support amending the facility licence to allow for a continuous flaring to end the gas conservation at the battery. Should the variance request be approved, Cleo will be submitting a Directive 56 to amend the facility license. If AER approves both the variance request and the facility amendment, Cleo anticipates an immediate positive impact on future production to prior levels of approximately 250 bbl/d.
- 117. The proposal extension date will allow Cleo to, among other things:
 - (a) continue operations during the Proposal Proceedings in order to carry out work, with the advice and consent of the Proposal Trustee, that will be economically beneficial to its estate and stakeholders;
 - (b) preserve its assets and prevent environmental issues from arising during the winter months;
 - (c) continue the restructuring of its business and affairs, and pursue strategic alternatives; and
 - (d) take such actions as are necessary or desirable to preserve and enhance the value of Cleo's business for the benefit of their creditors and other stakeholders.
- 118. Cleo's creditors will not be prejudiced by the Proposal Extension Date. Rather, the proposal extension date is critical to ensuring that Cleo can continue to generate revenues through economically beneficial operations under the supervision of the Proposal Trustee, and formulate a proposal thereby maximizing the value of their assets to the benefit all of their stakeholders.
- 119. The Proposal Trustee is supportive of the proposal extension date.

Stay for Chris Lewis

120. In addition to the foregoing, Cleo intends to seek a stay of any claims of guarantees and contracts where such parties may claim I have guaranteed the debts of Cleo, or I am jointly and severally liable for the indebtedness of Cleo. Attached hereto are the following documents in this regard from the records of Cleo:
- (a) 19922169 Alberta Ltd. (Rise/Oxygen Capital) – for all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Cleo, with interest from the date of demand for payment at the Royal Bank of Canada's Prime Interest Rate plus 30% (the "**Rise Guarantee**"). The Rise Guarantee is attached hereto as **Exhibit "WW"**.
 - (b) 2M7 - for all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Cleo (the "**2M7 Guarantee**"). The 2M7 Guarantee is attached hereto as **Exhibit "XX"**.
 - (c) 2416924 Alberta Ltd./ Stride Capital – I am listed as a co-leasee in relation to this agreement whereby his obligations are joint and several. The Stride Equipment Agreement is attached previous as **Exhibit "O"**.
 - (d) Stephen Ballard – for the principal sum of \$300,000, plus a fixed rate of interest of 20% per annum on the unpaid portion of the Principal (the "**Ballard Guarantee**"). The Ballard Guarantee is attached hereto as **Exhibit "YY"**.
121. Certain of the above documents are unsigned and do not contain executed *Guarantees Acknowledgement Act* certificates. I do not admit liability for any claims arising from the above documents or that I am liable under such documents.
122. Cleo further seeks a stay of all ongoing and potential claims against me in my capacity as an employee, director and officer of Cleo. I am currently named as a defendant in the ongoing litigation between Cleo and Battle River, as referred to above.
123. Such a stay is necessary in the circumstances as I am the only director of Cleo and my involvement in the restructuring is critical for the Proposal Proceedings to be successful.

New and continuing lawsuits against me will take my focus away from me running the day to day operations of Cleo and my work of restructuring Cleo for the benefit of Cleo's stakeholders.

124. The Proposal Trustee supports such a Stay as requested.

CONCLUSION

125. I swear this Affidavit in support of an Application for the relief set out in paragraph 5 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at Palm Springs,
California, this 23rd day of December,
2024.



Notary Public in and for the
State of California



CHRIS LEWIS

NOTARY PUBLIC
CLERK
Notary Public
State of California
My Commission Expires: 12/31/2025

COURT FILE NUMBER 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.

DOCUMENT BENCH BRIEF OF CLEO ENERGY CORP.

ADDRESS FOR SERVICE **GOWLING WLG (CANADA) LLP**
AND CONTACT Suite 1600, 421 – 7th Avenue SW
INFORMATION OF Calgary, AB T2P 4K9
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DOCUMENT

Telephone: 403-298-1946/ 403-298-1938
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Email: sam.gabor@gowlingwlg.com /
 tom.cumming@gowlingwlg.com
File No.: G10010664

Attention: Sam Gabor/ Tom Cumming

**APPLICATION BEFORE THE HONOURABLE JUSTICE LEMA
JANUARY 6, 2025 AT 2:00 PM ON THE CALGARY COMMERCIAL LIST**

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I. INTRODUCTION

1. Cleo is a privately owned oil and gas operator of medium gravity oil based in Calgary, Alberta with operations throughout East Central Alberta. Cleo has been operating since its incorporation in 2016. Cleo's revenue is primarily linked to the productivity of its wells, as well as the market price of oil.
2. Cleo has recently experienced a significant reduction in production levels due to several factors, including: repair and maintenance required at several of its main producing fields causing shut ins of wells; shut ins of its oil producing assets following verbal directives issued to Cleo by the Alberta Energy Regulator ("AER"); vandalism and thefts of vital copper cabling required to connect critical systems its largest oil and gas producing field causing a complete shut down of the field; reduction in the prices of oil and gas assets.
3. Cleo owes over \$24,000,000 to its creditors. As of December 14, 2024, Cleo owed a total debt of approximately \$6.7 million to its secured creditors. Cleo is insolvent: it is unable to pay its debts as they generally become due and its liabilities exceed its assets.
4. Cleo's normal monthly production revenues were previously \$1,819,168 a month prior to the beginning of its financial difficulties.¹ Cleo has over \$22,000,000 of assets on its balance sheet.² Cleo's three largest producing fields have proved developed producing reserve value (before tax) of over \$30,000,000, minus net present value of 10%.³
5. On December 8, 2024, Cleo filed a Notice of Intention to Make a Proposal ("NOI") pursuant to subsection 50.4(1) of Division 1 of Part III of the *BIA* with the Office of the Superintendent of Bankruptcy and appointed Alvarez & Marsal Canada Inc. ("A&M") as Proposal Trustee.⁴
6. This Bench Brief is submitted on behalf of Cleo in support of an Application seeking from this Honourable Court an Order, among other things:

¹ Affidavit of Chris Lewis, sworn December 23, 2024 (the "Extension Affidavit"), at para 31.

² Extension Affidavit, at para 40.

³ Extension Affidavit, at para 42.

⁴ Extension Affidavit at para 35.

- (a) 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;
- (a) extending the 30 day period, ending January 7, 2025, within which Cleo is required under section 50.4(8) of the *BIA* to file a proposal by an additional 45 days to February 21, 2025 (such period, as extended from time to time under section 50.4(9) of the *BIA*, being the “**Stay Period**”, and the date on which the Stay Period expires being the “**Expiry Date**”);
- (b) declaring that Cleo’s legal counsel, Gowling WLG (Canada) LLP (“**Gowling**”), A&M in its capacity as Proposal Trustee of Cleo (the “**Proposal Trustee**”) and the Proposal Trustee’s legal counsel (collectively, the “**Administrative Professionals**”), shall have the benefit of a security and charge (the “**Administration Charge**”) on all of Cleo’s present and after-acquired property (the “**Property**”) as security for their reasonable professional fees and disbursements incurred both before and after the granting of the requested Order, which Administrative Charge shall be in an amount not to exceed \$350,000, and authorizing the payment to the Administrative Professionals of their reasonable fees and disbursements incurred in connection with the preparation for the herein proposal proceedings (the “**Proposal Proceedings**”);
- (c) approving a secured interim financing facility provided under a loan agreement (the “**Interim Financing Agreement**”) Cleo is seeking to enter into with an interim lender (the “**Interim Lender**”);
- (d) declaring that the Property is subject to a security and charge (the “**Interim Lender’s Charge**”) in favour of the Interim Lender to secure the payment and performance of the Interim Financing Facility and Cleo’s indebtedness, liabilities and obligations under the Interim Financing Agreement;
- (e) to the extent that any Emergency Advance (as defined herein) having been funded by advances under the Interim Financing Facility prior to the date of the Order

being applied for hereunder, authorizing Cleo to repay such advances from any amounts received by Cleo subsequent to the Filing Date;

- (f) declaring that the Property is subject to a security and charge in favour of the directors and officers of Cleo (all such directors and officers being collectively referred to as the “**Directors**”) over the Property to indemnify the Directors against obligations and liabilities that they may incur as Directors of Cleo after the commencement of the Proposal Proceedings, in an amount not to exceed \$250,000 (the “**D&O Charge**”), other than obligations and liabilities incurred as a result of their gross negligence or wilful misconduct;
- (g) declaring that the Administration Charge, Interim Financing Charge and D&O Charge (collectively, the “**BIA Charges**”) are priority charges that rank ahead of any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the Property, including liens and trusts created by federal and provincial legislation, and that the *BIA* Charges rank, as between themselves, in the following order of priority:
 - (i) first, the Administration Charge;
 - (ii) second, the Interim Lender’s Charge; and
 - (iii) third, the D&O Charge;
- (h) authorizing Cleo to pay such amounts as it, in consultation with the Proposal Trustee, deems necessary to Persons on account of debts arose prior to the Filing Date, in order to operate, collect, realize and dispose of the Property in an orderly manner, provided that such payments are contemplated by the Cash Flow Forecast (as defined below) filed by the Proposal Trustee under section 50(6) of the *BIA*;
- (i) declaring that:
 - (i) in accordance with section 69(1) of the *BIA*, during the period between the Filing Date and the Expiry Date: (A) no creditor has any remedy against Cleo or the Property, or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; (B)

no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo's insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI, Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect; and

- (ii) in accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4), no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo; and
- (j) granting a stay of proceedings during the Stay Period of any claims against Chris Lewis in my capacity as a director and officer of Cleo;
- (k) requiring that any Person that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or the leave of this Honourable Court promptly deliver or surrender to Cleo such money or other Property; and
- (a) such further and other relief as Cleo may request and this Honourable Court may grant.

7. This application is supported by an Affidavit sworn by Chris Lewis ("**Mr. Lewis**"), the sole Director, Executive Chairman, and Chief Executive Officer of Cleo (the "**Extension Affidavit**"). The further facts with respect to this Application are more fully set out in the Extension Affidavit and capitalized terms not defined herein have the meanings given to them in the Extension Affidavit.
8. All references to monetary amounts referenced herein are in Canadian dollars, unless otherwise stated.

II. ISSUES

9. This Brief addresses whether this Honourable Court should:

- (a) extend the time within which Cleo is required to file a proposal;
- (b) grant the Administration Charge;
- (c) approve the Interim Financing Facility and grant the Interim Lender's Charge; and
- (d) grant the D&O Charge;
- (e) grant a stay of proceedings for the benefit of Mr. Lewis during the Stay Period.

III. LAW AND ARGUMENT

A. Extension of the Stay Period is Appropriate

10. The Stay Period expires on January 7, 2025. Cleo is required to file a proposal within the Stay Period unless Cleo obtains from this Honourable Court an Order extending the time period for filing a proposal prior to the said expiration.
11. Pursuant to section 50.4(9) of the *BIA*, a debtor in a proposal proceeding may apply to the Court for an order extending the time to file a proposal by a maximum of 45 days and up to the aggregate of five (5) months after the expiry of the 30-day period, provided that the Court is satisfied that:
- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
 - (b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
 - (c) no creditor would be materially prejudiced if the extension be applied for were granted.⁵

⁵ *BIA* section 50.4(9) [Tab 1]

12. Cleo is seeking a stay extension to February 21, 2025, in these Proposal Proceedings (the “**Stay Extension**”). Cleo respectfully submits that the Stay Extension ought to be approved for, *inter alia*, the following reasons:
- (a) Cleo has acted and continues to act in good faith and with due diligence;
 - (b) no creditor will be materially prejudiced by the requested extension of the Stay Period; and
 - (c) the extension of the Stay Period is necessary to allow Cleo sufficient time and opportunity to continue the restructuring of its business and affairs and pursue strategic alternatives⁶.
13. Since the NOI was filed, Cleo has worked diligently and in good faith to advance these Proposal Proceedings and to comply with the various requirements under the *BIA*. These steps have included, among other things:
- (a) preparing and analysing a list of creditors and identifying issues specific to certain creditors;
 - (b) providing the Proposal Trustee with access to its books and records;
 - (c) working with the Proposal Trustee on the preparation of the Cash Flow Forecast;
 - (d) communicating with stakeholders regarding the proposal process;
 - (e) communicating with customers regarding the proposal process;
 - (f) communicating with the AER regarding the status of its operations and the proposal process;
 - (g) reaching out to prospective lenders and securing the Interim Financing Facility and Emergency Advance;

⁶ Extension Affidavit at paras 115 and 118.

- (h) reviewing its operating expenses, pursuing the collection of accounts receivable and taking other steps to ensure Cleo remain financially viable during these Proposal Proceedings; and
 - (i) preparing this Application⁷.
14. Cleo's creditors will not be prejudiced by the extension of the Stay Period. Rather, the extension is critical to take such actions as are necessary or desirable to preserve and enhance the value of Cleo's business for the benefit of its creditors and other stakeholders⁸.
 15. Cleo intends on commencing a sales and investment and solicitation process following January 6, 2025⁹. Granting the stay extension will provide it the necessary time and breathing room to do so and will benefit its stakeholders.

Stay of Guarantees and Personal Claim

16. Cleo submits that the Stay should apply to the Mr. Lewis as a guarantor and with respect to any current ongoing claims against him in his capacity as an employee, director or officer of Cleo.
17. Subsection 69.31(1) and (2) of the *BIA* states:

69.31 (1) Where a notice of intention under subsection 50.4(1) has been filed or a proposal has been made by an insolvent corporation, no person may commence or continue any action against a director of the corporation on any claim against directors that arose before the commencement of proceedings under this Act and that relates to obligations of the corporation where directors are under any law liable in their capacity as directors for the payment of such obligations, until the proposal, if one has been filed, is approved by the court or the corporation becomes bankrupt.

(2) Subsection (1) does not apply in respect of an action against a director on a guarantee given by the director relating to the corporation's obligations or an action seeking injunctive relief against a director in relation to the corporation.¹⁰

⁷ Extension Affidavit at paras 115.

⁸ Extension Affidavit at para 118.

⁹ Extension Affidavit at para 38.

¹⁰ *BIA*, s. 69.31(2) [TAB 1].

18. On first reading, the provision appears to prohibit stays of proceedings from being extended to non-debtors that have issued letters of credit or guarantees with respect to a *BIA* debtor company. However, if courts are unable to extend a *BIA* stay to third-party guarantors in appropriate circumstances, this section would have the potential to complicate certain restructurings. For example, in large corporate groups with obligations that have been guaranteed and cross-collateralized across some or all of the entire enterprise, all of those entities would have to file for protection as *BIA* debtors, even if some of the guarantors are not central to the restructuring effort. Some guarantors may not even be eligible to file for protection as *BIA* debtors.¹¹
19. However, upon further review, Section 69.311(2) is restricted to orders made under 69.31(1) which are orders in respect of the debtor company. Accordingly, what Section 69.311(2) in fact states is that no order for a stay against the debtor company has an affect on a proceeding against a person, other than the debtor company, who is obligated under a letter of credit or guarantee in relation to the company. It does not prohibit third-party stays from being extended to guarantors and such Courts have, in fact, extended such stays to both corporate and personal guarantors on numerous occasions.¹²
20. Mr. Lewis is a guarantor to multiple guarantees guaranteeing Cleo's debt.¹³ Mr. Lewis is also party to litigation involving Cleo in his capacity as a director of Cleo.¹⁴
21. In *Re McEwan Enterprises Inc.*¹⁵, the Court outlined the factors that may be considered when determining whether a stay of proceedings should be granted in favour of non-applicant third parties:

¹¹ James D. Gage and Trevor Courtis, *Staying Guarantees By Non-Debtors and Section 11.04 of the CCAA*, Annual Review of Insolvency Law 2022, p. 1 [TAB 2].

¹² *Re Cinram International Inc.*, 2012 ONSC 3767 at paras 61-65 [Tab 3], *Re Lydian International Limited*, 2019 ONSC 7473 at para 39 [Tab 4], *Re McEwan Enterprises Inc.*, 2021 ONSC 6453 at para 19, 44 & 45 [Tab 5], *Re Forme Development Group Inc.* (30 November 2018), Toronto CV-18-60831300CL (Ont SCJ) at para 18 [TAB 6].

¹³ Extension Affidavit at para 120.

¹⁴ Extension Affidavit at para 122.

¹⁵ *Re McEwan Enterprises Inc.*, 2021 ONSC 6453 [McEwan] [Tab 5].

- (a) the business and operations of the third party was significantly intertwined and integrated with those of the debtor company;
- (b) extending the stay to the third party would help maintain stability and value during the CCAA process;
- (c) not extending the stay to the third party would have a negative impact on the debtor company's ability to restructure, potentially jeopardizing the success of the restructuring and the continuance of the debtor company;
- (d) if the debtor company is prevented from concluding a successful restructuring with its creditors, the economic harm would be far-reaching and significant;
- (e) failure of the restructuring would be even more harmful to customers, suppliers, landlords and other counterparties whose rights would otherwise be stayed under the third party stay;
- (f) if the restructuring proceedings are successful, the debtor company will continue to operate for the benefit of all of its stakeholders, and its stakeholders will retain all of its remedies in the event of future breaches by the debtor company or breaches that are not related to the released claims; and
- (g) the balance of convenience favours extending the stay to the third party.¹⁶

22. In this current matter, Cleo submits that a stay of proceedings ought to be granted in favour of Mr. Lewis as guarantor based on the following factors:

- (a) as the sole director and controlling entity of Cleo, the business and operations of Cleo are intertwined and integrated with Mr. Lewis;
- (b) extending the stay of proceedings to Mr. Lewis will help maintain value and stability during the NOI process, as the cooperation and assistance of Mr. Lewis is

¹⁶ *McEwan* at para 43 [Tab 5].

required as he is the only director of Cleo. He also operates the business and his continued assistance of Cleo is essential and valuable to the NOI proposal process.

- (c) the stay of proceedings sought relate to guarantees made by Mr. Lewis in favour of loans and credit facilities made available to Cleo;
- (d) Mr. Lewis may be petitioned into bankruptcy by his creditors if a stay is not granted in his favour in respect of his guarantees. If bankruptcy occurs, Mr. Lewis will no longer be able to act as a director of Cleo due to the provisions of Alberta's *Business Corporations Act*¹⁷ which will have a negative impact on Cleo's ability to make a proposal and jeopardize their chances of a successful proposal process;
- (e) The stay of proceedings in favour of Mr. Lewis will allow him to focus on his role as director of Cleo as opposed to diverting his attention to claims against him in his personal capacity. This provides the best chance for a successful proposal and continuing operations of Cleo, which is in the best interest of creditors and other stakeholders; and
- (f) Mr. Lewis' creditors will not be materially prejudiced by the stay of proceedings in their favour, as their rights under the guarantees will only be stayed until the end of the NOI proceedings.

B. The Administration Charge is Appropriate

- 23. Cleo seeks the Administration Charge to secure the fees of the Administrative Professionals whose services are critical to these proceedings. The Administrative Charge is to rank in priority to all other security interests in the Property.
- 24. On notice to Cleo's secured creditors, this Honorable Court has jurisdiction under section 64.2 of the *BIA* to grant the Administration Charge and give it super priority:

64.2(1) Court may order security or charge to cover certain costs: On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under section 50.4 or

¹⁷ *Business Corporations Act*, RSA 2000, c B-9, section 105(1)(d) [Tab 7].

a proposal is filed under subsection 62(1) is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of

(a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;

(b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division;

[...]

64.2(2) Priority: The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.¹⁸

25. Cleo seeks the Administration Charge in an amount up to \$350,000 to secure the fees and expenses of its own counsel, of the Proposal Trustee and of the Proposal Trustee's counsel¹⁹. Such a charge is necessary and appropriate in the circumstances to ensure that Cleo have access to professional advisors throughout the course of these proceedings.
26. Administration charges have been approved in *BIA* proposal proceedings where, as in the present case, the participation of insolvency professionals is necessary to ensure a successful proceeding under the *BIA*.²⁰
27. Cleo submits that the present case is an appropriate circumstance for this Honourable Court to grant the Administration Charge with priority over any pre-existing security interests and other encumbrances. The quantum of the proposed Administration Charge is both fair and reasonable given the size and complexity of Cleo's business. Cleo requires the expertise, knowledge and continuing participation of the Administrative Professionals in order to complete a successful restructuring.²¹
28. Cleo has numerous secured creditors, each of whom have been given notice of this application.²²

¹⁸ *BIA* section 64.2 [Tab 1].

¹⁹ Extension Affidavit at para 97.

²⁰ *Mustang GP Ltd., Re*, 2015 ONSC 6562 at paras 32-33 [Tab 8].

²¹ Extension Affidavit, at para 98.

²² Extension Affidavit, at para 49.

29. As a result of the foregoing, Cleo respectfully submits that this Honourable Court should exercise its discretion to grant the Administration Charge.

C. The Interim Financing Facility and the Interim Financing Charge are Necessary and Appropriate

30. On notice to Cleo's secured creditors, section 50.6 of the *BIA* confers this Honourable Court with the jurisdiction to approve the Interim Financing Facility and the Interim Financing Agreement and declare the Property to be subject to Interim Lender's Charge:

50.6(1) *Interim Financing*: On application by a debtor in respect of whom a notice of intention was filed under section 50.4 or a proposal was filed under subsection 62(1) and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the debtor's property is subject to a security or charge — in an amount that the court considers appropriate — in favour of a person specified in the order who agrees to lend to the debtor an amount approved by the court as being required by the debtor, having regard to the debtor's cash-flow statement referred to in paragraph 50(6)(a) or 50.4(2)(a), as the case may be. The security or charge may not secure an obligation that exists before the order is made. [emphasis added] ²³

31. Section 50.6(5) of the *BIA* provides a non-exhaustive list of factors to be considered by this Honourable Court in deciding whether to declare Cleo's Property subject to the Interim Lender's Charge:

50.6(5) Factors to be considered: In deciding whether to make an order, the court is to consider, among other things,

(a) the period during which the debtor is expected to be subject to proceedings under this Act;

(b) how the debtor's business and financial affairs are to be managed during the proceedings;

(c) whether the debtor's management has the confidence of its major creditors;

(d) whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;

(e) the nature and value of the debtor's property;

(f) whether any creditor would be materially prejudiced as a result of the security or charge; and

²³ *BIA* section 50.6(1) [Tab 1].

(g) the trustee's report referred to in paragraph 50(6)(b) or 50.4(2)(b), as the case may be.²⁴

32. Cleo is currently in discussions with various potential interim lenders to provide interim financing²⁵. Cleo has not yet secured interim financing as of the date of this Bench Brief due the Court's closure during the holiday season and Cleo's requirement to file its court materials two weeks prior to the standard filing deadline. Cleo intends on filing additional materials setting forth an interim financing agreement once one has been confirmed.²⁶
33. On the assumption that Cleo secures interim financing, Cleo will respectfully submit that this Honourable Court should approve an Interim Financing Facility and Interim Lender's Charge because they will be essential to provide Cleo with the financing it requires to continue to operate its business and make a viable proposal to its creditors. The following factors support this relief:
 - (a) The Cleo Cash Flow Forecast indicates that Cleo urgently requires an Interim Financing Facility from January 6, 2025 and onwards to ensure that it has the liquidity required to meet its obligations for it to continue with these Proposal Proceedings²⁷;
 - (b) Cleo currently has limited cash resources and may not be able to complete its restructuring should the Interim Financing Facility not be approved. In addition, Cleo is carefully managing cash on a day-to-day basis with oversight from the Proposal Trustee²⁸;
 - (c) the Proposal Trustee will monitor Cleo's cash flow and financial affairs and report any material adverse changes to Cleo's stakeholders and this Honourable Court;
 - (d) The benefit of approving an Interim Financing Facility and Interim Financing Charge materially outweighs any resulting prejudice. Any prejudice to Cleo's creditors that may result from the Interim Financing Facility or Interim Financing

²⁴ BIA section 50.6(5) [Tab 1].

²⁵ Extension Affidavit at para 101.

²⁶ Extension Affidavit at para 101.

²⁷ Extension Affidavit, at para 102.

²⁸ Extension Affidavit, at para 105.

Charge is minimal given the amount of the facility and Cleo's urgent need for funding for ordinary course expenses. The Cash Flow Forecast provide that without an Interim Financing Facility Cleo will not have sufficient capital to continue as a going concern or have the breathing room to conduct a sales process²⁹. If the Interim Financing Facility and the corresponding Interim Financing Charge are not granted, a resulting bankruptcy or receivership will significantly decrease the prospects of any recovery for Cleo's creditors; and

(e) The Proposal Trustee supports the relief sought by Cleo³⁰.

34. This Honourable Court has the jurisdiction under section 50.6(3) of the *BIA* to order that an Interim Lender's Charge rank in priority over the claim of any creditor, including secured creditors. Section 60.6(3) provides that, "the court may order that the security or charge [granted in favour of the interim lender] rank in priority over the claim of any secured creditor of the debtor".³¹

35. In the context of a proceeding under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "*CCAA*"), Morawetz J. in *Timminco* considered whether to grant a super priority charge in favour of an interim lender. The Court granted the charge and stated as follows:

[i]t is unrealistic to expect that any commercially motivated DIP Lender will advance funds without receiving the priority that is being requested on this motion. [...] The alternative [...] of a DIP Charge without super priority [...] is not, in my view, realistic, nor is directing the Monitor to investigate alternative financing without providing super priority. If there is going to be any opportunity for the Timminco Entities to put forth a restructuring plan, it seems to me that it is essential and necessary for the DIP Financing to be approved and the DIP Charge granted. The alternative is a failed CCAA process.³²

36. An Interim Financing Facility would be contingent on this Honourable Court granting an Order approving an Interim Financing Facility and Interim Financing Agreement and

²⁹ Extension Affidavit at para 105.

³⁰ Extension Affidavit at para 106.

³¹ *BIA* section 50.6(3) [Tab 1]

³² *Timminco Ltd., Re*, 2012 ONSC 948 at paras 46, 47 [Tab 9]

declaring the Property to be subject to the Interim Lender's Charge ranking in priority to all other charges and security other than the Administration Charge.

37. For all of these reasons, Cleo respectfully submits that an Order approving an Interim Financing Facility to be entered into by Cleo and an interim lender in the future, approving an Interim Financing Agreement and declaring that the Property is subject to the priority of an Interim Lender's Charge will be necessary and appropriate in the circumstances.

D. The D&O Charge is Appropriate and Necessary

38. Cleo also seeks a declaration that the Property is subject to the D&O Charge, in the maximum amount of \$250,000, indemnifying the Director for obligations and liabilities which he may incur in his capacity as officer and director after the commencement of these proceedings, except to the extent that the obligation or liability was incurred as a result of the director or officer's gross negligence or willful misconduct. In addition, Cleo seeks a declaration that the D&O Charge rank in priority to any other security or charge other than the Administration Charge and Interim Lender's Charge.
39. The *BIA* permits this Honourable Court the statutory jurisdiction to grant the D&O Charge:

64.1(1) *Security or charge relating to director's indemnification.* On application by a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) and on notice to the secured creditors who are likely to be affected by the security or charge, a court may make an order declaring that all or part of the property of the person is subject to a security or charge — in an amount that the court considers appropriate — in favour of any director or officer of the person to indemnify the director or officer against obligations and liabilities that they may incur as a director or officer after the filing of the notice of intention or the proposal, as the case may be.

64.1(2) *Priority.* The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

64.1(3) *Restriction – indemnification insurance.* The court may not make the order if in its opinion the person could obtain adequate indemnification insurance for the director or officer at a reasonable cost.³³

³³ *BIA* sections 64.1(1), 64.1(2) and 64.1(3) [Tab 1]

40. The purpose of the D&O Charge is to:
- (a) keep Cleo's sole Director in place during a restructuring by providing them with protection against liabilities they could incur during the restructuring and to avoid the inevitable destabilization of the business of Cleo that would arise if the Director did not remain in place, or were concerned about potential liabilities that they may incur in carrying out their functions; and
 - (b) enable Cleo to benefit from the experience and expertise of the sole Director.³⁴
41. While there is directors' and officers' liability insurance in place, the Directors remain concerned with respect to the many exclusions in that policy and the willingness of insurers to deny or limit coverage.³⁵
42. D&O Charges, as in the immediate case, have been approved in *BIA* proposal proceedings where:
- (a) the charge is only available to the extent that the directors and officers do not have coverage under existing policies;
 - (b) there is a possibility the directors and officers whose participation in the process is critical, may not continue their involvement; and
 - (c) the Proposal Trustee states the charge is reasonable and is supportive of the same.³⁶
43. Cleo respectfully submits that these circumstances are appropriate for this Honourable Court to grant the D&O Charge.
44. The quantum of the proposed D&O Charge is both fair and reasonable given the size and complexity of Cleo's business. The Director has played, and will continue to play a critical role in these Proposal Proceedings.

³⁴ *Northstar Aerospace Inc., Re*, 2013 ONSC 1780 at para 29 [Tab 10]; *Canwest Global Communications Corp., Re*, 2009 CarswellOnt 6184 at para 48 [Tab 11]

³⁵ Extension Affidavit, at para 111.

³⁶ *Colossus Minerals Inc., Re*, 2014 ONSC 514 at paras 18-21 [Tab 12]; *Mustang* at para 35 [Tab 8]

45. Accordingly, Cleo respectfully submits that this Honourable Court should exercise its discretion to grant the D&O Charge.

E. Priority of *BIA* Charges

46. Cleo requests that the *BIA* Charges should rank in priority to all other charges and security, and as between the *BIA* Charges, rank as follows:

- Firstly, the Administration Charge, up to the maximum amount of \$350,000;
- Secondly, the Interim Lender's Charge, in an amount to be approved by the Court; and
- Thirdly, the D&O Charge up to a maximum amount of \$250,000.

47. This Honourable Court has the discretion to make a declaration granting the *BIA* Charges in priority to any other security or charge.³⁷

48. As set out above, Cleo's secured creditors have been given notice of this application.³⁸

In *Canada North*, the Supreme Court of Canada endorsed prior authority stating that the granting of super-priority charges is critical as a "key aspect of the debtor's ability to attempt a workout", although it noted that a Canadian Court in granting a charge with priority over Crown interests should do so only when necessary. The Supreme Court did not determine in *Canada North* whether the Crown's deemed trust for employee withholdings renders it a "secured creditor" for the purposes of determining whether the Crown can be primed by charges created by ss. 50.6(1), 50.6(3) and 50.6(5) of the *BIA*...³⁹

49. Pursuant to the Cash Flow Forecast, Cleo's revenues are insufficient to pay for restructuring costs, including the professional fees and disbursements of the Administrative Professionals, or potential liabilities of Directors. Accordingly, it is critical that the Court grant the priority charges to ensure Cleo has the necessary operating funds in order to successfully proceed forward through the Proposal Proceedings.
50. Cleo respectfully submits that this Court should exercise its discretion to rank the *BIA* Charges in the priority requested.

³⁷ *BIA* section 50.6(3), 64.1(2) and 64.2(2) [Tab 1]

³⁸ *BIA* section 67(3) [Tab 1]

³⁹ *Canada v. Canada North Group Inc.*, 2021 SCC 30 [Tab 13] at paras 67 and 72

IV. CONCLUSION AND RELIEF SOUGHT

51. For the reasons above, Cleo requests the Orders sought be granted as they are fair, necessary and reasonable in the circumstances and represent the best option to permit Cleo to present a proposal to the benefit of its creditors.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of December, 2024.

GOWLING WLG (CANADA) LLP

Per: 

Sam Gabor/Tom Cumming
Counsel for Cleo Energy Corp.

TABLE OF AUTHORITIES

Tab	Authority
1.	<u><i>Bankruptcy and Insolvency Act</i>, RSC 1985, c B-3</u>
2.	<u>James D. Gage and Trevor Courtis, Staying Guarantees By Non-Debtors and Section 11.04 of the CCAA, Annual Review of Insolvency Law 2022</u>
3.	<u><i>Re Cinram International Inc.</i>, 2012 ONSC 3767</u>
4.	<u><i>Re Lydian International Limited</i>, 2019 ONSC 7473</u>
5.	<u><i>Re McEwan Enterprises Inc.</i>, 2021 ONSC 6453</u>
6.	<i>Re Forme Development Group Inc.</i> (30 November 2018), Toronto CV-18-60831300CL (Ont SCJ)
7.	<u><i>Business Corporations Act</i>, RSA 2000, c B-9</u>
8.	<u><i>Mustang GP Ltd., Re</i>, 2015 ONSC 6562</u>
9.	<u><i>Timminco Ltd., Re</i>, 2012 ONSC 948</u>
10.	<u><i>Northstar Aerospace Inc., Re</i>, 2013 ONSC 1780</u>
11.	<u><i>Canwest Global Communications Corp., Re</i>, 2009 CarswellOnt 6184</u>
12.	<u><i>Colossus Minerals Inc., Re</i>, 2014 ONSC 514</u>
13.	<u><i>Canada v. Canada North Group Inc.</i>, 2021 SCC 30</u>

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 SERVICE LIST
(As of December 23, 2024)

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<i>INTERESTED PARTIES</i>		
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Summit Acceptance Corp. 1260 Highfield Crescent SE Calgary, AB T2G 5M3 Email: abpps_notifications@kaizenauto.com	Email	PPR Registrant

INTERESTED PARTIES		
<p>2416924 Alberta Ltd. 415, 3332 20th Street SW Calgary, AB T2T 6T9</p> <p>Reference : 34165-143006</p> <p>Email: PPSA@stridecap.com</p>	Email	PPR Registrant
<p>Lawson Lundell LLP 1100, 225 6th Avenue SW Calgary, AB T2P 1N2</p> <p>Attention: Shannon K. Hayes Phone: 403-218-7514 Fax: 403-269-9494 Email: Shayes@lawsonlundell.com</p>	Email	Counsel to Savanna Well Servicing Inc.
<p>Savanna Well Servicing Inc. 1000, 734 7th Avenue SW Calgary, AB T2P 3P8</p> <p>Email: hhahn@totalenergy.ca Email: legal@totalenergy.ca</p>	Email	PPR Registrant
<p>1992169 Alberta Ltd. 30 Kincora Glen Park NW Calgary, AB T3R 1V3</p> <p>Email: jason@risecapital.ca</p>	Email	PPR Registrant
<p>Oxygen Working Capital Corp. 69 Napier Street Barrie, ON L4M 1W3</p> <p>Email: jravalli@owccorp.com</p>	Email	PPR Registrant
<p>Stephen Ballard 1802, 71 Jamieson Court New Westminster, BC V3L 5R4</p> <p>Email: stever88c@hotmail.com</p>	Email	PPR Registrant

INTERESTED PARTIES		
Fort McKay-Savanna Energy Services Limited Partnership 1000, 734 7 Avenue SW Calgary, AB T2P 3P8 Email: legal@totalenergy.ca	Email	PPR Registrant
T & S Collections Ltd. 105, 412 53 Avenue SE Calgary, AB T2H 0N4 Phone: 403-202-7336 Fax: 403-201-7236 Email: kenpratherts@shaw.ca	Email	PPR Registrant
Morganick Blending Services Corp. 105, 412 53 Avenue SE Calgary, AB T2H 0N4 Email: kenpratherts@shaw.ca	Email	PPR Registrant
U-Sue Inc. PO Box 25102, Deer Park RPO Red Deer, AB T4R 2M2 Phone: 403-264-1366 Fax: 403-938-4080 Email: wesue@usue.ca	Email	Collection agent to Startec Refrigeration Services Ltd.
Startec Refrigeration Services Ltd. PO Box 25102, Deer Park RPO Red Deer, AB T4R 2M2 Email: wesue@usue.ca	Email	PPR Registrant

<i>INTERESTED PARTIES</i>		
<p>MLT Aikins LLP 2100, 222 3rd Avenue SW Calgary, AB T2P 0B4</p> <p>Attention: Catrina J. Webster Attention: Luke Bendkowski</p> <p>Phone: 403-693-4300 Fax: 403-508-4349 Email: cal_writ@mltaikins.com Email: cwebster@mltaikins.com</p>	Email	Counsel to Vertex Professional Services Ltd.
<p>Vertex Professional Services Ltd. c/o 2100, 222 3rd Avenue SW Calgary, AB T2P 0B4</p> <p>Email: cal_writ@mltaikins.com</p>	Email	PPR Registrant
<p>Stride Capital Corp. 201, 3007 14th Street SW Calgary, AB T2T 3V6</p> <p>Email: PPSA@stridecap.com</p>	Email	Creditor
<p>Arundel Capital Corporation 420, 5119 Elbow Drive SW Calgary, AB T2V 1H2</p> <p>Email: Catherine@arundelcapital.com</p>	Email	Creditor
<p>McLennan Ross 1900 Eau Claire Tower 600 – 3rd Avenue SW Calgary, AB T2P 0G5</p> <p>Attention: Jamie Flanagan Email: jamie.flanagan@mross.com</p>	Email	Counsel to Stride Capital Corp. and Arundel Capital Corporation
<p>1992169 Alberta Ltd. (Rise Capital) 302, 5145 Northland Drive NW Calgary, AB T2L 2J8</p> <p>Email: jason@risecapital.ca</p>	Email	Creditor

<i>INTERESTED PARTIES</i>		
Mantl Canada Inc. 1500, 510 5th Avenue SW Calgary, AB T2P 3S2 Email: matthew.kenna@mantl.ca	Email	Creditor
Amped Energy Services #2 Patten Avenue Sedgewick, AB T0B 4C0 Email: mike@ampedenergy.ca	Email	Creditor
Trafigura Canada Limited 1700, 400 3rd Avenue SW Calgary, AB T2P 4H2 Attention: Craig Wilford / Iain Singer Email: craig.wilford@trafigura.com Email: iain.singer@trafigura.com Email: houstonlawyers@trafigura.com	Email	Creditor and Marketer
Stikeman Elliott Bankers Hall West 888 4200 3 St SW Calgary, AB T2P 5C5 Attention: Karen Fellowes Email: KFellowes@stikeman.com	Email	Counsel for Trafigura Canada Limited
2M7 Financial Solutions 64 Signet Drive North York, ON M9L 2Y4 Email: info@2m7.ca	Email	Creditor

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<p>Marco Simonelli 2902 Montcalm Crescent SW Calgary, AB T2T 3M6</p> <p>Email: marco12666@me.com</p>	Email	Creditor
<p>Municipal District of Provost 52 PO Box 300 Provost, AB T0B 3S0</p> <p>Email: mdprovost@mdprovost.ca Email: tlawrason@mdprovost.ca Email: wtrenergy@mdprovost.ca Email: jlakevold@mdprovost.ca</p>	Email	Creditor
<p>B.I.L. Cree Nation Corp. 417 14 Avenue NE Calgary, AB T2E 1E6</p> <p>Email: sameer@helioscorp.ca</p>	Email	Creditor
<p>Municipal District of Wainwright No 61 61, 717 14 Avenue Wainwright, AB T9W 1B3</p> <p>Email: admin@mdwainwright.ca</p>	Email	Creditor
<p>Purechem Services 1400, 332 6th Avenue SW Calgary, AB T2P 0B2</p> <p>Email: Randy.Wright@purechemservices.com</p>	Email	Creditor

INTERESTED PARTIES		
<p>Bozco Enterprises (2015) Ltd. PO Box 1470 Provost, AB T0B 3S0</p> <p>Email: officeadmin@bozco.ca Email: dalton@bozco.ca Email: ron@bozco.ca</p>	Email	Creditor
<p>Gallagher Energy Risk Services 1220, 530 8 Avenue SW Calgary, AB T2P 3S8</p> <p>Email: Ryan_Becharde@aig.com</p>	Email	Creditor
<p>Transalta Energy Marketing 1400, 1100 1 St SE Calgary, AB T2G 1B1</p> <p>Email: customers@transalta.com</p>	Email	Creditor
<p>Trimac Energy Services Ltd. 700-II, 326 11 Ave SW Calgary, AB T2R 0C5</p> <p>Email: brimbey@trimacenergy.com</p>	Email	Creditor
<p>TC Energy 450 – 1 Street SW Calgary, AB T2P 5H1</p> <p>Attention: Kimberly R. Setrakov Email: Kimberly_setrakov@tcenergy.com</p>	Email	Counsel to NGTL Limited partnership/ Nova Gas Transmission Ltd.
<p>PrairieSky Royalty Ltd. 1700, 350 – 7 Avenue SW Calgary, AB T2P 3N9</p> <p>Attention: James Nixon Email: james.nixon@prairiesky.com</p>	Email	Creditor

INTERESTED PARTIES		
Peter LeGeyt Recruiting Ltd. Attention: Peter LeGeyt Phone: 403-667-8337 Email: peter@plrecruiting.com	Email	Creditor
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Prairie Provident Resources Email: dmiller@ppr.ca	Email	Creditor
Karve Energy Email: info@karveenergy.com	Email	Creditor
Fort Calgary Resources Ltd Email: accounting@fortcal.com	Email	Creditor
Keles Production Company Ltd. / Keles Engineering Ltd. Email: bamako@shaw.ca	Email	Creditor
Truco Resources Ltd. Email:		Creditor
300930 Alberta Ltd.		Creditor
Starboard Resources Inc. Email: ward.bradley@shaw.ca		Creditor

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TCB Welding Manufacturing Fabrication #1 Silversage Road Box 549 Brooks, AB T1R 1B5 Email:		Creditor
Revering Law Office 5018 – 50 Avenue Lloydminster, AB T9V 0W7 Attention: Donnon F. Revering Email :		Counsel to Renown Down Hole Solutions Inc.
TAQA North Jamieson Place, 2100 308 – 4 Ave SW Calgary, AB T2P 0H7 Email: Vi.Kulawik@taqa.ca	Email	Creditor
Lexterra Land Ltd. 2710, 715 – 5 Avenue SW Calgary, AB T2P 2X6 Email: Tiffany.Wardle@lexterraland.com	Email	Creditor

INTERESTED PARTIES		
HMC Lawyers LLP #1000, 903 – 8 Avenue SW Calgary, AB T2P 0P7 Attention: Sean Manery Email: smanery@hmcclawyers.com	Email	Counsel to Star West Trucking Ltd.

GOVERNMENT AGENCIES		
Canada Revenue Agency c/o Surrey National Verification and Collection Centre 9755 King George Blvd Surrey, BC V3T 5E1 Email: Amy.Reperto@justice.gc.ca Canada Revenue Agency 220 4 Ave SE Calgary, AB T2G 0L1 Email: Amy.Reperto@justice.gc.ca	Email	Potential Creditor
Department of Justice Canada Prairie Regional Office — Edmonton 300, 10423 101 St NW Edmonton, AB T5H 0E7 Email: agc_pgc_alberta@justice.gc.ca Email: Amy.Reperto@justice.gc.ca Email : SoYi.Yu@JUSTICE.GC.CA Email : Tristen.Cones@justice.gc.ca	Email	Potential Counsel to Canada Revenue Agency
Province of Alberta Tax & Revenue Administration 9811 109 St NW Edmonton, AB T5K 2L5 Email: tra.revenue@gov.ab.ca	Email	Government Agency
Alberta Energy and Minerals Government of Alberta	Email	Government Agency

GOVERNMENT AGENCIES		
<p>9th Floor, 9945 108 Street Edmonton, AB T5K 2G6</p> <p>Attention: Emmett Larsen Email: Emmett.Larsen@gov.ab.ca</p>		
<p>Alberta Energy Regulator 1000, 250 5th Street SW Calgary, AB T2P 0R4</p> <p>Attention: Janet Stewardson Email: janet.stewardson@aer.ca Email: orphaninginsolvency@aer.ca</p>	Email	Creditor
<p>Government of Alberta, Financial Services 6th Floor, 9919 108 Street Edmonton, AB T5K 2G8</p>	Courier	Creditor
<p>Special Areas Board 212 2nd Avenue West Hanna, AB T0J 1P0</p> <p>Email: Jordon.christianson@specialareas.ab.ca Email: Darcy.ferguson@specialareas.ab.ca</p>	Email	Creditor
<p>Receiver General for Canada 875 Heron Road Ottawa, ON K1A 1B1</p>	Courier	Creditor

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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 – 7th Avenue S.W.
Calgary, AB T2P 4K9
Telephone: (403) 298-1946 / (403) 298-1938
Facsimile: (403) 263-9193
Email: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com
File No. G10010664
Attention: Sam Gabor/ Tom Cumming

NOTICE TO THE RESPONDENTS

This application is made against you.

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

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

Date: December 23, 2024
Time: 2:00 MST
Where: Calgary Court of King's Bench in Court Room 1002
Before Whom: An Honourable Justice of the Court of King's Bench

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 an Order seeking, *inter alia*, the following relief, which Order is substantially in the form attached hereto as **Schedule "A"**:
 - (a) 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;
 - (b) declaring that Trafigura Canada Limited's ("**Trafigura**") right to effect set-off is stayed pursuant to section 69(1) of the *BIA* with respect to the following:
 - (i) the aggregate amounts that are owing by Cleo to Trafigura under the Prepayment Agreement (as defined herein) as against the amounts owing by Trafigura to Cleo under the Commercial Agreement (as defined herein) for Cleo's November 2024 production; and
 - (ii) the aggregate of all amounts that are owing by Cleo to Trafigura under the Prepayment Agreement (as defined herein) as against the ongoing amounts owing by Trafigura to Cleo under the Commercial Agreement (as defined herein) for Cleo's continuing production under the Commercial Agreement (as defined herein); and
 - (iii) any amounts owed or allegedly owed by Cleo to Trafigura prior to December 8, 2024, including without limitation, those amounts claimed

by Trafigura from Cleo in connection with the Prepayment Agreement (as defined herein);

- ii. declaring that the amounts owing by Cleo to Trafigura under the Prepayment Agreement (as defined herein) are unsecured debts;
- iii. declaring that Trafigura is stayed from exercising a right of acceleration under the Prepayment Agreement during the Stay Period (as defined herein) pursuant to Section 65.1(1) of the *BIA*;
- (b) directing Trafigura to immediately pay to Cleo the amount of \$757,644.77 owing to Cleo pursuant to the Commercial Agreement (as defined herein) for Cleo's November, 2024 production;
- (c) ordering that Trafigura continue to pay to Cleo all amounts currently owing or which may become owing by Trafigura to Cleo in connection with the Commercial Agreement (as defined herein);
- (d) directing that Trafigura pay Cleo's costs on an elevated basis; and
- (e) such further and other relief as Cleo may request and this Honourable Court may grant.

Grounds for making this application:

Background

- 2. Cleo is a privately owned oil and gas operator of medium gravity oil based in Calgary, Alberta with operations throughout East Central Alberta.
- 2. Cleo's revenue is primarily linked to the productivity of its wells, as well as the market price of oil.
- 3. Cleo has recently experienced a significant reduction in production levels due to several factors. It is unable to meet its obligations as they become due and its liabilities exceed its assets.

Exhibit "D" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025

A Commissioner for Oaths in
and for the Province of Alberta

Exhibit "D" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025


A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025

Shipment Number
5000002898512

Tracking number : 771011786059

Carrier : Federal Express

Service : Fedex Standard Overnight

From :

GOWLING WLG
1600 421 7 Avenue Southwest
Calgary, Alberta
T2P4K9 Canada

Special Instructions :

To :

GOVERNMENT OF ALBERTA, FINANCIAL
9919 108 STREET, 6TH FLOOR, SOUTH
Edmonton, Alberta
T5K2G8 Canada

Special Instructions :

Contact Details

MAIL ROOM
cal-offserv@gowlingwlg.com
4032981865

Contact Details

GOV. OF ALBERTA, FINANCIAL SERVICES
SHERRY.LANGLEY@GOWLINGWLG.COM
4032981865

Charge Breakdown

Ship Date	Base Charge	Fuel Charge	Total Tax	Other Charges	Total	COD
2024-12-24	\$13.94	\$4.96	\$1.18	\$4.76	\$24.84	\$ 0

Type	Commodity	Carrier Order Id	Pick Up
Envelope	None	None	N/A

Insurance	DG	Signature	Currency
\$0	None	Yes	CAD

Quantity 1

References ref1 - G10010664/S.GABOR / ref2 - 7359

Stackable No

Dimensions

Envelope	Length(IN)	Width(IN)	Height(IN)	Weight(LB)
1	1.0	1.0	1.0	1.0

Order Details

12/24/24

Shipment Number

5000002898686

Tracking number : 771011732313

Carrier : Federal Express

Service : Fedex Standard Overnight

From :

GOWLING WLG
1600 421 7 Avenue Southwest
Calgary, Alberta
T2P4K9 Canada

Special Instructions :

To :

RECEIVER GENERAL FOR CANADA
875 HERON ROAD
Ottawa, Ontario
K1A1B1 Canada

Special Instructions :

Contact Details

MAIL ROOM
cal-offserv@gowlingwlg.com
4032981865

Contact Details

RECEIVER GENERAL OF CANADA
SHERRY.LANGLEY@GOWLINGWLG.COM
4032981865

Charge Breakdown

Ship Date	Base Charge	Fuel Charge	Total Tax	Other Charges	Total	COD
2024-12-24	\$15.12	\$5.27	\$3.27	\$4.76	\$28.42	\$ 0

Type	Commodity	Carrier Order Id	Pick Up
Envelope	None	None	YYCA_3149

Insurance	DG	Signature	Currency
\$0	None	Yes	CAD

Quantity 1

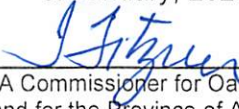
References ref1 - G10010664/S.GABOR / ref2 - 7359

Stackable No

Dimensions

Envelope	Length(IN)	Width(IN)	Height(IN)	Weight(LB)
1	1.0	1.0	1.0	1.0

Exhibit "E" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025


A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: January 2, 2025 2:48 PM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; Hhahn@totalenergy.ca <hhahn@totalenergy.ca>; Legal@totalenergy.ca <legal@totalenergy.ca>; Jravalli@owccorp.com <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; Wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; Cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; Officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; Ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; Info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; Brimbey@trimacenergy.com <brimbey@trimacenergy.com>; Tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; James.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmcclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; Bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; Bwolever@alvarezandmarsal.com <bwolever@alvarezandmarsal.com>; Kevin Hoy <kevin.hoy@ca.dlapiper.com>; jwreid@millerthomson.com <jwreid@millerthomson.com>; Mceko@millerthomson.com <mceko@millerthomson.com>; TBatty@fieldlaw.com <TBatty@fieldlaw.com>; JWatts@stikeman.com <JWatts@stikeman.com>; Ginger <g.campbell@svrlawyers.com>; adow@lawsonlundell.com <adow@lawsonlundell.com>; greg@ucapital.ca <greg@ucapital.ca>; Lorne Graburn <lorne.graburn@rbc.com>

Subject: Cleo NOI Proceedings

Attachments: Amended Application - Trafigura Right of Set-Off - Unfiled(65758872.3)(65787462.1).pdf; Chris Lewis Affidavit - December 24, 2024(65761312.1).pdf; Cleo Energy (stay of set off BIA).pdf

Please see attached the following materials filed today in respect of the Emergency Application that was to be heard on December 23, 2024 and was decided by Justice Hollins on December 26, 2024. Please note that the issue of ongoing monthly set-off was adjourned to the January 6th, 2025 application.

1. Notice of Amended Application returnable December 26, 2024 with draft form of order;
2. Affidavit of Chris Lewis sworn December 24, 2024; and
3. Draft Endorsement from the Court (filed version to follow).

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This message has been sent and exported via TitanFile.

Exhibit "F" to the Affidavit of
Sherry Langley
Sworn before me this 6th day
of January, 2025


A Commissioner for Oaths in
and for the Province of Alberta

INGRID FITZNER
A Commissioner for Oaths in and for
the Province of Alberta
My Commission Expires January 28, 2025

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: January 6, 2025 7:48 AM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; Hhahn@totalenergy.ca <hhahn@totalenergy.ca>; Legal@totalenergy.ca <legal@totalenergy.ca>; Jravalli@owccorp.com <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; Wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; Cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; Officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; Ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; Info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; Brimbey@trimacenergy.com <brimbey@trimacenergy.com>; Tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; James.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; Bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; Bwolever@alvarezandmarsal.com <bwolever@alvarezandmarsal.com>; Kevin Hoy <kevin.hoy@ca.dlapiper.com>; jwreid@millerthomson.com <jwreid@millerthomson.com>; Mceko@millerthomson.com <mceko@millerthomson.com>; TBatty@fieldlaw.com <TBatty@fieldlaw.com>; JWatts@stikeman.com <JWatts@stikeman.com>; Ginger <g.campbell@svrlawyers.com>; adow@lawsonlundell.com <adow@lawsonlundell.com>; greg@ucapital.ca <greg@ucapital.ca>; Lorne Graburn <lorne.graburn@rbc.com>

Subject: Cleo NOI Proceedings

Attachments: Amended Application - BIA Charges_ Stay Extension(65816777.1).pdf

Further to today's hearing before the Honourable Justice Lema at 2 PM MT, please find attached:

1. The Amended Application returnable January 6, 2025 - unfiled.

A filed version to be circulated following reception by the Court.

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This message has been sent and exported via TitanFile.

Langley, Sherry

From: Bailey Russell <bailey.russell@ca.gowlingwlg.com>
Sent: January 6, 2025 12:34 AM
To: Sam Gabor <sam.gabor@ca.gowlingwlg.com>; Manuel Dominguez Lizaga <manuel.dominguez@ca.gowlingwlg.com>; Thomas Cumming <Tom.Cumming@ca.gowlingwlg.com>; Sherry Langley <Sherry.Langley@ca.gowlingwlg.com>; Kym Mesley <Kym.Mesley@ca.gowlingwlg.com>; Orest Konowalchuk <okonowalchuk@alvarezandmarsal.com>; Department of Justice <agc_pgc_alberta@justice.gc.ca>; Catherine@arundelcapital.com <Catherine@arundelcapital.com>; JP.Pham@harvestenergy.ca <JP.Pham@harvestenergy.ca>; PPSA@stridecap.com <PPSA@stridecap.com>; Summit Acceptance Corp. <abppsa_notifications@kaizenauto.com>; Shannon Hayes <shayes@lawsonlundell.com>; Hhahn@totalenergy.ca <hhahn@totalenergy.ca>; Legal@totalenergy.ca <legal@totalenergy.ca>; Jravalli@owccorp.com <jason@risecapital.ca>; Jravalli@owccorp.com <jravalli@owccorp.com>; stever88c@hotmail.com <stever88c@hotmail.com>; kenpratherts@shaw.ca <kenpratherts@shaw.ca>; Wesue@usue.ca <wesue@usue.ca>; Cal_writ@mltaikins.com <cal_writ@mltaikins.com>; Chris Lewis <clewis@cleoenergy.com>; Jason.enns@rbc.com <Jason.enns@rbc.com>; David Williams <david.williams@alvarezandmarsal.com>; Dmacrae@alvarezandmarsal.com <dmacrae@alvarezandmarsal.com>; Cwebster@mltaikins.com <cwebster@mltaikins.com>; Emmett.Larsen@gov.ab.ca <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca <mdprovost@mdprovost.ca>; Tlawrason@mdprovost.ca <tlawrason@mdprovost.ca>; wtrenerry@mdprovost.ca <wtrenerry@mdprovost.ca>; Jlakevold@mdprovost.ca <jlakevold@mdprovost.ca>; Officeadmin@bozco.ca <officeadmin@bozco.ca>; Dalton@bozco.ca <dalton@bozco.ca>; Ron@bozco.ca <ron@bozco.ca>; Admin@mdwainwright.ca <admin@mdwainwright.ca>; Jordon.christianson@specialareas.ab.ca <Jordon.christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca <Darcy.ferguson@specialareas.ab.ca>; matthew.kenna@mantl.ca <matthew.kenna@mantl.ca>; craig.wilford@trafigura.com <craig.wilford@trafigura.com>; lain.singer@trafigura.com <iain.singer@trafigura.com>; houstonlawyers@trafigura.com <houstonlawyers@trafigura.com>; Jodywiese@gmail.com <jodywiese@gmail.com>; Marco Simonelli <marco12666@me.com>; Kimberly_setrakov@tcenergy.com <Kimberly_setrakov@tcenergy.com>; jamie.flanagan@mross.com <jamie.flanagan@mross.com>; Orphaninginsolvency@aer.ca <orphaninginsolvency@aer.ca>; janet.stewartson@aer.ca <janet.stewartson@aer.ca>; mike@ampedenergy.ca <mike@ampedenergy.ca>; Info@2m7.ca <info@2m7.ca>; Sameer Uplenchwar <sameer@helioscorp.ca>; Randy.Wright@purechemservices.com <Randy.Wright@purechemservices.com>; Ryan_Bechar@aig.com <Ryan_Bechar@aig.com>; Customers@transalta.com <customers@transalta.com>; Brimbey@trimacenergy.com <brimbey@trimacenergy.com>; Tra.revenue@gov.ab.ca <tra.revenue@gov.ab.ca>; Eugene J. Bodnar <E.Bodnar@svrlawyers.com>; James.nixon@prairiesky.com <james.nixon@prairiesky.com>; Amy.Reperto@justice.gc.ca <Amy.Reperto@justice.gc.ca>; SoYi.Yu@JUSTICE.GC.CA <SoYi.Yu@JUSTICE.GC.CA>; Tristen Cones <tristen.cones@justice.gc.ca>; Peter@plrecruiting.com <peter@plrecruiting.com>; brad.cran@rbc.com <brad.cran@rbc.com>; Sean Manery <smanery@hmcclawyers.com>; kgramlich@parlee.com <kgramlich@parlee.com>; bence.solti@bp.com <bence.solti@bp.com>; ashelle.pindar@ADP.com <ashelle.pindar@ADP.com>; info@brenergy.ca <info@brenergy.ca>;

To: Balford@axiomoilandgas.ca <balford@axiomoilandgas.ca>; dmiller@ppr.ca <dmiller@ppr.ca>; info@karveenergy.com <info@karveenergy.com>; Bamako@shaw.ca <bamako@shaw.ca>; Accounting@fortcal.com <accounting@fortcal.com>; Ward.bradley@shaw.ca <ward.bradley@shaw.ca>; Philip.Connolly@obsidianenergy.com <Philip.Connolly@obsidianenergy.com>; Jelena.molnar@cnrl.com <Jelena.molnar@cnrl.com>; Tiffany.Wardle@lexterraland.com <Tiffany.Wardle@lexterraland.com>; Vi.Kulawik@taqa.ca <Vi.Kulawik@taqa.ca>; Kfellowes@stikeman.com <kfellowes@stikeman.com>; Monika Davidovska <M.Davidovska@svrlawyers.com>; George.wong@aer.ca <George.wong@aer.ca>; Bwolever@alvarezandmarsal.com <bwolever@alvarezandmarsal.com>; Kevin Hoy <kevin.hoy@ca.dlapiper.com>; jwreid@millerthomson.com <jwreid@millerthomson.com>; Mceko@millerthomson.com <mceko@millerthomson.com>; TBatty@fieldlaw.com <TBatty@fieldlaw.com>; JWatts@stikeman.com <JWatts@stikeman.com>; Ginger <g.campbell@svrlawyers.com>; adow@lawsonlundell.com <adow@lawsonlundell.com>; greg@ucapital.ca <greg@ucapital.ca>; Lorne Graburn <lorne.graburn@rbc.com>

Subject: Cleo NOI Proceedings

Attachments: WS_Compare - DRAFT Order re BIA Charges and Stay Extension (1) and DRAFT Order re BIA Charges and Stay Extension(65621011.5)(658.pdf; Supplemental Book of Authorities.pdf; Bench Brief _Set-off _ Stay Extension_(65791537.5).pdf; DRAFT Order re BIA Charges and Stay Extension(65621011.5).pdf; Sworn Affidavit of Chris Lewis - January 5, 2025.pdf

Further to the hearing before the Honourable Justice Lema at 2PM MT, January 6, 2025, please find attached:

1. Supplemental Affidavit of Chris Lewis, sworn January 5, 2025 - unfiled;
2. Supplemental Brief of Law and corresponding Book of Authorities – unfiled; and
3. A revised draft form of order and redline comparison.

Filed copies will be circulated following reception by the Court.

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