

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



APPLICANTS 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 **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Gowling WLG (Canada) LLP
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File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: December 26, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

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

UPON THE APPLICATION of Cleo Energy Corp. (“**Cleo**”) filed December 23, 2024; **AND UPON** reading the Affidavit of Chris Lewis, sworn December 22, 2024, the Affidavit of Chris Lewis sworn December 23, 2024, the Affidavit of Chris Lewis sworn December 24, 2024 (collectively, the “**Lewis Affidavits**”) and the Affidavit of Ethan Post, sworn December 23, 2024; **AND UPON** reading the written submissions by counsel for Cleo, counsel for Trafigura Canada Limited (“**Trafigura**”), and any other counsel or other interested parties present,

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.
2. Trafigura’s right to set-off the total indebtedness owing by Cleo under the Prepayment Agreement (as defined in the Lewis Affidavits, the “**Prepayment Agreement**”) as against the amounts owing by Trafigura to Cleo under the Commercial Agreement (as defined in the Lewis Affidavits, the “**Commercial Agreement**”) for Cleo’s November 2024 production is declared to be subject to the stay created by section 69(1) of the *Bankruptcy and Insolvency Act*, RSC19893, C B-3 (the “**Stay**”).
3. As a result of the Stay and while the Stay remains extant, Trafigura may not accelerate the total indebtedness owing by Cleo under the Prepayment Agreement in order to set-off the balance owing by Trafigura to Cleo under the Commercial Agreement for Cleo’s production revenues.
4. Trafigura shall immediately pay to Cleo the amount of \$757,644.77 owing by Trafigura to Cleo pursuant to the Commercial Agreement for Cleo’s November 2024 production.
5. Trafigura’s cross-application is dismissed.
6. Costs are reserved and may be spoken to at a later date if counsel cannot agree.
7. The issue of ongoing monthly set-off is adjourned to the scheduled court appearance on January 6, 2025 before Justice Lema.

GENERAL

8. 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.
9. 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.