

## STALKING HORSE SALE PROCESS PROCEDURE

### Procedure for the Sale Process of Certain Property of Viceroy Canadian Resources Corp.

1. Pursuant to an order (the "**Receivership Order**") of the Honourable Justice B. Johnston of the Court of King's Bench of Alberta dated October 22, 2024 in Court Action Number 2401-13217 (the "**Receivership Proceedings**") Alvarez & Marsal Canada Inc. was appointed as receiver and sales agent (the "**Receiver**") of Viceroy Canadian Resources Corp.'s (the "**Debtor**") right, title and interest in and to the Amended and Restated Farm-In Participation Agreement, effective as of January 31, 2019 and amended and restated as of June 19, 2020 (the "**Farm-In Agreement**"), including without limitation the Debtor's 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof (collectively, the "**Property**"), pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c.J-2 and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7.
2. At a court application scheduled for December 6, 2024, the Receiver intends to request the Court's approval of, among other things, a sale process (the "**Sale Process**") as set forth herein.
3. Below are the procedures (the "**Sale Process Procedure**") to be followed in the Sale Process to seek a Successful Bid (as defined herein), and, if there is a Successful Bid, to complete the transaction(s) contemplated by the Successful Bid.
4. All monetary references shall be in Canadian dollars, unless otherwise stated.

### Defined Terms

5. Capitalized Terms not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Term Sheet or the Receivership Order. In this Sale Process Procedure:

"**Alternate Transaction**" means any transaction for the sale of some or all of the Property to any party other than the Stalking Horse Bidder;

"**Acquired Property**" has the meaning ascribed to it in Section 14;

"**Approval Application**" has the meaning ascribed to it in Section 32;

"**Assumed Liabilities**" has the meaning ascribed to it in the Stalking Horse Term Sheet;

"**Auction Bidder**" has the meaning ascribed to it in Section 30(b);

"**Break Fee**" means the sum of \$75,000, which shall be paid to the Stalking Horse Bidder in the circumstances described herein;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;

"**Comparison Model**" has the meaning ascribed to it in Section 30(c);

"**Court**" means the Alberta Court of King's Bench;

"**Debtor**" has the meaning ascribed to it in the Section 1;

"**Farm-In Agreement**" has the meaning ascribed to it in Section 1;

"**Leading Bid**" has the meaning ascribed to it in Section 30(l);

**"McKay SAGD Project"** has the meaning ascribed to it in the Receivership Order;

**"Minimum Incremental Overbid"** means cash (or a non-cash equivalent value) of at least \$25,000

**"Notice Schedule"** has the meaning ascribed to it in Section 17;

**"Plant"** has the meaning ascribed to it in Schedule "B" of the Receivership Order;

**"Potential Bidder"** has the meaning ascribed to it in Section 17;

**"Priority Payables"** has the meaning ascribed to it in the Stalking Horse Term Sheet;

**"Property"** has the meaning ascribed to it in the Section 1;

**"Purchase Price"** has the meaning ascribed to it in the Stalking Horse Term Sheet;

**"Purchased Assets"** has the meaning ascribed to it in the Stalking Horse Term Sheet;

**"Qualified Bid"** has the meaning ascribed to it in Section 22;

**"Qualified Bidder"** has the meaning ascribed to it in Section 18;

**"Receiver's Certificates"** has the meaning ascribed to it in the Receivership Order;

**"Sale Process Order"** means an order of the Court (if granted) approving the Sale Process and the Sale Process Procedure;

**"Selected Superior Offer"** has the meaning ascribed to it in Section 31;

**"Stalking Horse Bidder"** means a 2666355 Alberta Ltd., a wholly owned subsidiary of Greenfire Resources Operating Corporation;

**"Stalking Horse Term Sheet"** means the Binding Term Sheet between the Stalking Horse Bidder and the Receiver, in its capacity as receiver and sale agent over the Property and not in its personal or corporate capacity, dated November 28, 20224 and attached hereto as Schedule "A";

**"Stalking Horse Transaction"** means the transaction contemplated by the Stalking Horse Term Sheet;

**"Starting Bid"** has the meaning ascribed to it in Section 30(a);

**"Subsequent Bid"** has the meaning ascribed to it in Section 30(l);

**"Successful Bid"** has the meaning ascribed to it in Section 31;

**"Successful Bidder"** has the meaning ascribed to it in Section 31;

**"Superior Bid"** means a credible, reasonably certain and financially viable Qualified Bid, or combination of Qualified Bids, the terms of which offer are, in the determination of the Receiver, in its sole discretion acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Term Sheet, and which at a minimum includes a payment in cash of the Purchase Price under the Stalking Horse Term Sheet plus the Break Fee plus one Minimum Incremental Overbid as at the closing of such transaction;

**"Vesting Order"** has the meaning ascribed to it in Section 32;

**"Viceroy Debt"** has the meaning ascribed to it in the Stalking Horse Term Sheet; and

**"Winning Bid"** has the meaning ascribed to it in Section 31.

#### **Stalking Horse Term Sheet**

6. The Receiver has entered into the Stalking Horse Term Sheet with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid from a party other than the Stalking Horse Bidder, all right, title and interest in the Purchased Assets and all privileges thereto will vest absolutely and irrevocably in and to the Stalking Horse Bidder, up to the Court granting a sale approval and vesting order in relation to the Stalking Horse Term Sheet.
7. The Stalking Horse Term Sheet shall constitute a Qualified Bid for all purposes and at all times under this Sale Process Procedure.
8. As part of the Sale Process Order, the Receiver will be seeking the approval of certain bid protections in respect of the Stalking Horse Term Sheet, such as the Break Fee. No other bidder may request or receive a break fee or expense reimbursement as part of any offer made pursuant to this Sale Process.

#### **Sale Process Procedure**

9. The Sale Process Procedure set forth herein describes, among other things, the property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Debtor, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the Court's approval and recognition thereof. The Receiver shall administer the Sale Process Procedure. In the event that there is disagreement as to the interpretation or application of this Sale Process Procedure, the Court will have jurisdiction to hear and resolve such dispute.
10. The Receiver will use reasonable efforts to complete the Sale Process Procedure in accordance with the timelines as set out in **Schedule "B"** hereto. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

#### **Purchase Opportunity**

11. A non-confidential teaser letter prepared by the Receiver (the "**Teaser**"), describing the opportunity to submit an Alternate Transaction and the Sale Process Procedure will be made available by the Receiver to prospective purchasers and will be posted on the Receiver's website as soon as practicable following the issuance of the Sale Process Order.
12. The Receiver shall prepare a Confidential Information Memorandum ("**CIM**") describing the opportunity to submit an Alternate Transaction to prospective purchasers that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver, and as more particularly set-forth below.
13. The Receiver will also populate an electronic data room (the "**VDR**") with detailed listings, photographs, technical specifications and other information required for prospective purchasers to perform due diligence on the Property and the Debtor.

**"As Is, Where Is"**

14. The sale of any property or assets under the Stalking Horse Term Sheet or an Alternate Transaction (the **"Acquired Property"**) will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. The representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse Term Sheet except to the extent additional tangible monetary value of an equivalent amount is provided by a Successful Bidder other than the Stalking Horse Bidder for such representations, warranties, covenants or indemnities.

**Free of Any and All Claims and Interests**

15. In the event of a sale pursuant to this Sale Process, all of the rights, title and interests of the Debtor in and to the Acquired Property will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against, other than any permitted encumbrances agreed to by the Receiver and the Successful Bidder (collectively the **"Claims and Encumbrances"**), such Claims and Encumbrances to attach to the net proceeds of the sale of such Acquired Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Receiver. The vesting out of Claims and Encumbrances by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse Term Sheet, except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Encumbrances.

**Publication of Notice and Teaser**

16. As soon as reasonably practicable after the granting of the Sale Process Order by the Court, the Receiver shall cause a notice of the Sale Process Procedure and any other relevant information, to be published in the *BOE Report*, the *Daily Oil Bulletin*, the *Insolvency Insider*, the *Calgary Herald*, and such other publications as the Receiver may consider appropriate. At the same time, the Receiver will invite bids from interested parties, by which ever means the Receiver deem appropriate.

**Participation Requirements**

17. In order to participate in the Sale Process, each person interested in submitting an Alternate Transaction (a **"Potential Bidder"**) must deliver to the Receiver at the address specified in **Schedule "C"** hereto (the **"Notice Schedule"**) (including by email transmission):
- (a) an executed non-disclosure agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid and shall be executed and delivered to the Receiver prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the CIM and access to the VDR);
  - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
  - (c) a form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the acquisition of all, substantially all or a portion of the Property, including without limitation, the assumption of the Assumed Liabilities.

18. If the Receiver determines that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 17 above; and (ii) a reasonable prospect of completing an Alternate Transaction, the Potential Bidder will be deemed a **"Qualified Bidder"** and will be promptly notified of such classification by the Receiver. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

#### **Due Diligence**

19. The Receiver shall provide any person deemed to be a Qualified Bidder with a copy of the CIM and access to the VDR and the Receiver shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property and the Debtor as the Receiver deems appropriate, including virtual presentations and access to further information in the VDR.
20. The Receiver and its respective advisors, make no representation or warranty as to the information contained in the CIM, the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder and approved by the Court.

#### **Seeking Qualified Bids from Qualified Bidders**

21. A Qualified Bidder that desires to submit an Alternate Transaction must deliver either:
- (a) a written final, binding proposal (the **"Final Bid"**) in the form of a fully executed asset purchase agreement substantially in the form to be prepared by the Receiver in accordance with this Sale Process Procedure (the **"Template APA"**); or
  - (b) a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Stalking Horse Bidder under the Stalking Horse Term Sheet, subject to (i) the satisfaction in cash consideration of the entire Purchase Price as contemplated by paragraph 26 (ii) the necessary adjustment to the Purchase Price to include the Minimum Incremental Overbid and the Break Fee, and detailing any adjustments, revisions or other terms that the Qualified Bidder proposes be included in the Stalking Horse Term Sheet (a **"Confirmation of Term Sheet Assumption"**),

in each case to Receiver at the address specified in the Notice Schedule (including by email transmission), so as to be received by it not later than 4:00 p.m. Calgary time on January 24, 2025 (the **"Final Bid Deadline"**).

#### **Qualified Bids**

22. A Final Bid will be considered a Qualified Bid only if (i) it is submitted by a Qualified Bidder and (ii) the Final Bid complies with, among other things, the following (a **"Qualified Bid"**):
- (a) it contains
    - (i) a duly executed purchase and sale agreement based on the Template APA and a blackline of the executed purchase and sale agreement to the Template APA; or
    - (ii) a Confirmation of Term Sheet Assumption compliant with the requirements in paragraph 21(b) above;
  - (b) it includes a letter stating that the Final Bid is irrevocable until the time that the Successful Bid is approved by the Court;

- (c) it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;
  - (d) it provides a written confirmation that the Qualified Bidder has not engaged in any collusion with any other bidder;
  - (e) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
  - (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), or such other form of payment acceptable to the Receiver, payable to the order of the Receiver, in an amount equal to 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with these Sale Process Procedure;
  - (g) the aggregate consideration, as calculated and determined by the Receiver in its sole discretion, to be paid in cash by the Qualified Bidder under the Qualified Bid exceeds the aggregate of the Purchase Price under the Stalking Horse Term Sheet, plus the Break Fee and plus the Minimum Incremental Overbid, upon completion of the transaction contemplated by the Stalking Horse Term Sheet;
  - (h) it is not conditional upon:
    - (i) the outcome of unperformed due diligence by the Qualified Bidder, and/or
    - (ii) obtaining financing;
  - (i) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body); and
  - (j) it is received by the Final Bid Deadline.
23. The Receiver, acting reasonably, may waive compliance with any one or more of the requirements specified herein and deem any non-compliant bid to be a Qualified Bid.
24. The Receiver may, following the receipt of any bid, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Qualified Bid.
25. The Receiver shall notify each Qualified Bidder in writing as to whether its bid constitutes a Qualified Bid within five (5) Business Days of the Final Bid Deadline, or at such later time as the Receiver deems appropriate.

#### **Stalking Horse Term Sheet**

26. The total aggregate Purchase Price for the Purchased Assets in the Stalking Horse Term Sheet shall be the total of:
- (a) the Viceroy Debt as at the Closing Date (as defined in the Stalking Horse Term Sheet), which amount, as at November 15, 2024 totals \$389,723.43 and is estimated to increase by approximately \$10,000.00 per month;
  - (b) all amounts owing by the Receiver to the Stalking Horse Bidder (as assignee in interest) under any Receiver's Certificates, which amount is estimated to be \$100,000.00 plus accrued interest;

- (c) the assumption by the Stalking Horse Bidder of the Assumed Liabilities, which Assumed Liabilities are estimated to be \$2,000,000; and
  - (d) all Priority Payables, which amount is estimated to be between \$200,000 and \$300,000.
27. If the Stalking Horse Bidder is the Successful Bidder, the Stalking Horse Term Sheet also contemplates that the Receiver and Greenfire Resources Operating Corporation, will negotiate a separate agreement or agreements for the Plant whereby the Plant will cease to be a Production Facility pursuant to section 14.02(c) of the 2007 CAPL Operating Procedure and its operation governed by an agreement using the 1999 PJVA CO&O Agreement as its basis. As a result, the Plant will no longer be subject to the Farm-In Agreement. If the Stalking Horse Bidder is not the Successful Bidder, the Receiver understands that Greenfire Resources Operating Corporation will engage in discussions with the Successful Bidder about entering into an agreement using the 1999 PJVA CO&O Agreement as its basis.

#### **No Superior Bids**

28. If none of the Qualified Bids, or combination thereof, received, constitute a Superior Bid, the Receiver shall deem the Stalking Horse Bidder to be the Successful Bidder in the Sale Process and shall proceed to seek a sale approval and vesting order and close the Stalking Horse Transaction.

#### **If a Superior Bid is Received**

29. If the Receiver determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Bid, the Receiver shall provide the parties making Superior Offers and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the "**Auction**").

#### **Auction**

30. If an Auction is to be held, the Receiver will conduct the Auction commencing at 10:00 a.m. (Calgary time) on February 7, 2025 at the offices of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW Calgary, AB T2P 5C5, Calgary Alberta, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Receiver at any time. The Auction shall run in accordance with the following procedures:
- (a) prior to 4:00 p.m. Calgary time on February 5, 2025, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Bid;
  - (b) prior to 4:00 p.m. Calgary time on February 6, 2025, each Qualified Bidder that has made a Superior Bid and the Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
  - (c) prior to the Auction, the Receiver shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
  - (d) during the morning of February 7, 2025, the Receiver shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the

mechanics of the Comparison Model, and the manner by which Subsequent Bids shall be evaluated during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Receiver, and such other persons as permitted by the Receiver (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Receiver shall have the discretion to allow such persons to attend by teleconference);
- (f) the Receiver shall arrange to have a court reporter attend at the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined herein) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined herein);
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (k) the Receiver may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with this Sale Process Procedure, general practice in insolvency proceedings, the Receivership Order, or the Sale Process Order, and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Receiver, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined herein), in each case by at least the Minimum Incremental Overbid. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;
- (m) to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Receiver),



demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;

- (n) the Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Receiver and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its reasonable business judgment, may require that that Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the [proposed transaction] at the prevailing overbid amount;
  - (o) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with these Sale Process Procedures;
  - (p) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
  - (q) the Auction shall be closed within five (5) Business Days of the start of the Auction unless extended by the Receiver; and
  - (r) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
31. At the end of the Auction, the Receiver shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Receiver (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder. If the Successful Bidder is a bidder other than the Stalking Horse Bidder, the Stalking Horse Bidder shall be entitled to receive, and the Receiver shall pay to it, the Break Fee, immediately after closing, from the Successful Bidder's payment of cash at closing.

#### **Approval Application**

32. The Receiver shall apply to the Court (the "**Approval Application**") for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid, as well as an order vesting title to the Acquired Property subject to the Successful Bid in the same of the Successful Bidder (the "**Vesting Order**").
33. The Approval Application will be held on a date to agreed upon by the Receiver and the Successful Bidder. The Approval Application may be adjourned or rescheduled by the Receiver.
34. All Qualified Bids and Subsequent Bids (other than the Successful Bid) shall be deemed rejected on and as of the date and of approval of the Successful Bid by the Court, but not before, and shall remain open for acceptance until that time.

#### **Deposits**

35. All Deposits shall be retained by the Receiver in a non-interest-bearing bank account specified by the Receiver. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The

Deposits of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) Business Days of the date on which the Vesting Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the Sale Process is terminated in accordance with these procedures.

#### **Approvals**

36. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.

#### **Further Orders**

37. At any time during the Sale Process the Receiver may apply to the Court for advice and directions with respect to any aspect of these Sale Process Procedure or the discharge of its powers and duties hereunder.

#### **Amendments**

38. These Sale Process Procedure shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Receiver to the extent necessary or advisable to comply with same.
39. The Receiver shall have the right to modify the Sale Process Procedure and the deadlines set out herein if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process Procedure. There shall be no amendments to the Sale Process Procedure without the consent of the Receiver or further order of the Court.

**SCHEDULE "A"**  
**STALKING HORSE TERM SHEET**  
**(ATTACHED)**

## **BINDING TERM SHEET**

### **ASSET SALE TRANSACTION**

This binding term sheet (the “**Term Sheet**”) sets forth the agreement of the parties hereto (the “**Parties**”) with respect to the proposed transaction which is described herein (the “**Proposed Transaction**”). The Parties acknowledge that this Term Sheet is being provided as part of a Sale Process to be administered by the Receiver.

Upon execution of this Term Sheet by the Parties, this Term Sheet shall create a binding legal obligation on the part of the Parties, subject only to the terms and conditions hereof, the Sale Process Order and approval of the Court of King’s Bench of Alberta (the “**Court**”). The terms and conditions set forth in this Term Sheet are intended to be comprehensive and are not subject to any further due diligence by any Party or to any further definitive documentation, except as expressly permitted or contemplated hereunder.

<b>Purchaser:</b>	<p>The Purchaser will be 2666355 Alberta Ltd. (the “<b>Purchaser</b>”), a wholly owned subsidiary of Greenfire Resources Operating Corporation (“<b>Greenfire</b>”).</p> <p>Viceroy Canadian Resources Corp. (“<b>Viceroy</b>”) is indebted to Greenfire (the “<b>Viceroy Debt</b>”), in the amount of \$389,723.43, as at November 15, 2024, pursuant to its obligations under the Amended and Restated Farm-In and Participation Agreement among Viceroy and Everest Canadian Resources Corp., effective January 31, 2019 and amended and restated as of June 19, 2020 (as amended and restated from time to time, the “<b>Farm-In Agreement</b>”), including without limitation Viceroy’s 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof (as such terms are defined in the Receivership Order).</p> <p>Immediately prior to Closing, Greenfire shall assign to Purchaser beneficial ownership of the Viceroy Debt and the amounts owing under the Receiver’s Certificates (as defined below) in exchange for shares in the Purchaser resulting in Greenfire holding 100% of all issued and outstanding shares in Purchaser.</p>
<b>Seller:</b>	<p>Alvarez &amp; Marsal Canada Inc, in its capacity as the Receiver (the “<b>Seller</b>” or, the “<b>Receiver</b>”), without security, of Viceroy’s right, title and interest in and to the Property (as defined in the Receivership Order), and not in its personal or corporate capacity, pursuant to the Receivership Order (the “<b>Receivership Order</b>”) granted by the Court on October 22, 2024 in Action No. 2401-13217.</p>
<b>Closing Date:</b>	<p>Closing of the Proposed Transaction shall occur thirty (30) business days following the waiver or satisfaction of the closing conditions as set out in the Definitive Documents, or such earlier or later date as agreed by the Parties in writing (the “<b>Closing Date</b>”).</p>

<b>Court Approval of Term Sheet and Sale Process:</b>	<p>On December 6, 2024, the Receiver shall apply to the Court for, among other things, an order (the “<b>Sale Process Order</b>”), approving a stalking horse sale process procedure (the “<b>Sale Process</b>”), in substantially the form attached as Schedule “A” to the Sale Process Order. The Purchaser and the Receiver confirm and acknowledge that the Proposed Transaction is intended to be a stalking horse bid in accordance with the terms of the Sale Process Order and the Sale Process.</p> <p>The Purchaser hereby agrees to allow for disclosure of this Term Sheet to the Court and all other parties by the Receiver as part of the Sale Process to be commenced by the Receiver as soon as practicable following Court approval of the Sale Process.</p>
<b>Sale Process:</b>	The Receiver acknowledges that it shall conduct the Sale Process in accordance with the Sale Process Order.
<b>Purchased Assets and Assumed Liabilities:</b>	<p>Viceroy’s entire right, title and interest (being a 5% ownership interest) in and to the Plant (as that term is defined in Schedule “B” to the Receivership Order) (the “<b>Purchased Assets</b>”).</p> <p>Purchaser shall assume and agree to pay, perform and discharge when due Viceroy’s share of abandonment and reclamation obligations in respect of the Property (the “<b>Assumed Liabilities</b>”).</p>
<b>Excluded Assets:</b>	All assets of Viceroy other than the Purchased Assets (the “ <b>Excluded Assets</b> ”). The Excluded Assets include Viceroy’s right, title, estate and interest in the Other Assets as defined below.
<b>Encumbrances:</b>	As used herein, “Encumbrances” shall include any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third part of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including any conditional sale or title retention agreement, or any capital or financial lease) (the “ <b>Encumbrances</b> ”).
<b>Consideration:</b>	<p>The total aggregate purchase price paid by the Purchaser for the Proposed Transaction shall be the total of the following (the “<b>Purchase Price</b>”):</p> <ul style="list-style-type: none"> <li>i. The Viceroy Debt as at the Closing Date;</li> <li>ii. Amounts owing by the Receiver to the Purchaser (as assignee in interest) under any Receiver’s Certificates (“<b>Receiver’s Certificates</b>”) issued by the Receiver under the Receivership Order;</li> <li>iii. The assumption by the Purchaser of the Assumed Liabilities; and</li> </ul>

	<p>iv. All amounts that rank in priority to the Operator's Lien, including without limitation:</p> <ul style="list-style-type: none"> <li>a. any Court ordered or statutory priority claims; and</li> <li>b. all of the taxable fees, costs and expenses associated with the Receiver's administration of the Property (as defined in the Receivership Order), including all amounts secured by the Receiver's Charge and Receiver's Borrowing Charge (each as defined in the Receivership Order),</li> </ul> <p>(collectively, the "<b>Priority Payables</b>").</p> <p><b>"Operator's Lien"</b> means the lien registered by Greenfire Resources Operating Corporation on May 23, 2024 over, inter alia, the Debtor's 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof pursuant to the <i>Personal Property Security Act</i>, RSA 2000, c P-7.</p> <p>The Purchase Price shall be satisfied as follows:</p> <ul style="list-style-type: none"> <li>i. The total amount of the Viceroy Debt, to be adjusted at closing to account for accrued interest, costs and other accrued allowable charges in accordance with the terms of the Farm-In Agreement, to be paid as a credit bid by way of set-off against the Viceroy Debt;</li> <li>ii. The total amount owing under all Receiver's Certificates, inclusive of accrued interest, to be paid as a credit bid by way of set-off against such Receiver's Certificates;</li> <li>iii. The assumption by Purchaser of the Assumed Liabilities; and</li> <li>iv. The total amount of the Priority Payables to be paid by way of cash payment on Closing.</li> </ul> <p>On the Closing Date, the Purchaser shall pay the Purchase Price or cause the Purchase Price to be paid by tendering:</p> <ul style="list-style-type: none"> <li>i. A fully executed release and waiver of the aggregate amount of the Viceroy Debt, and</li> <li>ii. A fully executed release and waiver of the aggregate amount owing under all Receiver's Certificates.</li> <li>iii. The execution and delivery by Purchaser of an assumption agreement pursuant to which Purchaser shall fund, pay, assume and be liable for, and indemnify Greenfire from against, the Assumed Liabilities; and</li> <li>iv. A cash payment to the Receiver in the amount of the Priority Payables.</li> </ul>
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<b>Proposed Transaction:</b>	The Proposed Transaction shall be by way of an asset purchase transaction whereby the Purchaser shall purchase the Purchased Assets, with the exception of the Excluded Assets, free and clear of all liabilities (other than the Assumed Liabilities) and Encumbrances (the “ <b>Asset Purchase Agreement</b> ”) in accordance with the Sale Process Order and a Sale Approval and Vesting Order, to be obtained.
<b>Proposed Definitive Documents:</b>	The Proposed Transaction contemplated hereby is conditional on the Purchaser being determined to be the Successful Bidder, the Court granting a Sale Approval and Vesting Order in form and substance satisfactory to the Receiver and Purchaser, and the Purchaser and the Receiver having entered into an Asset Purchase Agreement and documents incidental thereto setting out the full terms and conditions of the agreements contemplated by this Term Sheet (collectively, the “ <b>Definitive Documents</b> ”) in form and substance satisfactory to the Purchaser and the Seller and consistent with the terms of this Term Sheet.
<b>Representations and Warranties:</b>	The acquisition of the Purchased Assets shall be on an “as is, where is basis”.
<b>Break Fee:</b>	In the event that a Successful Bid, other than the Proposed Transaction, is approved by the Court and the transaction contemplated thereby is completed, a fee (the “ <b>Break Fee</b> ”) in the amount of CAD\$75,000 will be payable by the Receiver to the Purchaser upon consummation of the Successful Bid.
<b>Restrictions on Seller:</b>	From the date of this Term Sheet until the Closing Date, except with the prior written consent of the Purchaser or by further order of the Court and except with respect to the CO&O Agreement and Definitive Documents, the Receiver shall not enter into any agreement or other commitment whatsoever in respect of the Purchased Assets (other than a non-disclosure agreement as set out in the Sale Process) and shall not solicit or entertain expressions of interest, letters of intent or offers, other than pursuant to the bid procedures set out in the Sale Process.
<b>CO&amp;O Agreement</b>	Ownership and operation of the Plant and certain petroleum and natural gas rights, wells and other assets (collectively the “ <b>Other Assets</b> ”) are currently governed by the Farm-In Agreement which incorporates the 2007 CAPL Operating Procedure (the “ <b>Operating Procedure</b> ”). If the Purchaser is the Successful Bidder, upon Closing, the Other Assets will be owned by Greenfire and Viceroy (or another purchaser) and the Purchased Assets will be owned by Greenfire and Purchaser resulting, by operation of certain provisions of the Operating Procedure, in a bifurcation of the Farm-In Agreement. To address such bifurcation and other matters related to the Purchased Assets and as contemplated in section 14.02(c) of the

	Operating Procedure, if the Purchaser is the Successful Bidder, the Seller and Greenfire shall negotiate a separate agreement for the Plant and its operation using the 1999 PJVA CO&O Agreement as its basis (the “ <b>CO&amp;O Agreement</b> ”) and Purchaser shall be required to execute and deliver the CO&O Agreement at Closing. The CO&O Agreement shall be in form and substance satisfactory to each of the Seller, Greenfire and the Purchaser.
<b>Termination by Mutual Consent:</b>	This Term Sheet shall terminate: (i) upon the closing of an alternate transaction for the Purchased Assets if the Purchaser is not the Successful Bidder; or (ii) by mutual written consent of the Purchaser and the Receiver.
<b>Purchaser Termination Conditions:</b>	<p>The Purchaser shall not be obligated to purchase the Purchased Assets from the Receiver on the Closing Date if any of the following conditions apply on the Closing Date (the “<b>Purchaser Termination Conditions</b>”):</p> <ul style="list-style-type: none"> <li>i. Any of the material representations and warranties of the Receiver in the Definitive Documents are inaccurate, except for any inaccuracy that, individually and taken together with other such inaccuracies, has not had and would not reasonably be expected to have a material adverse effect on the ability of the Purchaser to consummate the Proposed Transaction and to have the full benefit of the Purchased Assets or to operate any business in respect of the Purchased Assets as such business is currently operated in all materials respects.</li> <li>ii. The Receiver has breached any covenant of the Receiver in the Definitive Documents.</li> <li>iii. The Receiver has pursued an alternative transaction in contravention of the Sale Process.</li> <li>iv. There has been a material adverse change to the Purchased Assets</li> </ul>
<b>Receiver Termination Conditions:</b>	<p>The Receiver shall not be obligated to sell the Purchased Assets to the Purchaser on the Closing Date if any of the following conditions (the “<b>Receiver Termination Conditions</b>”) apply on the Closing Date:</p> <ul style="list-style-type: none"> <li>i. The Purchaser is not the Successful Bidder;</li> </ul>



	<ul style="list-style-type: none"> <li>ii. A Sale Approval and Vesting Order (in form and substance satisfactory to the Receiver) approving the Proposed Transaction has not been granted or has been appealed, stayed, varied or vacated;</li> <li>iii. The Receivership Order has been appealed, stayed, varied or vacated or any law or order has been enacted issued, made or entered which would reasonably be expected to make the Proposed Transaction illegal or to otherwise directly or indirectly cease trade, enjoin, restrain or otherwise prohibit completion of the Proposed Transaction;</li> <li>iv. Any of the material representations and warranties of the Purchaser in the Definitive Documents are inaccurate, except for any inaccuracy that, individually and taken together with other such inaccuracies, has not had and would not reasonably be expected to have a material adverse effect on the ability of the Receiver to consummate the sale of the Purchased Assets.</li> <li>v. The Purchaser has breached any covenant of the Purchaser in the Definitive Documents.</li> <li>vi. The Purchaser shall have executed and delivered the CO&amp;O Agreement.</li> </ul>
<b>Certain Documentation Matters:</b>	The Definitive Documents shall contain representations, warranties, covenants and events of default customary for transactions of this type.
<b>Receiver Liability:</b>	The Purchaser acknowledges and agrees that in all matters pertaining to this Term Sheet and Definitive Documents, the Receiver is acting solely in its capacity as Receiver of the Property and, as such, its liability, if any, will be in its capacity as Receiver, and it and its representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise.
<b>Governing Law:</b>	This Term Sheet and the Definitive Documents shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party hereto irrevocably agrees to submit to the exclusive jurisdiction of the Courts of Alberta with respect to any matters arising herein or relating hereunder.
<b>Binding Term Sheet:</b>	All of the Parties hereby agree and acknowledge that this Term Sheet represents a binding agreement of the Parties with respect to

	the subject matter provided herein, subject to the negotiation and execution of the Definitive Documents.
<b>Interpretation:</b>	Capitalized terms not otherwise defined herein have the meaning given to them in the Sale Process.
<b>Counterparts:</b>	This Term Sheet may be executed and delivered electronically in two or more counterparts, any one of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

*[Signature Page Follows]*

**IN WITNESS WHEREOF** the Parties have duly executed this Term Sheet as of this 28<sup>th</sup> day of November, 2024.

**2666355 ALBERTA LTD.**

Signed by:  
Per: Tony Kraljic  
Name: Tony Kraljic  
Title: Director

**ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of Viceroy Canadian Resources Corp.'s right, title and interest in and to the Amended and Restated Farm in Participation Agreement effective as of January 31, 2019 and amended and restated June 19, 2020, and not in its personal or corporate capacity**

Per: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Binding Term Sheet*

**SCHEDULE "B"**  
**TIMELINE**

<b>Event</b>	<b>Deadline</b>
Publication of Opportunity and Sale Process Procedure and posting on Receiver's Website	As soon as practical following the granting of the Sale Process Order
Receiver to Distribute Teaser to Potential Bidders	As soon as practical following the granting of the Sale Process Order
Receiver to prepare CIM and VDR for Potential Bidders	As soon as practical following the granting of the Sale Process Order
<b>FINAL BID DEADLINE</b>	January 24, 2025
Approval Application of Stalking Horse Term Sheet if no Superior Bids received	As soon as practical following the Final Bid Deadline
Notice sent to Qualified Bidders if they submitted a Qualified Bid and of Auction	January 31, 2025
Qualified Bidders and Stalking Horse Bidder to Notify Receiver of Intention to Participate in Auction	February 3, 2025
<b>AUCTION</b>	February 7, 2025
Approval Application of Winning Bid	As soon as practical following the Auction

**SCHEDULE "C"**  
**NOTICE**

**TO THE RECEIVER:**

Alvarez & Marsal Canada Inc.  
Suite 1110, 250 6th Avenue SW  
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Duncan MacRae

Phone: (403) 538 4736 / 403 538 7514

Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com) / [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com)

